ANNUAL REPORT 2019/20

From the past

To the future

higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

2030 NDP

"Find a way to be a catalyst for positive change.

Zozibini Tunzi,
Miss South Africa 2019 & Miss Universe 2019

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PART A

GENERAL INFORMATION

PART A
GENERAL INFORMATION

1. Department's General Information

The Department of Higher Education and Training

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Call Centre Toll-free:	0800 872 222
Website:	www.dhet.gov.za
Career Advice Helpline:	086 999 0123
Career Advice Website:	www.careerhelp.org.za
Fraud Hotline:	0800 701 701

2. General Information of Regional Managers

Provincial Clusters	Regional Managers	E-mail Address	Cell-phone/Tel: Number	Physical Address
Eastern Cape	Mr L Ngubelanga Ms Vuyokazi Ncedani	Luvuyo.ngubelanga@lovedale.org.za vuyokazincedani@gmail.com	043 604 0701/00 072 540 4854	Eastern Cape Provincial Education Complex, Steve Vukile Tshwete Street Zone 6, Zwelitsha
Kwa-Zulu Natal	Dr SJ Nzimande	Nzimande.S@dhet.gov.za Phungula.n@dhet.gov.za	082 775 6834/ 033 684 0110	47 Princess Street Pietermaritzburg KwaZulu-Natal
Limpopo	Mr FL Ramonyatse	Ramonyatse.F@dhet.gov.za Sesanashingange@gmail.com	082 544 2848 / 015 291 2662	Limpopo Provincial Education Building Corner 113 Biccard and 24 Excelsior Street Polokwane
Gauteng and Free State	Ms H Ntlatleng	Hellenn@ewc.edu.za	082 924 2862	Gauteng Provincial Education Building 111 Commissioner Street Johannesburg
Mpumalanga and North West	Dr N Balkrishen	Balkrishen.P@dhet.gov.za Maduo.g@dhet.gov.za	082 808 7351 / 018 388 2563	Provincial Department of Education Building Dr Albert Luthuli Drive Mafikeng
Western Cape and Northern Cape	Mr C Kruger	Kruger.c@dhet.gov.za Noxolo.Siyathula@westerncape.gov.za	082 577 6550 / 021 467 2000/ 2614	Golden Acre Floor No 18 9 Adderley Street Cape Town

3. List of Abbreviations/Acronyms

ABBREVIATIONS/ACRONYMS	
AET	Adult Education and Training
OAG	Office of the Accountant-General
AGSA	Auditor-General South Africa
APP	Annual Performance Plan
ARPL	Artisan Recognition of Prior Learning Policy
BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
BRICS	Brazil, Russia, India, China, South Africa
BSC	Bid Specification Committee
CAS	Central Application Service
CDS	Career Development Services
CET	Community Education and Training
CETA	Construction Sector Education and Training Authority
CHE	Council on Higher Education
CPI	Consumer Price Index
COLA	Cost of Living Adjustments
DDG	Deputy Director-General
DHET	Department of Higher Education and Training
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service Administration
DSI	Department of Science and Innovation
DVC	Deputy Vice-Chancellors
EDHE	Entrepreneurship Development in Higher Education
FPP	Future Professors Programme
GBV	Gender-Based Violence
GETC	General Education and Training Certificate
GENFETQA	General and Further Education and Training Quality Assurance
GITO	Government Information Technology Officer
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
HDIs	Historically Disadvantaged Individuals
HDI-DG	Historically Disadvantaged Institutions Development
HE	Higher Education
HEAIDS	Higher Education HIV/Aids Programme
HELM	Higher Education Leadership and Management
HEMIS	Higher Education Management Information System
ICT	Information and Communication Technology
IEG	Infrastructure and Efficiency Grant

ABBREVIATIONS/ACRONYMS	
INDLELA	Institute for the National Development of Learnerships, Employment Skills and Labour Assessments
IT	Information Technology
LMI	Labour Market Intelligence
MIF	Macro-Infrastructure Framework
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NAMB	National Artisan Moderation Body
NASCA	National Senior Certificate for Adults
NATED	National Accredited Technical Diploma
NC(V)	National Certificate (Vocational)
NDP	National Development Plan
NESP	Nurturing Emerging Scholars Programme
nGAP	New Generation of Academics Programme
NOLS	National Open Learning System
NPPSET	National Plan for Post-School Education and Training
NQF	National Qualifications Framework
NRF	National Revenue Fund
NSA	National Skills Authority
NSDP	National Skills Development Plan
NSDS	National Skills Development Strategy
NSF	National Skills Fund
NSFAS	National Student Financial Aid Scheme
OHS	Occupational, Health and Safety
OQSF	Occupational Qualifications Sub-Framework
PERSAL	Personnel Salary System
PFMA	Public Finance Management Act
PHEI	Private Higher Education Institutions
PPN	Post Provision Norms
PMD	Performance Management Development
PSET	Post-School Education and Training
QCTO	Quality Council for Trades and Occupations
RDP	Reconstruction and Development Programme
REQV	Relative Education Qualification Value
SAQA	South African Qualifications Authority
SAUS	South African Union of Students
SETA	Sector Education and Training Authority

ABBREVIATIONS/ACRONYMS	
SETMIS	Sector Education and Training Management Information System
SEIAS	Socio-Economic Impact Assessment System
SHIP	Student Housing Infrastructure Programme
SIFA	Skills Initiative for Africa
SITA	State Information Technology Agency
SMS	Senior Management Service
SPU	Sol Plaatje University
SRC	Student Representative Council
SSP	Sector Skills Plan
TLDCIP	Teaching and Learning Development Capacity Improvement Programme
TVET	Technical and Vocational Education and Training
TVETMIS	Technical and Vocational Education and Training Management Information System
UCDP	University Capacity Development Programme
UCT	University of Cape Town
UFH	University of Fort Hare
UJ	University of Johannesburg
UMP	University of Mpumalanga
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNISA	University of South Africa
UNIZULU	University of Zululand
USAf	Universities South Africa
USDP	University Staff Doctoral Programme
VC	Vice-Chancellors

FOREWORD
BY THE MINISTER

Dr BE Nzimande, MP

The 2019/20 financial year and this Annual Report marks the tenth of the Department since its establishment. During the year under review, efforts continue towards the development and improvement of the Post-School Education and Training system.

While it must be acknowledged that a number of areas in the system could still improve, there has been a marked improvement and positive impact linked to the financial injection received from Government. With the implementation of the new funding scheme for students in the university and Technical and Vocational Education and Training college sectors, close oversight of the processes at the National Student Financial Aid Scheme were conducted, resulting in the entity being placed under Administration during August 2018. The continued efforts for improvement resulted in an extension of the term of office of the Administrator until August 2020.

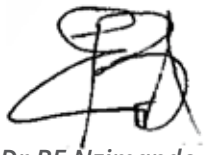
> ***I wish to congratulate the Department for achieving an unqualified audit. The work by the Director-General, his senior management team, the staff in my office and each official in the Department is acknowledged.***

With the university sector, the total number of university graduates produced per annum increased to 227 188 during the 2018 academic year. Enrolments for Technical and Vocational Education and Training students decreased to 687 955. The Community Education and Training sector became more operationally independent and pilot initiatives were launched on the CET concept in 54 Community Learning Centres.

I wish to congratulate the Department for achieving an unqualified audit. The work by the Director-General, his senior management team, the staff in my office and each official in the Department is acknowledged.

While the financial year closed on a dramatic note with the announcement of the lockdown due to the COVID-19 pandemic, our focus will remain to benefit our students and the country in general through saving lives and the academic year. I trust that even greater levels of success will be achieved and that we can continue to rely on all our institutions and students in ensuring the expansion of our valuable Post-School Education and Training system.

I hereby present the 2019/20 Annual Report of the Department of Higher Education and Training to Parliament.

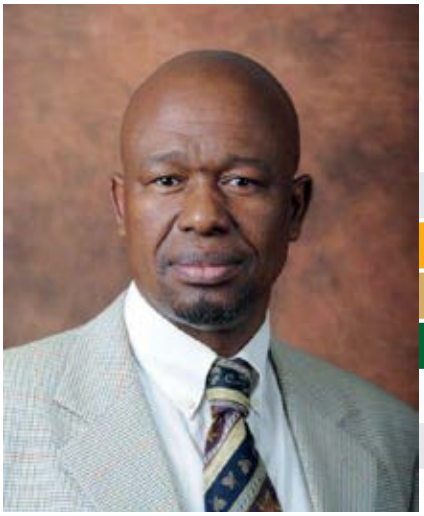


Dr BE Nzimande, MP

Minister of Higher Education, Science and Innovation

ACCOUNTING OFFICER'S OVERVIEW

Mr GF Qonde



The 2019/20 Annual Report reflects on the status of the administration of the Department of Higher Education and Training with specific emphasis on its financial management and performance on predetermined objectives. The Department continued to maintain a clean administration through the achievement of an unqualified audit outcome, which has been the position since coming into operation on 1 April 2010.

Despite a troublesome closure of the financial year due to the impact of the COVID-19 pandemic, the Department continued to strive for increased access and success within the Post-School Education and Training system. The 2019 academic year was the second year of implementing fully subsidised funding for students from poor and working class families, which is being phased-in over a five-year period, with a new first-time cohort being added each year.

> ***"The 2019 academic year was the second year of implementing fully subsidised funding for students from poor and working class families, which is being phased-in over a five-year period, with a new first time cohort being added each year.***

Following an extensive analysis of the bursary provision during 2019 and engagement with the National Student Financial Aid Scheme, universities, Technical and Vocational Education and Training colleges, Student Representative Councils and the South African Union of Students, the Department released the 2020 guidelines for the bursary scheme during December 2019, which outlined the approved implementation parameters for the scheme.

The Department established an International Scholarship Forum that developed and finalised a set of National Guidelines for Coordination and Implementation of International Scholarships. With regard to tuition fees for the university sector, the Department during December 2019 reached a further compact on tuition fees for the 2020 academic year. Work is continuing with the development of a policy framework for the regulation of tuition fees in public higher education institutions over a three-year period.

Further attention was given to the governance, performance reporting, financial management and funding framework for Technical and Vocational Education and Training colleges. JET Education Services finalised the research on the Continuous Professional Development framework and system for lecturers in the Technical and Vocational Education and Training College sector. A dedicated framework in this respect is nearing completion. The Department revised the National Norms and Standards for Funding Technical and Vocational Education and Training colleges and published it for public comment.

The new Sector Education and Training Authority landscape was Gazetted on 12 August 2019, which heralded the appointment of new Accounting Authorities and Chairpersons for the period 1 April 2020 to 31 March 2025. Due to the legislative conflict between the Skills Development Act and the Mine Health and Safety Act, the Mining Qualifications Authority was re-established for a period of two years with the aim to resolve these areas of conflict.

Community Education and Training colleges are now independently operational and functional. The Community Education and Training sector developed policies and initiatives to strengthen the capacity of 54 Community Learning Centres to pilot the Community Education and Training concept over the next five years. Financial management systems for Community Education and Training colleges were developed so that they comply with the standards set in the *Public Finance Management Act, 1999* and its regulations. The National Norms and Standards for Funding Community Education and Training colleges was published during March 2020.

Various policy decisions and strategic issues unfolded during the financial year in improving the operations of the Department. The Department appointed an Institutional Ethics Committee and launched an ethics awareness campaign. The electronic document management system became operational improving administration and reducing paper flow. Risk assessments were conducted in all the regional offices and fraud prevention investigations related to the Relative Education Qualification Value and Cost of Living Adjustments continued during the year.

During the financial year, the Department published the Statistics on Post-School Education and Training in South Africa and hosted a Ministerial media launch of the publication during April 2019. The Post-School Education Training Information Policy and Gender-Based-Violence Policy was approved during December 2019. The Department together with its entities hosted the 2019 Research Colloquium during September 2019 regarding *"The Fourth Industrial Revolution (4IR): Implications for Post-School Education and Training."* The colloquium displayed and shared new and cutting-edge research on key dimensions of 4IR, thus providing an opportunity for stakeholders to reflect on policy and practice.

I wish to express my appreciation to the Minister and Deputy Minister for their leadership during the past year. I further wish to extend a special word of appreciation to my senior management and all staff for their continued support and dedicated hard work in ensuring an improved post-school education and training system and its achievements.

I hereby present the Annual Report for the 2019/20 financial year to be tabled in Parliament.

Mr GF Qonde

Director-General

6. Statement of Responsibility and Confirmation of the Accuracy of the Annual Report

To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed throughout the Annual Report are consistent.
- The Annual Report is complete, accurate and is 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 modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.
- The Accounting Officer is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.
- The Accounting Officer is responsible for establishing and implementing a system of internal control that 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 my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2020.

Yours faithfully

Mr GF Qonde

Accounting Officer

Date: 31 July 2020

7. Strategic Overview

7.1 Vision

Leading Post-School Education and Training for growth.

7.2 Mission

To provide national strategic leadership in support of the Post-School Education and Training system for improved quality of life of South Africans.

7.3 Value Statement

- Integrity
- Accountable
- Committed
- Responsive
- Proactive
- Continuous learning
- Rationality
- Team work
- Emotional intelligence

7.4 Medium-Term Strategic Framework

The 2020 Medium-Term Strategic Framework (MTSF) is structured around fourteen priority outcomes which cover the focus areas identified in the National Development Plan (NDP). The Department of Higher Education and Training is responsible for **Outcome 5** of the fourteen Government outcomes, namely "*A skilled and capable workforce to support an inclusive growth path*". The following MTSF sub-outcomes have been identified for this outcome:

1. A credible institutional mechanism for labour market and skills planning;
2. Increased access and success in programmes leading to intermediate and high-level learning;
3. Increased access to and efficiency of high-level occupationally directed programmes in needed areas; and
4. Increased access to occupationally directed programmes in needed areas and thereby expanding the availability of intermediate level skills with a special focus on artisan skills.

Five strategic outcome-oriented goals have been identified for the realisation of the fore-mentioned sub-outcomes, indicated as follows:

Goal 1	Sound Post-School Education and Training steering framework
Goal Statement	To steer the Post-School Education and Training system through the development and review of steering mechanisms, integrated planning and implementation oversight by 31 March 2020
Goal 2	**Improved Post-School Education and Training services**
Goal Statement	To improve the Post-School Education and Training system through the provision of appropriate learning assessment services, teaching and learning and student support services by 31 March 2020
Goal 3	**Improved Post-School Education and Training capacity**
Goal Statement	To improve the capacity of the Post-School Education and Training system through funding interventions and infrastructure development by 31 March 2020
Goal 4	**A strong stakeholder network**
Goal Statement	To develop partnerships and maintain good stakeholder relations in support of an effective Post-School Education and Training system
Goal 5	**Excellent business operations within the Department of Higher Education and Training**
Goal Statement	To ensure sound business management/leadership and effective resource management within the Department

8. Legislative and Other Mandates

8.1 LEGISLATIVE AND OTHER MANDATES

8.1.1 Constitutional Mandates

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

"(1) Everyone has the right-

(a) to a basic education, including adult basic education; and

(b) to further education, which the State, through reasonable measures, must make progressively available and accessible.

(2) Everyone has the right to receive education in the official language or languages of their choice in public educational institutions where that education is reasonably practicable. In order to ensure the effective access to and implementation of this right, the State must consider all reasonable educational alternatives, including single-medium institutions, taking into account-

(a) equity;

(b) practicability; and

(c) the need to redress the results of past racially discriminatory laws and practices.

(3) Everyone has the right to establish and maintain, at their own expense, independent educational institutions that-

(a) do not discriminate on the basis of race;

(b) are registered with the State; and

(c) maintain standards that are not inferior to standards at comparable public educational institutions.

(4) Sub-section (3) does not preclude state subsidies for independent educational institutions"

8.1.2 Legislative and other Mandates

Legislation	Principal Minister	Relevant to the Minister of Higher Education, Science and Innovation
Continuing Education and Training Act, 2006 (Act No. 16 of 2006), (CET Act) previously known as Further Education and Training Act, 2006 (Act No. 16 of 2006) (FET Act) Provides for the governance and funding of both Community Education and Training (CET) colleges, Technical and Vocational Education and Training (TVET) colleges and related matters in providing continuing education and training.	Minister of Higher Education, Science and Innovation	Entire Act
General and Further Education and Training Act, 2001 (Act No. 58 of 2001) (**GENFETQA Act)** Provides for the General and Further Education and Training Quality Assurance Council and for quality assurance of continuing education and training in TVET and CET colleges	Act primarily assigned to the Minister of Basic Education - except for those sections relevant to continuing education and training assigned to the Minister of Higher Education, Science and Innovation	In as far as public CET and TVET colleges as well as private colleges offering continuing education; Relevant sections: 2(b) and (c), 3, 16 to 21, 23, 26 and 28
Higher Education Act, 1997 (Act No. 101 of 1997) (HE Act) Provides for a unified and nationally planned system of higher education and for the statutory Council on Higher Education (CHE)	Minister of Higher Education, Science and Innovation	Entire Act

Legislation	Principal Minister	Relevant to the Minister of Higher Education, Science and Innovation
National Qualifications Framework Act, 2008 (Act No. 67 of 2008) (NQF Act) as amended Provides for the National Qualifications Framework (NQF), the South African Qualifications Authority (SAQA) and the Quality Councils (CHE, the Quality Council for Trade and Occupation (QCTO) and UMALUSI), for qualifications and quality assurance of qualifications required on the sub-frameworks of the NQF	Minister of Higher Education, Science and Innovation	Entire Act
National Student Financial Aid Scheme Act, 1999 (Act No. 56 of 1999) (NSFAS Act) Provides for the granting of loans and bursaries to eligible students attending public higher education institutions, as well as for the administration of such loans and bursaries	Minister of Higher Education, Science and Innovation	Entire Act
South African Council for Educators Act, 2000 (Act No. 31 of 2000) Provides for the continued existence of the South African Council for Educators; the functions of the said Council; and the composition of the said Council	Minister of Higher Education, Science and Innovation	Minister of Higher Education, Science and Innovation in-so-far as the administration and the powers and functions pertain to the mandate of the South African Council for Educators in relation to adult learning centres, as defined in Section 1 of the Act, including, but not limited to the powers and functions entrusted by Section 5 of the Act in relation to those centres
Skills Development Levies Act, 1999 (Act No. 9 of 1999) (SDL Act) Provides for the imposition of skills development levies and matters related thereto	Minister of Higher Education, Science and Innovation	Entire Act

Legislation	Principal Minister	Relevant to the Minister of Higher Education, Science and Innovation
Skills Development Act, 1998 (Act No.97 of 1998) (SD Act) Provides for the National Skills Authority, QCTO and regulates apprenticeships, learnerships and matters related to skills development	The Act primarily assigned to the Minister of Higher Education, Science and Innovation, except those sections relevant to labour matters assigned to the Minister of Labour	Entire Act, except the following sections to the Minister of Labour: Sections 2(1) g and h, 2(2)(a)(v), (vi) and (xii), 5(4) (only with respect to the productivity SA), 22(1), 23(1)(a) and (d), (2), (3), 24, 25, 26, 26K, 26L, 26M, 26N, 32(2), 36(o), (p) and (q), Item 7 of Schedule 2A and Schedule 4 and Section 32(1), 33 and 36 (a) and (s) and any other provision to the extent that these provisions apply to "employment services", as defined in Section 1, or Productivity, South Africa, as established by Section 26K, but excluding Section 23(1)(b) and (c)

Key Policy Developments and Legislative Changes

Within the context of higher education and training, key legislation was developed and are accordingly summarised as follows:

- **The Central Application Service Bill**

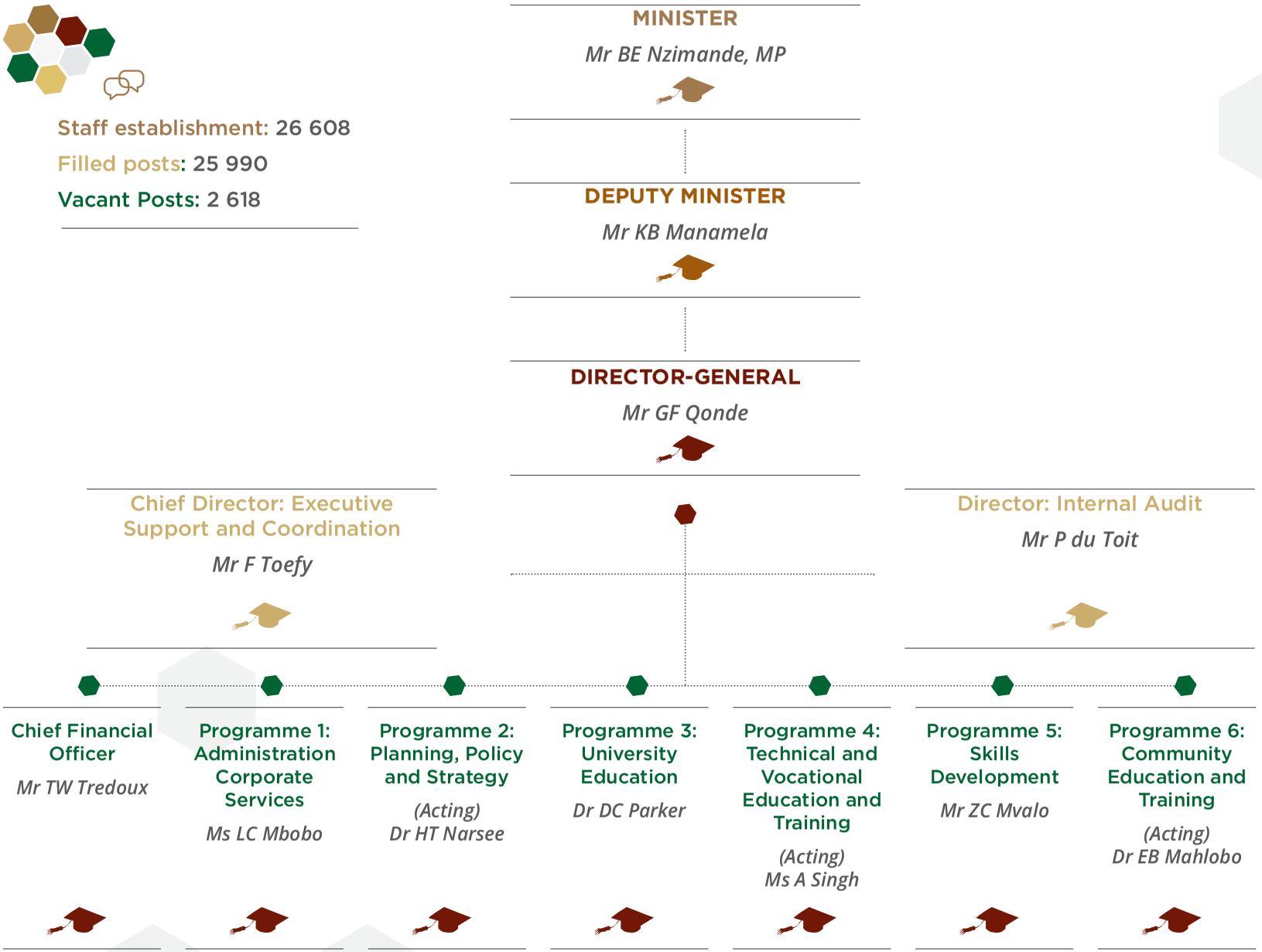
  Cabinet approved the publication of the draft *Central Application Service Bill, 2019,* for the Post-School Education and Training (PSET) system by way of a Government Gazette for public comment on 27 February 2019. After receiving public comments, the Bill was approved during December 2019.

9. High Level Organisational Structure

Staff establishment: 26 608

Filled posts: 25 990

Vacant Posts: 2 618



10. Entities Reporting to the Minister

The following entities report to the Minister of Higher Education, Science and Innovation:

Name of entity	Legislation	Financial Relationship	Nature of Operations
Agriculture Sector Education and Training Authority (AGRISETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in both primary and secondary agriculture sectors
Banking Sector Education and Training Authority (BANKSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the banking and micro-finance sector
Chemical Industries Education and Training Authority (CHIETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the chemical industries sector
Construction Sector Education and Training Authority (CETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the construction industry
Council on Higher Education (CHE)	Higher Education Act 101 of 1997	Transfer payments	Advises the Minister of Higher Education, Science and Innovation on all higher education policy matters, implements the system of quality assurance for all higher education institutions, monitors the state of the higher education system and contributes to the development of higher education through intellectual engagement
Culture, Arts, Tourism Hospitality and Sports Sector Education and Training Authority (CATHSSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the tourism, hospitality and sport sector
Education, Training and Development Practices Sector Education and Training Authority (ETDP-SETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the education, training and development sector

Name of entity	Legislation	Financial Relationship	Nature of Operations
Energy and Water Sector Education and Training Authority (EWSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the energy and water sector
Fibre, Processing and Manufacturing Sector Education and Training Authority (FP&M SETA)	Skills Development Act 97 of 1998	Transfer payments	Facilitate, coordinate and monitor the implementation of the National Skills Development Strategy (NSDS) in the fibre, processing and manufacturing sector
Financial Accounting Services Sector Education and Training Authority (FASSET)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the financial and accounting services sector
Food and Beverages Sector Education and Training Authority (FOODBEV-SETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the food and beverages sector
Health and Welfare Sector Education and Training Authority (HWSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the health and welfare sector
Insurance Sector Education and Training Authority (INSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the insurance sector
Local Government Sector Education and Training Authority (LGSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the local Government sector
Manufacturing, Engineering and Related Services Sector Education and Training Authority (MERSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the manufacturing, engineering and related services sector
Media, Information and Communication Technologies Sector Education and Training Authority (MICT-SETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the information system, electronics and telecommunications technologies sector

Name of entity	Legislation	Financial Relationship	Nature of Operations
Mining Qualifications Authority (MQA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the mining and minerals sector
National Skills Fund (NSF)	Skills Development Act 97 of 1998	Transfer payments	To fund national skills development priority projects as identified in the National Skills Development Strategy and projects related to achieving the purpose of the Act as determined by the Accounting Authority
National Student Financial Aid Scheme (NSFAS)	NSFAS Act 56 of 1999	Transfer payments	NSFAS is responsible for administering loans and bursaries and allocating these to eligible students, developing criteria and conditions for the granting of loans and bursaries to eligible students in consultation with the Minister of Higher Education, Science and Innovation, raising funds, recovering loans, maintaining and analysing a database for loans and bursary administration, undertaking research for the better utilisation of financial resources and advising the Minister on matters relating to student financial aid incentives
Public Services Sector Education and Training Authority (PSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the public services sector
Quality Council for Trades and Occupations (QCTO)	National Qualifications Framework Act 67 of 2008 and Skills Development Act 97 of 1998	Transfer payments	To develop and quality assure occupational qualifications that are responsive to labour market and developmental state initiatives
Safety and Security Sector Education and Training Authority (SASSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the safety and security sector

Name of entity	Legislation	Financial Relationship	Nature of Operations
Services Sector Education and Training Authority (SERVICES SETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the services sector
South African Qualifications Authority (SAQA)	SAQA Act 58 of 1995	Transfer payments	SAQA focuses on the further development and implementation of the NQF, which includes upholding the principles and objectives of the National Qualifications Framework and ensuring access, quality, redress and development for all learners, through an integrated national framework of learning achievements
Transport Education and Training Authority (TETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the transport sector
Wholesale and Retail Sector Education and Training Authority (W&RSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the wholesale and retail sector

PART B

PERFORMANCE INFORMATION

PART B
PERFORMANCE INFORMATION

1. Auditor-General's report: Pre-determined Objectives

Refer to the detailed provided extensively as part of the report in Part E.

2. Overview of Departmental Performance

2.1 Service Delivery Environment

2.1.1 Introduction

During the financial year ending 31 March 2020, the Department has made significant progress towards achieving its strategic goals as set out in the 2015/16 to 2019/20 Strategic and 2019/20 Annual Performance Plans.

2.1.2 Overview of the context and environment within which the Department has operated during the 2019/20 financial year

2.1.2.1 PLANNING, POLICY AND STRATEGY

- **Labour Market Intelligence Partnership Programme**

The Department of Higher Education and Training (the Department) has initiated a five-year research programme on Labour Market Intelligence (LMI). This is the second phase of the programme, implemented in partnership with the University of Cape Town (UCT). The programme is aimed at supporting demand-led skills planning, by providing insights into the labour market. The overall purpose of the LMI research programme is aimed at contributing towards the systematic, focused and coordinated establishment of a dependable framework for skills planning in South Africa by developing:

The attainment of pre-determined objectives and targets for the year under review were realised in terms of the Department's six programmes comprising of:

Programme 1:
Administration;

Programme 2:
Planning, Policy and Strategy;

Programme 3:
University Education;

Programme 4:
Technical and Vocational Education and Training;

Programme 5:
Skills Development and

Programme 6:
Community Education and Training.

Labour Market Intelligence - *Gathering, analysing and interpreting labour market data aligned with government objectives. This includes producing analysis on sectoral needs, education, training and skills constraints, modelling the possible future skill demands and assessing the changing nature of work, while producing reliable evidence informing policy decisions and interventions.* To this end, through this LMI research programme, the Department recently produced the third edition of the *Skills Supply and Demand in South Africa* report. This report continues to represent a key achievement of the LMI research programme, as it provides a holistic overview of the supply of and demand for skills in South Africa, with the aim of informing future skills policy and supporting an inclusive economic growth path. Through careful analysis, the report also attempts to understand the complexities and intricacies surrounding how supply and demand interact and the corresponding implications for reform.

Research Capacity - *Facilitation of capacity and skills development within the ambit of labour market and skills planning research in order to ensure a stable and coherent system of researchers and institutions to undertake this work and have an impact on policy and planning.* Capacity development will also expand and diversify the existing pool of researchers working in this area to include younger, black researchers located in historically disadvantaged Higher Education Institutions.

Institutional Capacity - *Designing a comprehensive data system and strategic framework that allows for the gathering, analyses and interpretation of labour market data and skills information with a view to informing policy and planning.* This includes efforts to work with government departments and Sector Education and Training Authorities (SETAs) in this framework towards enhancing capacity and cooperation so as to ensure an efficient and potentially open-source and integrated Higher Education Management Information System (HEMIS) and LMI system are developed.

Dissemination of Research - *This entails the coordinated and widespread dissemination of research and knowledge generated from the research programme and involves the hosting of workshops, seminars, as well as the provision of summaries of work concluded and include participation of the research and academic community, policymakers, as well as other relevant stakeholders.*

Within this broad objective of building a dependable framework for skills planning in South Africa, there are a number of ways in which the research programme will contribute to government action plans on growth, skills development and transformation, as well as having direct relevance to target groups such as unemployed youth. The evidence emanating from LMI for the Department is being used to support enrolment planning at PSET institutions through signaling, to improve career information services, in guiding resource allocations (in relation to the NSF), to steer uptake of international scholarships, as well as the prioritisation of qualifications development (in relation to the QCTO).

- **Development of the National Priority Skills Plan**

The Priority Skills Plan (PSP) serves as a roadmap on how the South African government will ensure the provision of priority skills required for the development of the South African economy and society at large. The Department will work in collaboration with the lead departments for each of the seventeen priority sectors in identifying skills development interventions that respond to a limited number of skills needs associated with these sectors and focussed on a maximum of twenty occupations. A draft concept note for the PSP was developed and approved following on consultations with a number of stakeholders. It is envisaged that the PSP will be published during September 2020.

- **Statistics on Post-School Education and Training in South Africa**

The Department published the ninth issue of the *Statistics on PSET in South Africa report for 2018* on 27 March 2020, which covers statistical information on student enrolment and completion numbers (which are key measures in determining access and success) for public and private Higher Education Institutions, TVET as well as CET colleges. The report also includes statistics on staffing levels at PSET institutions, information regarding Workplace-Based Learning (WBL), financial data for the 2018/19 financial year, notably details pertaining to the National Student Financial Aid Scheme (NSFAS), the National Skills Fund (NSF), the Skills Levy and Voted funds.

This report serves as an important resource for planning and the allocation of budgetary resources within the PSET system as well as a reference tool for reporting purposes in government, including the monitoring and evaluation of the PSET system. In addition, it provides statistics for use in research, policy and decision-making at the different levels within the system and by the public. Researchers and other stakeholders utilise the report as a basis for further enquiry and analysis. It therefore makes a crucial contribution towards the achievement of the goals identified for the PSET system.

- **Social Inclusion and Equity**

In support of broader Government social inclusion and equity initiatives, the Department initiated a number of interventions for the PSET system during the 2019/20 financial year. These include:

- The development of a *Strategic Policy Framework to Address Gender-Based Violence (GBV) within the PSET system*;
- The development of a *Classification Model for Disabilities within the PSET system*; and
- The development of the *PSET Drug Master Plan* which has not been finalised pending the conclusion of the National Drug Master Plan review by the Department of Social Development.

The *Strategic Policy Framework to Address Gender-Based Violence in the PSET System* was developed, with consultation facilitated via a Government Gazette and presented to different stakeholders. It was also taken through SEIAS Phases 1 and 2, with consultation taking place within the Social Protection, Community and Human Development Cluster (Social Cluster) and documentation prepared for presentation to and adopted by Cabinet. However, due to the lockdown, Cabinet could not convene as planned with a view to discuss and approve the proposed policy framework.

- **National Qualifications Framework**

The National Qualifications Framework (NQF) *NQF Amendment Act, 2019 (Act No. 19 of 2019)* was published during August 2019. The amendment of the Act was necessary to provide for measures in dealing with issues of fraudulent and misrepresented qualifications and part-qualifications. These amendments will only be implemented on a date still to be announced by the President.

However, the initial amendments do not cover all the recommendations of the *Evaluation Implementation of the NQF Act,* 2008 study. The recommendations include a category on legislation and policy that directed the amendment of the NQF Act.

Pursuant to the development of the NQF Amendment Bill, the Department prepared a *Consultative Paper on Proposed Amendments to the NQF Act 2008 (Act No. 67 of 2008)* as amended for public comments. The proposed amendments to the NQF Act were presented to the Social Protection, Community and Human Development Cluster and was endorsed for presentation and approval to Cabinet. Cabinet could not approve the publication in the Government Gazette due to the COVID-19 pandemic and lockdown period. It was accordingly published on the Departmental website for public comments on 27 March 2020. The Minister signed the Government Notice on 5 April 2020, which was published in a Government Gazette on 17 April 2020 (No 11093).

▪ International Relations

The Chief Directorate: International Relations (CDIR) co-hosted the launch of the Skills Initiative for Africa (SIFA) project during April 2019, which is a programme managed under the auspices of the African Union, implemented by NEPAD and provides funding for qualifying projects. The Department also co-hosted workshops for grant proposals in Durban and Cape Town between 11 and 16 April 2019. A total of 94 funding applications were submitted to SIFA for consideration.

The CDIR also facilitated the ratification of the *Convention on the Recognition of Studies, Certificates, Diplomas, Degrees and other Academic Qualifications in Higher Education in Africa* during September 2019. This convention came into force in December 2019. The CDIR hosted a delegation of six senior officials from the Ministry of Technical and Higher Education of Sierra Leone, for a four-day visit during November 2019. The purpose of the visit was aimed at familiarising delegates with the South African Higher Education and Training System and exchange experiences as well as learn from best practices on qualification frameworks, adult and non-formal education, teacher education, the gathering of data and reporting on statistics for the Education Management Information System (EMIS).

Several bi-lateral Ministerial meetings were convened alongside the UNESCO General Conference in Paris during which Minister Nzimande met his counterparts from Palestine, Somalia, Norway, Finland and Sweden.

The CDIR hosted the first successful Seminar on Technical and Vocational Education and Training (TVET) Cooperation between South Africa and China in June 2019. The purpose of the seminar was aimed at exploring possible avenues of cooperation around thematic areas such as lecturer and student exchanges, opportunities for joint collaboration programmes and twinning of colleges.

The CDIR negotiated and facilitated signing of the implementation agreement on the allocation of additional resources in support of the Skills Development Programme for a Green Economy II (SD4GEII) between the Department and GIZ in December 2019. The CDIR further coordinated the Minister's working visit to the United States of America during which he attended Higher Education Network meetings in Washington and New York in concert with several foundation and philanthropist engagements during October 2019.

As part of Chancellor Merkel's visit to South Africa, the CDIR negotiated and facilitated the signing of the Joint Initiative between the Government of South Africa and the Federal Republic of Germany aimed at the Promotion of Skills Development by Minister Nzimande and the Personal Representative of the German Chancellor for Africa during February 2020.

With a view of enhancing exchanges and student mobility, the CDIR negotiated and facilitated the signing of the *Arrangement for the Implementation of a Joint Scholarship programme* between the Department and the Embassy of France alongside the Memorandum of Agreement (MoA) between the Department and Campus France for the management and implementation of the *DHET-French Embassy Scholarship Programme* which was signed during March 2020.

Scholarship offers were also received from Algeria, the United Nations Educational, Scientific and Cultural Organisation (UNESCO), Japan, China, Hungary, Serbia, New Zealand, Mauritius and Australia.

2.1.2.2 UNIVERSITY EDUCATION

The Department's service delivery environment covers both the public and the private higher education sector, although the public sector is the larger of the two and has greater focus.

The 26 universities are differentiated into eleven general academic universities, nine comprehensive universities and six universities of technology.

During the 2019/20 reporting period, as indicated in the Register of Private Higher Education Institutions (PHEI) dated 17 March 2020, the private higher education sector consisted of 136 registered PHEIs, with 102 institutions being fully registered and 34 provisionally registered. The number of registered institutions change from time to time, depending on the private sector economic factors, as well as the accreditation status of programmes and compliance with regulations. The Department monitors the system for compliance in conjunction with conditions of registration, as well as relevant legislation and policies on an ongoing basis and publishes an updated register of Registered PHEI on the Department's website on a monthly basis, which includes details of the accredited programmes they may legally offer.

The higher education sector, both public and private, is governed in terms of the *Higher Education Act (101 of 1997)*, as amended.

The higher education sector comprises the public higher education sector consisting of 26 universities and the private higher education sector consisting of 136 registered Private Higher Education Institutions (PHEIs).

The sector also includes two entities, the CHE which implements a system of quality assurance for higher education, advises the Minister on aspects of higher education and undertakes research to inform the development of the system and the National Institute for Humanities and Social Sciences (NIHSS) which seeks to address the development of humanities and social sciences in higher education.

▪ Public higher education context and environment

Three steering mechanisms underpin and support the development of the public university sector in terms of planning, funding and quality assurance. The Department steers the system by means of funding and planning oversight, while the CHE is mandated to quality assure the system. NSFAS provides funding for financially needy, academically qualifying students to access public university education.

The total audited student headcount enrolment at universities, all of which are public higher education institutions, was 1 085 568 in the 2018 academic year (verified by October 2019), which includes both full-time and part-time enrolments for contact and distance studies. This is an increase in enrolments of 48 584 over the 2017 academic year, or a 4.7% growth and represents 25 257 more student enrolments than targeted by the system. During the 2017 academic year 1 036 984 students were enrolled, representing an increase of 61 147 students (6.3%) from the 2016 academic year enrolments. The average annual growth in enrolments over the past five years, commencing from the 2013 academic year (and comprising of 983 698 students) to the 2018 academic year was 2%. While there has been a healthy growth in enrolments during the 2017 and 2018 academic years, this development should be contextualised in relation to the earlier slowdown in the system.

The growth of student enrolments in the system needs to be understood in terms of access to higher education for historically disadvantaged students and the success of students in terms of graduation and throughput rates.

The student demographic profile in 2018 comprised African (75.6% or 820 689), White (12.9% or 140 038), Coloured (6.1% or 66 220) and Indian/Asian (4.4% or 47 765). Compared to 2013 enrolments, the proportions were 70.1% African, 17.5% White, 6.2% Coloured, and 5.5% Indian/Asian. In 2007 there were 62.6% African, 23.7% White, 6.4% Coloured, and 6.9% Indian/Asian students.

Regarding gender, 59.1% of students were female (641 571), while 40.9% were male (443 997) during the 2018 academic year, while compared to 58.5% female and 41.5% male in 2013 and 55.5% female and 44.5% male in 2007. The gap between male to female students has slowly been widening and more research needs to be undertaken in better understanding the phenomenon. In addition and as further discussed below, female students are more successful in their studies than their male counterparts across all demographic groups.

The total Gross Enrolment Ratio (GER) in the public system, sometimes referred to as the participation rate, was 21.6% in the 2018 academic year. The female participation rate was at 25.4% and substantially higher than that of males at 17.8%. The participation rate of White students was 54.9%, far exceeding that of other demographic groups whose breakdown was as follows: Indian students 46.2%; African students 19.4% and Coloured students 15.5%. Nevertheless, the participation rate has improved over the last five-year period from 19.5% in 2013 (White, 54.7%; African, 16.5%; Coloured, 14.5%; Indian/Asian, 48.9% - with the female participation rate at 22.8% being substantially higher than that of males at 16.0%).

In addition to the increase in enrolments, the public higher education sector has also seen improvements in graduation rates. The total number of university graduates produced per annum was 227 188 during 2018 academic year and exceeded the expected target of 208 224 by 18 964. In the 2013 academic year there were 180 823 graduates, representing a growth of 25.6% over the five-year period to 2018, which translates to an average annual growth of 4.7%. This signals that the system is improving its efficiency, as output numbers (graduates) are increasing at a substantially higher rate than inputs (enrolments).

Proportionally, the number of Research Masters and Doctoral graduates increased at a higher rate than the overall number of graduates, which is critical because it is on these post-graduates that the country depends for its future academics, researchers and other knowledge-demand professions. The number of Research Masters' graduates increased from 6 460 graduates during the 2013 academic year to 8 610 in the 2018 academic year, a 33.3% increase over the five-year period, or an annual average growth of 5.9%. The number of Doctoral graduates increased by 63.1% from 2 051 to 3 344 over the same period and at an average annual growth of 8.5%.

The system has improved significantly in terms of its research productivity. Since the introduction of the *Policy and Procedures for Measurement of Research Output of Public Higher Education Institutions in 2004* (and the first reporting by institutions in 2005), research publications outputs from the universities have grown exponentially. In 2005, universities produced 7 230 publication units and in 2018 they produced 19 099 units, a 164% increase, or an average annual growth of 13.4% over the twelve-year period. Although the publications output of South African universities has increased substantially over the past fourteen years (at a Compound Average Growth Rate of 7,8%). The rate of increase in publication output was at its highest, at 12.6%, between 2010 and 2012. Since then, the rate of increase has stabilised.

The policy was revised in 2015, encouraging the production of scholarly books among others. A major focus in the system going forward is to ensure that only quality publications are approved and subsidised by the Department.

While there are improvements in graduate outputs across the system, it has not achieved all the targets set out in the APP for the scarce skills areas. It exceeded the system targets set for Engineering, Natural and Physical Sciences, as well as Teacher Education. However, it did not realise the target set for Animal and Human Health graduates. In 2018 the system produced 13 891 Engineering graduates (891 more graduates than the target), 10 747 Animal and Human Health graduates (253 less graduates than the target), 9 270 Natural and Physical Science graduates (270 more graduates than the target) and 28 408 Teacher Education graduates (3 196 more graduates than the target).

While there has been an improvement in graduate outputs, it is also important to monitor student success across the system by undertaking cohort studies in tracking throughput. The annual undergraduate cohort reports show that while there has been a general improvement in the throughput rates when comparing the 2000 cohort to the 2009 cohort (where ten years of data is available) and the 2012 cohort where only seven years of data is available, the overall throughput remains relatively low with 61.1% of the 2009 cohort graduating after 10 years and 56.4% of the 2012 cohort graduating after seven years. This means that just under two-fifths of the young people who enter undergraduate degrees or diplomas (in either contact or distance mode of tuition) may never graduate. This is a major challenge to the system as it not only is costly in monetary terms, with the huge investment in subsidies and bursaries that do not result in graduates, but also in human resource terms as many leave the system without qualifications.

When comparing undergraduate dropout and throughput rates between contact and distance modes of tuition, a stark difference is noted. Students studying through distance mode have a very low throughput rate over ten years of study; with 17.5% of the 2009 cohort in contact mode graduating after three years; 60.7% after six years and 68.7% after ten years of study. By comparison, 16.3% of the 2009 cohort in distance mode graduated after six years of study and 26.7% after ten years of study.

From a system perspective, the poor throughput rates in distance education remain a major challenge. About one-third of all enrolments in the system are facilitated through distance education. It is imperative for research

to be undertaken continuously in order to better understand how students can be supported to succeed when studying through distance mode and the pedagogic model required, if we are to consider further expansion of the system through this mode of study.

Transformation imperatives within the system are also constrained by the differential success in relation to demographic groups, with African and Coloured students experiencing lower success compared to their Indian and White counterparts. While all institutions need to improve their throughput rates within a minimum time-frame, support for African and Coloured students in order to improve their performance remains a critical equity issue. This is apparent across all types of undergraduate programmes regardless of whether they are three-year diplomas, or three or four-year degrees.

When the cohort of students entering three-year degrees during 2009 are considered, only 13.1% of the 2009 African students cohort graduated in minimum time; 47.5% graduated by year six and 57.1% by year ten. For the Coloured students cohort 12.9% graduated by year three; 41.9% by year six and 51% by year ten. Of the Indian students cohort, 17.1% graduated by year three; 50.5% by year six and 59.8% by year ten. With regard to the White student cohort, 31.2% graduated by year thee; 63.1% by year six and 70.6% by year ten.

When considering the 2009 cohort in relation to four-year degrees, 30.4% of the African students cohort graduated within the minimum time-frame, with 61.7% having graduated by year eight and 65.4% by year ten, as compared to 29.6% of the 2009 Coloured cohort graduating by year four, 59.7% by year eight and 62.2% by year ten, while 28.7% of the 2009 Indian cohort graduated by year four, 73.5% by year eight and 77.2% by year ten and 42.5% of the 2009 White cohort graduating by year four, 75.0% by year eight and 77.6% by year ten.

The throughput rates of African and Coloured students are markedly lower than those of their Indian and White counterparts and continues to be a major transformation challenge for the system. Many of these students would have come from disadvantaged backgrounds and require various forms of support in ensuring success.

In addition, another challenge is the differential performance by gender, with female students continuing to outperform male students in all undergraduate cohort studies. This can be illustrated using the results of the 2009 cohort study of three-year degree programmes.

In relation to three-year degree qualifications, 20.6% of the 2009 female cohort had graduated by year three, 55.1% by year six and 64.4% by year ten, compared with only 16.4% of the 2009 male cohort graduating by year three, 47.7% by year six and 56% by year ten.

The Department is working with institutions to identify and implement interventions by which the quality of higher education can be improved and how students, especially first generation students and students from economically disadvantaged backgrounds, can better be supported in order to succeed. Bolstering student success is an important focus of the University Capacity Development Programme (UCDP), which has been implemented from the beginning of the 2018 academic year.

- **University Staffing**

In terms of university staffing, progress is being made in addressing key staff transformation challenges at universities, but it is still not accelerating at the required pace and progress and is not uniformly apparent across the system. Education, social and economic factors such as an inadequate undergraduate and postgraduate pipeline, funding challenges and exclusionary institutional cultures are key factors that slow the rate of progress. These have to be decisively addressed through interventions at both national system and institutional levels.

During 2018, 19 781 permanent instructional/research staff were employed at universities of whom 9 480 (47.9%) were female and 10 301 (52.1%) male. In terms of the demographic profile of staff, 7 842 (39.6%) were African, 1 410 (7.1%) were Coloured, 1 637 (7.1%) were Indian and 8 456 (42.7%) were White. In terms of staff qualifications, 9 498 (48%) held Doctoral degrees.

African, Coloured and female staff members are under-represented in the instruction/research staff components of universities. The number of staff with Doctoral degrees is gradually increasing so that the teaching, learning, research and innovation agenda can be driven more productively by universities. The NDP sets a target of 75% for staff with Doctoral degrees by 2030 and while the proportions of staff with Doctoral degrees are increasing (48% in 2018 compared to 41.1% in 2015), there is still a long way to go. All universities are implementing activities aimed at improving staff qualifications. National interventions are also being implemented by the Department as part of the UCDP.

- **Infrastructure development**

In an effort to boost the expansion of the public higher education system and ensure enhanced access to university education in all provinces, the University of Mpumalanga (UMP) and the Sol Plaatje University (SPU) were established on 22 and 23 August 2013, respectively. SPU and UMP are both expanding at pace and opened their doors to their fifth intake of students during the 2018 academic year. This rapid expansion is supported by an intensive infrastructure development programme at each institution. Both institutions have now developed their own capacity in managing their infrastructure programmes and the Department is providing an oversight role in relation to their further development. An additional R1 billion was allocated for infrastructure development at the two universities during the 2018/19 financial year. These campuses are developing in line with their long-term development plans and the rapid pace of development will continue for the foreseeable future, with R1.04 billion allocated for the 2019/20 and R 1.1 billion for the 2020/21 financial years.

The strengthening and expansion of the public higher education system is supported by the Department's Infrastructure and Efficiency Grant (IEG) programme. During 2017/18 the Macro-Infrastructure Framework (MIF), a web-based platform that includes a number of resources for the management and oversight of university infrastructure development was finalised and implemented. All universities uploaded their proposed infrastructure projects for the 2018/19 to 2020/21 funding cycle onto the MIF framework during January 2018 and allocations for the cycle were informed by recommendations based on an analysis of the plans and past performance. A total amount of R8.017 billion is being allocated across the system to the 24 established universities over the 2018/19 to 2020/21 period. A strong oversight and monitoring programme has been set in place to ensure that institutions improve their management of projects and deliver value for money.

The shortage of decent student housing to support students at universities has come under the spotlight and has been an area of protest action, especially during the 2019 and 2020 registration periods. The Department has been driving the implementation of the Student Housing Infrastructure Programme (SHIP) in order to accelerate the provision of suitable housing within the system. During 2018/19, the programme gained momentum with support from IIPSA and the DBSA, which together with funding made available by the IEG, has resulted in planning for the provision of space for 18 000 new beds over the next three-year period, with the first large scale project implemented during 2019.

- **National Student Financial Aid Scheme**

A national bursary scheme was introduced during 2018 to support students from families earning a gross annual income of up to R350 000 per annum, aimed at covering their full tuition costs, support for learning materials and providing subsidies to assist with accommodation, living expenses and transport costs, where appropriate. The Departmental bursary programme was introduced in 2018 for qualifying first-time entering students at public universities and has been extended to the 2019 and 2020 cohort of university students. It is being phased-in at universities over five years, with the new first-time entering cohorts added each year. It is envisaged that the scheme will cover all student cohorts across the university system by 2022 and it is estimated that the scheme will support at least 50% of the undergraduate student population at public universities by then. The substantial investment in support for students from poor and working class backgrounds over the 2019 Medium-Term Expenditure Framework (MTEF) amounts to R82 billion for university students and R20.4 billion for TVET College students.

A small number of institutions experienced protests and disruptions in early 2020 that affected the academic programme. However, the majority of institutions were able to successfully commence with the academic year. A range of student funding policy issues continue to cause disruptions within the university sector, as the new bursary scheme is being rolled out and the administration of the NSFAS improves. The biggest challenges during the 2020 registration period were similar to those raised in 2019. Some of the causes of protests were in relation to NSFAS allowances for students living at home (a matter that was addressed by the 2020 policy); academic exclusions and students exceeding the N+2 period of study; student housing matters and the administration of funding in relation thereto; matters relating to funded programmes and a lack of postgraduate funding. Often these issues are campus-specific and can be resolved by consultation with universities and the NSFAS. Preparations for the 2020 academic year were mostly positive with a continued, successful applications process in conjunction with funding decisions being made available to students prior to registration. This follows on a much improved process during 2019 and demonstrates that the working relationship between the NSFAS and respective institutions has improved considerably, resulting in a more positive experience for NSFAS-funded students.

It should also be noted that decisively addressing some of these contentious areas has been the result of a more effective application of policy at the NSFAS. The Departmental Guidelines for university students provide the implementation parameters and set out the high-level policy applicable to the scheme, including the roles and responsibilities of students, universities and the NSFAS. The implementation of the new Guidelines during 2019 exposed new problems. Many aspects of the new policy were not properly implemented in 2018, as the requisite policy controls and systems did not exist at the NSFAS. Some institutions submitted students applications for the funding of qualifications that should not have been funded (such as postgraduate and occasional students) and a number of allowance policies were ignored by institutions (for example, during 2018, nine institutions paid both living and transport allowances to students living at home, which was a contravention of the policy). There was also some confusion as a result of the hastily planned implementation of the scheme during 2018. It is also clear that several institutions deliberately ignored the policy in favour of managing processes as processed in prior years and as a result of the lack of effective controls and systems at NSFAS. This can also be attributed to the difficulties related to the implementation of the so-called "student-centred" model in 2017 following the pilot programme of previous years, which weakened the operations/functioning of student financial aid offices at universities, with many institutions moving staff out of financial aid offices and under the assumption that NSFAS would take direct responsibility for payments to students.

The Department prioritised certain key areas for further research and analysis in 2019, with a view to develop a revised set of Guidelines for the 2020 academic year. The release of the revised Guidelines followed on an extensive analysis of the 2019 bursary provision and engagement with the NSFAS, universities, Student Representative Councils (SRCs) and the South African Union of Students (SAUS). Guidelines for the Departmental Bursary Scheme for Public Universities in 2020, were released in December 2019 and outlined the approved implementation parameters for the Bursary Scheme that must be applied by all implementing partners.

Serious deficiencies in the systems, business processes and capacity of the NSFAS (and sometimes at institutions) resulted in difficulties in implementing the new bursary scheme. The Minister placed NSFAS under administration during August 2018 due to the serious challenges at the entity. Since the appointment of an Administrator, there have been significant improvements in the operations at the NSFAS alongside improved working relationships between the NSFAS and institutions resulting in a more successful registration period during early 2019 and again at the advent of 2020.

The Minister approved the appointment of the Administrator for a second term of administration comprising one year from August 2019 to August 2020 and the appointment mandated by way of Government Gazette No. 42662. The Administrator has as a matter of urgency, been requested to set in place processes for the appointment of key executive managers at the entity. A process for the transition of administration procedures back to normal governance is underway.

The Department in collaboration with National Treasury and the Department of Panning, Monitoring and Evaluation (DPME) during 2018 undertook a due diligence exercise to quantify the historic debt of NSFAS qualifying students (who qualified on the basis of the R122 000 family income threshold per annum) accordingly registered during the 2018 academic year. Historic debt refers to monies owed to the university by continuing or returning NSFAS qualifying students, who were registered in the 2018 academic year and whom were funded in terms of the pre-2018 NSFAS rules. Students who entered their university studies prior to 2018 qualify for a NSFAS grant according to the previous threshold of R122 000 family income per annum requirement. The due diligence process revealed that the total debt owed by continuing NSFAS qualifying students registered in 2018 amounted to R967 million. The Department through reprioritisation, made available an amount of R1.7 billion to NSFAS aimed at settling historic debt for students funded under the NSFAS capped funding, pre-2018 and where possible, ensure that these students are funded at the full cost of study until they graduate. The funding was allocated to address this issue in relation to approximately 54 000 students.

It is expected that the practice of students enrolled in terms of the pre-2018 NSFAS conditions will be phased out over the next four years, as the new Departmental Bursary Scheme is phased in and in turn, allowing these students to graduate debt free, subject to the availability of funding. Institutions were subsequently requested to return the list on a prescribed registration template, with the signed and stamped confirmation letter, as well as an Acknowledgement of Debt form signed by each student, for each year being claimed to the NSFAS for processing. Unfortunately, following the verification and reconciliation procedures set in place by NSFAS, only approximately 50% of the original funding allotted has been confirmed, as not all universities had provided the correct information. The NSFAS continues to engage with universities regarding the matter.

The sector remained fairly stable during the 2019 academic year, though NSFAS delays continued to cause problems at some institutions. The majority of disruptions at university campuses relate in some way or another to the administration of financial aid and other issues such as shortages of student accommodation. However, 2019 also saw significant disruptions related to GBV and the murder of students Uyinene Mrwetyana and Jesse Hess, students enrolled at UCT and UWC respectively, which took place during August and September 2019. These devastating incidents and others, including the murder of Precious Ramabulana, a student at the Capricorn

TVET College, have raised continued concerns about GBV affecting South African universities and society more broadly. They have also shed light on the continued dangers facing female students at South African PSET institutions and the work that still needs to be done in improving institutional and social responses to GBV.

The additional funding in the baseline allocations to universities, has made possible a process towards developing a regulatory framework for university fees. The process towards such a framework commenced during 2016 with work undertaken by the CHE, following on the zero-percent increase in fees for the 2016 academic year as a result of the *#FeesMustFall* campaign in 2015.

This culminated in a compact between the Government and universities regarding fee increases for the 2017 and 2018 academic years together with a fee adjustment grant offered to students with family incomes of up to R600 000 per annum, which was introduced during 2017/18 and continued in 2018/19. Therefore, over the three academic years from 2016 to 2018 fee increases across public universities were based on agreements reached between the Government and the Councils of universities, which in effect translated in:

- A 0% increase for all enrolled students during 2016, with Government contributing an additional an amount of R2.3 billion;
- A maximum fee increase of 8% in 2017, together with a fee adjustment grant, also known as a 'gap grant', with the Government providing assistance to students from families earning up to R600 000 per annum to cover the fee increase. In 2017, CPI was 4.9%, translating to a fee increase of CPI+3.1% in 2017.
- The agreed increase remained at 8% during 2018, while CPI was determined at 5.5%, accordingly reflecting a fee increase of CPI+2.5%.

In effect, the average annual increase in university fees was 5.3% per annum over the three-year period. Therefore fees increased more or less in line with CPI. Over this period students from families earning up to R600 000 (the poor and so called 'missing middle') as a result paid a discounted fee, effectively paying the 2015 fee for three years in a row, with the Government providing the difference in ensuring that universities were able to continue functioning. In effect, students who qualified for the gap grant during 2018, paid 14.26% less than the fee charged to students from families earning above R600 000 per annum.

A strategic decision was taken during 2018 to incorporate the fee adjustment grant into the subsidy for universities for the 2019/20 academic year. This would allow universities to manage the tuition fee arrangements for the group of students who benefited from the grant in the 2017 and 2018 academic years until they graduate. It would also mean that in the long run, the fee regime could be stabilised, while at the same time ensuring that universities are better funded and enable keeping their fees affordable for all students. Work towards a regulatory fee framework in ensuring certainty in the system with respect to fee increases could not be completed during 2018. Therefore a further one-year compact was agreed to for the 2019 academic year, in turn keeping the tuition fee increases at CPI, with accommodation fees increasing to CPI +2%.

A working group was also set up comprising Departmental and Universities, South Africa (USAf) representatives that was mandated to develop a framework for setting fees in three-year cycles from 2020, onwards. It was expected that a framework would be agreed to and finalised during 2019 in time for it to be implemented during the 2020 academic year. The working group identified comprehensive data required to make decisions on a regulatory fee framework for the system. This work required the sourcing of detailed information and considerable input from all universities, a process which took longer in collating than was initially planned. Given the delays in collating the necessary data, it was not possible to conclude this work timeously and develop a policy framework for implementation during 2020.

A further compact on tuition fees was reached for the 2020 academic year during December 2019. The agreement led to a Consumer Price Index (CPI)-linked increase on tuition fees of 5.4% and a CPI+2% on residence fees of 7.4%. Work continues on the development of a policy framework for the regulation of tuition fees in public higher education institutions which will provide for a three-year framework for the academic years commencing from 2021 to 2023.

The state of governance and management across the university sector has continued to be a matter of concern, with some institutions continuing to experience challenges. During the financial year under review, the Minister intervened in two institutions (University of Fort Hare (UFH) and Vaal University of Technology) through the appointment of an Independent Assessor and Administrator. With regard to several other institutions, the Minister engaged with their respective Councils pertaining to allegations of poor governance and maladministration.

- **Private higher education context and environment**

Over the years the private higher education sector has consolidated itself in the higher education system by offering a range of programmes in diverse fields, from the Higher Certificate to Doctoral Studies through both the distance and contact modes of delivery. The private higher education sector has an important role to play within the system, particularly in providing niche programmes in areas such as business, commerce, IT, media and graphic design, all aligned to industry needs.

The private higher education sector has an important role to play within the system, particularly in providing niche programmes in areas such as business, commerce, Information Technology (IT), media and graphic design, all aligned to industry needs.

By the end of March 2020 there were 136 registered PHEIs (of which 102 are fully and 34 provisionally registered institutions).

PHEIs enrolled a total of 197 898 students during the 2018 academic year across 130 registered institutions, in that year. This represents an increase from a total of 185 046 students enrolled at 127 institutions during 2017, or an increase of 10.5% in headcount enrolments from 2017 to 2018. The average annual growth from 2016 to 2018 was 12.85%. The private higher education sector in 2018 accounted for 15.14% of the overall 1 283 466 headcount enrolments in the higher education system. This represents an increase from 14.6% of total higher education enrolments on the 2017 academic year enrolments.

The highest proportion of students, at 66 697 or 33.7%, were enrolled for Bachelor degrees, followed by enrolments in 360-Credit Diploma programmes (55 495 or 28.0%). The overall student enrolments in the Higher Certificate programmes was 34 409 (17.4%), while in Master's degrees reflected 6 688 (3.4%) students enrolled and 363 (0.2%) students registered for Doctoral degrees.

PHEIs collectively offered a total of 758 programmes within the Higher Education Qualifications Sub-Framework (HEQSF), while twenty-one PHEIs also offered 231 programmes on the Occupational Qualifications Sub-Framework (OQSF) and three institutions offered five programmes within the General and Further Education and Training Qualifications-Sub Framework (GENFETQSF).

More than half of students (115 566 or 58.4%) in PHEIs during 2018 were registered for programmes within the field of Business, Commerce and Management Studies. This trend is consistent with what had been reported over the past eight-year period. The second highest enrolment was in programmes within the field of Education, Training and Development (11.2%), where there has been a significant increase from 12 799 enrolments in 2017 to 22 140 in 2018 (representing a 58% increase). This is followed by enrolments in programmes within the field of Physical, Mathematical, Computer and Life Sciences with 16 206 or 8.2% of the total registered student cohort.

With regard to the demographic profile of student enrolments, the highest proportion of students were African (122 342; 61.8%), followed by Whites (31 802; 16.1%), Coloured (14 057; 7.1%) and Indian students (12 756; 6.4%). In terms of gender, female students (115 106; 58.2%) outnumbered male students (82 347; 41.6%), with a small number of students not having disclosed their gender (445; 0.2%). A substantial number of students (16 496; 8.3%) came from other African countries. The reported number of graduates was 33 972 students with the highest success rate being in Bachelor's degrees (32.6%), followed by the Higher Certificate (22.9%).

The private higher education sector produces graduates with recognised qualifications that are linked to employment, straddling both the occupational and vocational demand. The sector is strategically placed to assist with challenges pertaining to articulation and integration. It would be useful for the sector to also undertake tracer/graduate destination studies to better understand the role and contribution of private higher education institutions.

The Higher Education Quality Committee (HEQC) of the CHE, the South African Qualifications Authority (SAQA) and the Department continue to work closely together in providing regulatory oversight and in ensuring the integrity of the system. The effective monitoring of quality across the system is critical in ensuring an effective and credible private higher education sector.

Due to a concerted and collaborative effort by the regulatory bodies over the past few years, the challenge of illegal (or bogus) colleges is no longer a big threat to the system. The greatest challenge to the private higher education sector is with regard to the misrepresentation of qualifications. The key areas of misrepresentation include the incorrect application of specialisations in respect of qualifications; the incorrect number of credits allocated and irregular claims regarding a qualification and their link to employment. In an attempt to address these issues, the Department continues to provide close oversight, while working together with SAQA and the CHE to intervene when these practices are identified.

The Department annually carries out a campaign of raising public awareness and the importance of checking the status of an institution prior to enrolment. In 2019, for the third time, a statement of National Senior Certificate results included a warning statement on bogus colleges and provides information on how to verify the credentials of a private post-school institution.

A public awareness campaign also includes publishing a list of 'bogus' colleges identified as a result of the Department's monitoring processes, alongside maintaining a register of PHEIs. These are published and updated via the Department's website on a monthly basis. The Directorate continues to engage closely with schools, district offices and foreign embassies in ensuring that correct information is disseminated at all times. Oversight of the system, including site visits at institutions having been reported to be operating illegally alongside visible

monitoring in partnership with the South African Police Services (SAPS) continues to be implemented. The Department's campaign against illegal colleges has gained momentum and during 2019, one illegal college, the Roseville FET College in Rustenburg was shut down.

The steady growth in registered private higher education institutions and its improved integrity can be attributed to the Department's attempts to curb illegal and unregistered colleges and the CHE and SAQA quality assurance and registration functions.

- **Significant achievements during 2019/20**

Implementation of the DHET Bursary Scheme

The DHET Bursary Scheme was first implemented during 2018. While major challenges were identified during the implementation of the scheme as described in earlier paragraphs, leading to the Minister placing the NSFAS under administration, substantial new funding was made available to provide full-cost-of-study bursaries for poor and working class students in accessing university studies and these students were supported in ways never thought possible before. Substantial additional funding for enabling full-cost-of-study bursaries for new first-time entry university students into undergraduate studies over the 2019 MTEF period amounted to R13.124 billion in 2019/20, R15.301 billion in 2020/21 and R16.672 billion during 2021/22. The total allocated funding supporting poor and working class university students therefore increased from R14.901 billion in 2018/19 to R24 024 billion in 2019/20 and is set to increase to R 28.222 billion during 2020/21. This is a significant investment aimed at bolstering the success of poor and working class university students, most of whom are the first in their families to be provided with an opportunity in achieving a university education.

Bursary Guidelines for university students were developed for 2020 and provide a framework for the implementation of the DHET Bursary Scheme during 2020. These Guidelines outline the scope and detail of the Bursary Scheme and the processes necessary in giving effect to student funding provided by the Department and NSFAS.

Councils and Governance

Independent assessments were conducted at two universities during 2019, namely, the Vaal University of Technology and the UFH and both institutions were placed under administration. Under normal circumstances, an independent assessor would first be appointed to conduct an investigation into the affairs of a university and advise the Minister on the source and nature of problems facing that institution, as well as the measures required to restore good governance and management practices at the university. On the recommendation of the independent assessor, the Minister would then appoint an Administrator. However, the circumstances surrounding these institutions compelled the immediate appointment of an Administrator accordingly preceding an independent assessment in the case of UFH and in relation to VUT prior to the independent assessment that was underway at the time, being concluded. The Department continued supporting these Administrators in their efforts to restore proper governance at the respective institutions.

A number of universities amended their institutional statutes and submitted these revised documents to the Minister for approval and publication by notice in the Government Gazette. The Minister approved Institutional Statutes for five universities during the financial year, namely: the University of Johannesburg (UJ), Stellenbosch University, the UCT, the UFH and the North West University.

The issue surrounding salaries of Vice-Chancellors (VCs) and other senior executive managers came into the spotlight again during 2019. Following a request of the Portfolio Committee on Higher Education, Science and Technology, the Minister requested the CHE to conduct research on the matter and advise him on the feasibility of implementing a system-wide policy on the determination of salaries for executives, while recognising the important principle of institutional autonomy. This process is underway and should be completed during the 2020/21 financial year.

The second submission regarding the self-assessment scorecard by Councils of public universities in line with the Guidelines for Good Governance Practice and Governance Indicators for Councils of South African Public Higher Education Institutions was also received during the period under review. These, together with other information submitted as part of university Annual Reports, were utilised in developing a report on system-wide university governance and on assessing the state of governance across the university sector as a whole. Governance of universities remains a challenge, despite the acceptable governance record of some universities. Taking into account a number of factors, such as the submission and results of requisite Governance Scorecards, compliance with the submission due date of Annual Reports, governance issues requiring the Minister's intervention, as well as audit reports in relation to financial statements, as well as predetermined objectives, internal controls and compliance with legislation, 72% of institutions were found to have met the overall standards of good governance.

The Department supported a number of induction workshops for Councils and institutional fora of a number of universities, namely: the SPU, the Walter Sisulu University, the University of Venda, the Mangosuthu University of Technology and the Sefako Makgatho Health Sciences University.

Student Leadership Development

The Department provided financial and administrative support to the SAUS in hosting its National General Council at the University of the Western Cape during August 2019. The National Executive Committee of SAUS was also supported to enable its leadership in participating effectively during a number of processes and meetings. At the same time, the Department developed a new plan for a Student Leadership Capacity Development Programme, which comprises of comprehensive interventions for student leadership development and provides support across the sector, in alignment with the support activities already taking place at public universities. The Department is also working with the University of South Africa (UNISA) to provide an administrative hub for SAUS which will improve the operations of the national organisation and its ability to effectively provide national representation to university SRCs and national student issues.

Implementation of the University Capacity Development Programme

The University Capacity Development Programme (UCDP) is the flagship programme for developing capacity and driving transformation within three key areas of the university education sector namely, student, staff, and programme/curriculum development. It has been implemented since the beginning of the 2018 academic year. An amount of R997 920 was allocated towards (i) supporting the implementation of capacity development plans at all universities, (ii) supporting the implementation of university-led collaborative projects and (iii) supporting the implementation of the sub-programmes within the Staffing South Africa's Universities Framework (SSAUF) and other national sub-programmes during the 2019/20 reporting period, as described below.

The Nurturing Emerging Scholars Programme

The first phase of the Nurturing Emerging Scholars Programme (NESP) was initiated during 2019 to 2021 reporting cycle. It involves the recruitment of 105 NESP candidates into scholar/intern positions at universities. These recruits are supported to register and complete a two-year Masters scholarship, followed by a one-year academic internship at the recruiting university. A notable feature of Phase 1 is that it includes a partnership with the French Embassy, whereby twelve scholars will be allowed to study their Master's degrees at a French university.

The New Generation of Academics Programme

Phase 6 of the New Generation of Academics Programme (nGAP) was implemented during the last quarter of 2019/20 and involved the allocation of 100 additional posts to universities. This brings the total number of academic staff posts allocated to universities to 573 posts since the inception of the nGAP during 2015.

The University Staff Doctoral Programme

The University Staff Doctoral Programme (USDP) supports existing academics at South African Universities to achieve Doctoral degrees. Phase 2 of the USDP was initiated in 2019/20 as the South Africa-United Kingdom University Staff Doctoral Programme by way of a partnership with the British Council and the Newton Fund. It involves thirteen collaborative projects between universities in South Africa and the United Kingdom and will support approximately 130 South African academics to acquire Doctorate degrees. This bring the total number of academics supported through the USDP to 291 academics.

The Future Professors Programme

The Future Professors Programme (FPP) aims to recruit high achieving academics at universities and supporting these incumbents towards forming part of the next generation professoriate. Phase 1 of the FPP, implemented in partnership with Stellenbosch University commenced during 2019/20 with the selection of the first cohort of 29 aspirant professors recruited from across the university system. They will complete the first year of their two-year programme during the 2020 academic year. A further cohort of 29 FPP, Phase 1 scholars will be recruited in 2020 and a last cohort during 2021.

Phase 2 of the FPP was approved in 2019/20 and will be implemented via a partnership with the University of Johannesburg. A first cohort of 26 scholars will be recruited during the 2020/21 financial year, with further cohorts of 26 scholars recruited during 2021/22 and 2022/23.

The Higher Education Leadership and Management Programme

The Higher Education Leadership and Management (HELM) Programme is implemented in partnership with USAf. In 2019, the programme focused particularly on the HELM Foundations of Leadership and Management programme, a peer-based intervention that addresses the fundamentals of academic leadership and operations management. Thirteen Foundations Programmes were delivered to a total of 515 Heads of Schools, Academic Departments and Deans. Two capacity development workshops that were offered to Deputy Vice-Chancellors (DVCs)/Deans and Directors of Student Affairs/Development were attended by a total of 71 participants. In addition, an executive leadership workshop focusing on funding and financial sustainability held in November, was attended by 19 VCs and DVCs. In order to learn from international best practice, partnership opportunities were also explored with the American Council on Education in the United States of America, focused on their internationalisation lab programme, as well as advanced Higher Education in the United Kingdom and more

specifically, on the HELM Women in Leadership (WiL) programme with a view to taking these forward during the next iteration of the programme.

The Entrepreneurship Development in Higher Education Programme

The Entrepreneurship Development in Higher Education (EDHE) Programme, also implemented in partnership with USAf, is contributing to exponential growth and the institutionalisation of entrepreneurship development initiatives at universities. University leadership is increasingly supporting the development of entrepreneurship in its various forms at institutions. The National University Entrepreneurship Ecosystem Baseline Study has been completed and was launched in February 2020 to coincide with an Executive Leadership Workshop for DVCs and Deans. The third annual EDHE Lekgotla, 2019 attended by approximately 600 delegates and the second annual Studentpreneurs Indaba attended by approximately 200 students, were co-hosted by the Durban University of Technology during June 2019. The first annual Entrepreneurship Intervarsity was successfully hosted, with participation from 1 155 studentpreneurs from all public universities. The winners were announced during the first EDHE Awards event, while special awards were bestowed in recognition of specific contributions by executive leaders in relation to the entrepreneurship agenda.

The Teaching and Learning Development Capacity Improvement Programme

The Teaching and Learning Development Capacity Improvement Programme (TLDCIP) comprises of a partnership programme supported by the European Union. Penultimate implementation and all participating universities are finalising their activities. At a programmatic level, highlights include nine universities having received accreditation from the CHE to offer qualifications for lecturers in TVET. Three Centres of Specialisation, one each for Deaf Education, Neurodevelopmental Learning Needs and Visual Impairment Studies have been supported a range of programmes and short learning courses for the continuous professional development of teachers were developed and also incorporated modules on inclusive and special needs teacher education into existing initial teacher education programmes. Nine universities are developing the Bachelor of Education in Early Childhood Care and Education and the Diploma in Early Childhood Care and Education, which will assist to professionalise the early childhood education sector. The Sesotho and isiZulu Reading Project is making inroads towards the development of material to strengthen the teaching of reading in initial teacher education in these two languages. The TLDCIP has supported the generation of new knowledge through the support of sixteen research projects and the publication of 62 articles in peer reviewed journals. In addition, 165 students have received scholarships to undertake Masters and PhD studies.

The International Scholarships Programme

The International Scholarships Programme provided support to 368 students in relation to scholarships programme partnerships with the Chinese, Hungarian and Russian governments during 2019. Of these, 69 students successfully completed their studies and returned to South Africa and 74 students were afforded new scholarship awards. The International Scholarships Directorate facilitated nominations or supported international scholarship agencies with the selection of scholarship recipients for studies in Ireland, Japan, Sweden, Italy, Serbia, the United Kingdom and New Zealand, with 47 new scholarships to these countries taken up in 2019. Over 30 other individual international scholarship opportunities were promoted during the year under review. National Guidelines for the Coordination and Implementation of International Scholarships were finalised and approved by the Minister during November 2019.

Ministerial Task Teams

The Ministerial Task Team on the Recruitment, Retention and Progression of Black South African Academics completed its work and submitted its report to the Minister of Higher Education, Science and Innovation and was accordingly approved. The Report makes twenty recommendations with which the sector will engage in relation to implementation at multiple levels of the system.

The Minister also appointed the Ministerial Task Team on the Implications of the Fourth Industrial Revolution for Post-School Education and Training during 2019/20. The Task Team worked vigorously through the latter half of the year and has committed to submitting its report to the Minister by the end of May 2021.

The Minister appointed the Ministerial Task Team on Sexual Harassment and GBV and Harm during May 2019 for a period of twelve months. The appointment of the Task Team followed on engagements with various stakeholders across the sector, including universities where incidents of sexual harassment have been reported to the Department, a submission received from the SAUS, as well as a letter sent to the then Minister by a group of academics from six South African universities outlining their concerns about the incidence of sexual harassment and violence on campuses. While the Task Team initially commenced with its work during July 2019, additional appointments including that of a chairperson were only made later during September 2019 and as a result, the term of the Task Team is likely to be extended. The Task Team, however will still conclude its work during 2020.

The Infrastructure Programme

The Macro-Infrastructure Framework (MIF), a web-based platform which includes a number of resources in supporting the planning, procurement, delivery and management of university infrastructure was further developed during the 2019/20 financial year. A self-assessment maturity model was set in place as a tool to assist universities in improving their infrastructure delivery management processes. A Maturity Model for Infrastructure Asset Management has also since been developed.

Linked to the MIF development, an Infrastructure Development Support Programme was introduced. The programme includes monitoring progress of all university infrastructure interventions funded by the Department by way of monitoring and oversight visits at each institution, as well as a Development Support Programme provided at three levels of intensity, depending on the circumstances at the institution. At Level 1, advice and information sharing is provided, while at Level 2 pro-active support and at Level 3, intensive support are provided. Level 1 support has continued to be provided at all universities across the system during the 2019/20 financial year.

Level-2 support was provided as follows:

- A capacity building workshop was presented for all universities having been rated fair or poor in terms of their infrastructure management processes during July 2019, focusing on the main areas of weakness as identified during September and October 2018 as well as March and April 2019 oversight visits and with particular focus on infrastructure procurement and delivery management, as well as spatial development planning and the development of medium-term infrastructure plans.
- Various one-day workshops on aspects of procurement, as well as service delivery management and cost norms were presented at universities having made specific requests for such workshops. A two-day workshop open to all universities on framework agreements for professional services and cost-plus contracts for construction works was scheduled for 4 to 5 February 2020. This workshop was

specifically developed to address observations that universities are struggling in setting in place the necessary professional services to advance projects and effectively deal with backlog maintenance and the refurbishment of existing buildings.

Level 3, intensive support was initiated at UNIZULU during 2019/20 after it was piloted at UFH during 2018/19. The MIF Support Team has since undertaken various support visits to UNIZULU and hosted workshops with procurement committees and infrastructure teams on the procurement and delivery of infrastructure. The team has also assisted the university with developing a Spatial Development Framework.

A proposal for the establishment of an integrated Infrastructure Development Support Programme (IDSP) for the PSET system has also been finalised.

The Student Housing Infrastructure Programme

The previous Minister of Higher Education, Science and Innovation approved a MoA between the Development Bank of Southern Africa, Limited (DBSA), the Department and National Treasury to establish the SHIP and Project Management Office (SHIP MO). The signing of the MoA between these three parties has since resulted in the formulation of the SHIP Oversight Committee, which is chaired by the Department.

Historically Disadvantaged Institutions Development Framework

The Historically Disadvantaged Institutions Development Grant (HDI-DG) was introduced into the system as part of the 2015/16 Ministerial Statement on University Funding. Over the period of 2016/17 to 2018/19, a number of projects across all the eight HDI universities were approved and implemented. In 2019/20 the Department decided to review the HDI-DG during the 2019/20 reporting cycle. The review found that the deployment of the HDI-DG had insufficient strategic focus, with the projects being supported showed little continuity with institutional strategic plans and were generally too small in scope to have institution-wide impact. Moreover, there was little or no alignment between the projects and initiatives that were being supported across the various earmarked Departmental support grants, further reducing the potential for meaningful impact and diluting the strategic focus from a Departmental perspective.

The review has culminated in the development of a new strategic implementation programme for HDI development which draws on the HDI-DG as its key resource, but also draws in the range of other earmarked capacity building resources that the Department, the DSI, other government departments, partners and the universities themselves, have at their disposal. Following on extensive consultation identifying core, critical cross-cutting challenges facing the Historically Disadvantaged Individuals (HDIs), the Historically Disadvantaged Institutions Development Programme (HDI-DP) was conceptualised and an HDI-DP Framework was developed for approval. The HDI-DG was utilised during 2019/20 to support critical infrastructure development at the eight HDIs. The new programme is envisaged to be implemented over the next five-year period.

The Central Application Service

Cabinet approved the publication of the draft Central Application Service (CAS) Bill, 2019, for the PSET system in a Government Gazette for public comment on 27 February 2019. After receiving public comments, a final version of the Bill was approved.

The pilot plan for the Central Applications Service was approved and signed off by the Director-General during December 2019. A submission seeking National Treasury concurrence was approved by the Minister and sent to National Treasury. The Department has since received National Treasury concurrence and will implement the pilot during the 2020/21 financial year.

Enrolment Planning

Enrolment plans for universities represent the key tool for managing the expansion of the PSET system. They include targets linked to enrolments and graduations in various programmes offered by institutions, targets linked to the qualifications of staff and the gender and demographic profile of students as well as staff. The final Council approved institutional enrolment plan, is a culmination of extensive integrated planning taking into account financial and human resources, infrastructure and key areas for development identified at national and provincial levels.

A process for developing the system enrolment plan for the 2020 to 2025 academic years was initiated during the 2018/19 financial year. A national workshop on enrolment planning for universities was convened during October 2018 and was followed up with a series of one-on-one meetings with universities during November and December 2018 aimed at engagement on the preliminary enrolment plans submitted by universities. On the basis of these engagements, universities submitted their Council approved enrolment plans for the next six-year period (2020 to 2025 academic years) during April 2019. The plans were analysed and further discussions scheduled with institutions, culminating in a National Enrolment Plan for 2020 to 2025. The Enrolment Plan has since been approved by the Minister during January 2020.

Research Outputs

A total of 19 099 publication subsidy units were awarded to universities for the 2019 reporting year (for 2018 publications) across all publication categories (i.e. journal articles, books, book chapters and published conference proceedings).

The Department implements the Research Outputs Policy to "encourage research productivity by rewarding quality research outputs at public higher education institutions". The quality of research and publications is being improved continuously, specifically in relation to the increase in unethical practices and predatory publishing. As part of the evaluation of research outputs during 2019/20, the Department noticed anomalies and decided to withhold subsidies for several research outputs as submitted, pending further investigations during 2020/21. In total 282 publication units were withheld to allow for further investigations.

The Department has also decided to develop a research quality framework during the 2020/21 financial year so as to guide the sector, going forward. A declaration on ethics in research was finalised and signed jointly with the DSI, the National Research Foundation, USAF and the Academy of Science of South Africa and a copy was subsequently distributed to all the universities. The Department also participated in an international conference on predatory publishing of which the main output was aimed at publishing a journal article in the journal "Nature".

Evaluation of Creative and Innovation Outputs

The Policy on the Evaluation of Creative Outputs and Innovations Produced by Public Higher Education Institutions (2017), which aims to recognise art and innovations as part of research outputs from universities, was implemented for the first time during the 2019/20 financial year. The Department conducted a series of consultative meetings with representatives from the sector in developing guidelines for the implementation of the policy. Universities submitted their artistic and innovations outputs for evaluation and subsidy purposes in

terms of the guidelines by 30 November 2020. The first subsidies for the qualifying outputs in relation to this component of the research outputs will be disbursed during the 2021/22 financial year.

Brazil, Russia, India, China, South Africa and G20 Engagements

The Brazil, Russia, India, China, South Africa (BRICS) higher education events may have been impacted by administrative changes among some of the member states. The mid-term meeting of the International Governing Board of the BRICS Network University was not convened and this resulted in a delay in approval for the BRICS Staff Doctoral Programme, initially planned for implementation during 2019. In addition, the annual conference was not convened by Brazil, as was expected. Nevertheless the BRICS Academic Forum was successfully convened as part of the Brazilian programme during 2019.

The Branch participated in the G20 Education Working Group (EdWG) discussions in December 2019. The focus of the Saudi-Arabia presidency of the EdWG is on Early Childhood Education (ECE) and Internationalisation of Education, which will culminate in a declaration during 2020.

- **Significant developments that impacted on the work of the programme**

The advent of the sixth Administration led to a significant restructuring of the higher education environment through the creation of one Ministry of Higher Education, Science and Technology, with oversight for two national Departments, the Department of Higher Education and Training, and the Department of Science and Innovation (DSI). This has created the opportunity for the two Departments to work much more closely with each other, particularly in relation to the university education sector and particularly, in relation to research and innovation and research capacity development through the UCDP, as well as similar initiatives led by the DSI. Positive steps are being taken to better align the work of the two departments for improved support within the sector.

The work of the International Scholarships Programme is under threat as a result of funding availability. The South African contribution to scholarship partnerships which support South African students in studying abroad has to date been made available through the NSF. However, the NSF has indicated that this may no longer be possible, going forward.

Staffing challenges continue to present an impediment to the work of the programme. Currently there are 34 vacancies within the Branch, including those of a Chief Director and three Director Posts. The Branch has numerous programmes that are funded by earmarked grants, including the UCDP, the Infrastructure and Efficiency Programme, the New Universities Development Programme, the Clinical Training Grant Programme and the Historically Disadvantaged Institutions Programme. These programmes demand intensive hands-on monitoring and evaluation. Currently many of these core activities depend on staff contracted through the Sector Planning Monitoring and Evaluation Programme for successful implementation. This situation is unsustainable and it is imperative that the vacant posts be filled.

2.1.2.3 TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING

- **TVET Infrastructure Maintenance**

Commencing from 2018/19, the TVET sector has been provided with a Capital IEG aimed at assisting with repairs and maintenance relating to core teaching and learning facilities and as a new funding intervention, TVET College management and staff had to be prepared and adequately trained in managing and correctly applying the allocated funding towards its intended purpose. This in itself took time in adequately preparing the TVET system, as it was vital to establish a control environment that would ensure the correct and efficient utilisation of the appropriated funds. The majority of requisite repairs and maintenance services required at and identified by TVET colleges exceeded the procurement threshold of R500 000.00, requiring the implementation and oversight of formal tender processes in accordance with relevant public sector procurement regulations. These tender processes are lengthy by nature and coupled with the establishment of a suitable control environment (based on the National Infrastructure Asset Management Standards (NIAMS) as required and applied by the Department of Public Works), resulted in lower expenditure levels at TVET colleges than was initially anticipated and envisaged. The funding accordingly provided is also conditional and will be utilised by the respective TVET colleges for repair and maintenance services in the following financial year, once disbursed.

- **National Student Financial Aid Scheme**

The NSFAS Centralised Bursary Management System was implemented for the second year at all 50 TVET colleges during 2019. Following the Presidential announcement regarding the introduction of fee-free education for poor and working-class students, the financial eligibility threshold of the combined gross family income utilised by the NSFAS with a view to processing student applications, was increased from R122 000 to R350 000 per annum. The 112% increase in the bursary allocation from R2.437 billion in 2017 to R5.164 billion in 2018, as well as the increase of 26.2% during the 2019 bursary allocation of R6.517 billion for the introduction of fee-free education, presented an ideal opportunity for the Department to introduce standardised allowances within the TVET college sector during 2019. Furthermore, the Department introduced a new category of allowances for the first time in 2019, which aims to cater for a personal care allowance for all bursary students. This allowance is intended to assist students with their personal necessities.

The data obtained from the NSFAS indicates that the number of first-time NSFAS recipients across the TVET college sector exceeds the total number of returning NSFAS recipients. This can be attributed to the fact that financial eligibility is used as the main determinant in qualifying for NSFAS grant allocations as a first-time applicant. However, the maintenance of NSFAS support for returning NSFAS recipients also depends on academic progression.

Data integration challenges, as well as inconsistent administrative processes led to slow processing of applications and disbursement of allowances to students. In addition, six colleges struggled with the processing of student applications and claims namely: the Central Johannesburg, Western, Sedibeng, Taletso, Buffalo City and Ingwe colleges. These colleges were assisted by both the Department and the NSFAS to resolve their administrative inefficiencies in processing student claims. Furthermore, the Department in collaboration with NSFAS also provided training to the Financial Aid Committees of Central Johannesburg, Taletso and Western colleges.

In order to address inconsistent bursary administration processes and improve overall management of the bursary scheme, the Department in collaboration with the NSFAS, Chief Financial Officers and Student Support Services (SSS) Managers of selected colleges, developed Standard Operating Procedures for administering and implementing college fees and allowances for the first time at the advent of the 2020 academic year.

- **Examination and assessments**

The Department is mandated by means of the CET Act of 2006 to conduct, administer and manage the General Education and Training Certificate (GETC), National Accredited Technical Diploma (NATED) Report 190/1 and National Certificate (Vocational) [NC(V)] examinations and assessment processes. These examinations conducted by the Department are extensive and involved the management and oversight of twelve examination cycles spanning the trimester in Engineering Studies conducted during April, August and November, Business Studies that are conducted on a semester basis in June and November and NC (V) comprising a year-long programme. The Chief Directorate: National Examinations and Assessments (NEA), has also taken on the additional responsibility of managing the GETC examination process in collaboration with the nine provinces and the Department of Basic Education by way of a MoA signed by the Director-General of the Department. Significant achievements have been achieved during the 2019/20 academic cycle, especially in addressing the non-compliance findings made by the Quality Assurance body, UMALUSI.

The Chief Director: NEA has among others conducted the state of readiness monitoring exercise across six regions and fifteen campuses were subsequently visited. The sample campuses demonstrated capacity in managing credible examinations and were also found to have basic requirements such as strong rooms, storage rooms, suitable classrooms, computers laboratories, qualified lecturers, sufficient security personnel and IT specialists set in place and appointed so as to support students during the writing of computer subjects.

Sufficient examinations structures as required in tierms of UMALUSI directives were established with the requisite process concluded and respective committees set up. Members accordingly identified to serve on these committees have been appointed by the Minister and the Director-General of the Department in accordance with the Policy on the Conduct, Management, and Administration Report 190/0 and NC (V).

The Regulations Pertaining to Conduct, Management and Administration of Assessment for NC (V), and Report 190, as well as Regulations Pertaining to Conduct, Management and Administration of Assessment for GETC were developed. These Regulations were finalised and endorsed by the Department of Planning and Evaluation by way of the Socio-Economic Impact Assessment System (SEIAS) and submitted to the Legal and Legislation Unit of the Department to confirm compliance as a precursor to gazetting the Regulations for public comment.

The Department in collaboration with Government Printing Works introduced the automation of printing and packaging of question papers with no human intervention and this has significantly improved the security of question papers. This process was overseen in concert with the establishment of nodal and distribution points which ensure that question papers are delivered to private colleges on the day of examinations so as to mitigate against leakages of question papers.

The Chief Director: NEA has overseen the reduction of the certification backlog which has marred the image of the Department for some time. All role-players in addressing the certification backlog, have been identified and assigned roles and responsibilities with specific time-frames with a view to eradicate all outstanding certificates. There has since been significant improvement in this regard.

The credibility of examinations has improved significantly and all public examination centres participating during the 2019/20 examinations have released their results to eligible students in accordance with the management plan. The Executive Council of UMALUSI has applauded the Department for managing successful and credible examinations, especially as there were no leakages of question papers reported.

- **Governance in TVET institutions**

The Directorate of Management and Governance is responsible for supporting TVET colleges in developing strategic plans and offering the latter with institutional support in relation to governance and management functions. Although strategic planning and planned institutional support comprises the core business of the Directorate, the bulk of its activities was focussed towards dealing with the governance and management of operational capacity challenges evident at colleges. Historically, many colleges have been viewed as having a low level of institutional maturity, in turn requiring significant support. Despite this situation and the varied demands of many colleges, the Directorate has managed to function without a Director and only a small number of permanent, experienced administrative support staff during 2019.

The Directorate during 2019, managed to develop a new system and process of appointing Council members, a vetting process that ensured that candidates entering the system of TVET College governance met minimum ethical standards as well as appropriate qualifications and experience requirements. Using this new system and process of vetting, the Directorate has facilitated the constitution of new councils in 48 TVET colleges during 2019 in preparation for the 2019 to 2025 reporting cycles. This process involved the review and verification of over 400 external Council members. The Central Johannesburg TVET College has since been placed under administration and the term of office for Council members at the Tshwane South TVET College will end in 2021, where-after a new council will be constitutes and appointed.

An in-house Training Manual was developed by the Directorate aimed at to increasing the capacity of newly appointed Council members. During the final quarter of 2020, the heads of six departmental regional offices will be trained as part of the train- the-trainer programme. In addition, 240 Council members from the Limpopo, Western Cape and Northern Cape provinces were inducted. The training of the Council members from the remaining provinces, which was planned for completion by the end of March 2020 was delayed by the Covid-19 pandemic. However, a virtual induction workshop for Council members has since been concluded for the training of Council members in the North-West and Mpumalanga provinces. Similar virtual induction workshops will be convened for the remainder of Council members in provinces not yet having received the requisite training.

The Directorate was not able to achieve its performance target of developing and approving governance regulation for TVET colleges during 2019, as the Office of the State Law Advisor issued a legal opinion stating that the proposed Regulations were *ultra vires* to the purpose of CET Act. In an effort to address the issue, the Directorate has resolved to collaborate with stakeholders in TVET colleges during the current reporting period in developing and approving governance standards and a College Council Monitoring and Evaluation tool in support of College activities. In addition, the Directorate is also supporting Councils towards the adoption of the approved Council Members' Code of Conduct.

2.1.2.4 SKILLS DEVELOPMENT

- **Implementation of the National Skills Development Strategy III and Sector Education and Training Authorities Performance**

The National Skills Authority (NSA) commissioned a consortium of researchers to evaluate the NSDS III. The study set out to evaluate the design of NSDS III and its implementation from 2011 to 2016. It also explored its impact. The evaluation was carried out between October 2016 and August 2018. The study included desktop research, learner and financial data analysis, interviews and focus groups, a survey of employers, tracer studies of learners and case studies of NSDS implementation. The two-year study has now been completed and the report accepted by the NSA and the Minister of Higher Education and Training. The Report revealed that during the period under review, almost 1.1 million people were funded by SETAs and 330 000 students were funded by the NSF, comprising of just over 1.4 million beneficiaries between 2011 and 2016.

The period under review culminated in the NSDS III lifespan, and saw the implementaion of the National Skills Development Plan (NSDP) which will direct how the skills development levy will be disbursed for the next ten years up to 31 March 2030. A four-month consultation process was undertaken at the National Economic Development and Labour Council (NEDLAC). Subsequently, a consultation was convened with the NSA, leading to the approval and final publication by the Minister of the NSDP on 7 March 2019. Key outcomes guiding the NSDP include among others, identifying and increasing production of occupations in

> **The year under review was the last year regarding the implementation of the National Skills Development Strategy (NSDS) III and comprising of the following key goals:**
>
> "Establishing a credible institutional mechanism for skills planning; increasing access to occupationally-directed programmes;
>
> Promoting the growth of a public TVET colleges system that is responsive to sector, local, regional and national skills needs and priorities;
>
> Addressing the low level of youth and adult language and numeracy skills to enable additional training;
>
> Encouraging better use of workplace-based skills development;
>
> Encouraging and supporting cooperatives, small enterprises, worker-initiated, NGO and community training initiatives;
>
> Increasing public sector capacity for improved service delivery and supporting the building of a developmental state; and building career and vocational guidance".

demand, linking education and workplace activities, improving the level of skills in the South African workforce, increasing access to occupationally directed programmes, supporting the growth of the public college system, providing skills development support for entrepreneurship and cooperative development, as well as encouraging and supporting worker initiated training and support career development services.

Following on the publication of the NSDP 2030, the Sector Skills Plan (SSP) Framework, which SETAs use in developing SSPs, was reviewed and updated to align its content to the NSDP outcomes. SETAs were apprised of the updated SSP Framework through one-on-one and cluster sessions to ensure that they understood the updated framework. This has ensured that the five-year SETA Sector Skills Plans submitted during the 2019/20 financial year are aligned to the NSDP outcomes.

There has been a great deal of instability in relation to several SETAs, which is likely to impact on their achievement of targets. The CETA was placed under administration by the Minister and the Chief Executive Officer of the Banking Sector Education and Training Authority (BANKSETA) was also suspended for the last five months of the year under review. The NSA was kept occupied with the investigation of a number of SETAs where governance challenges were reported to the Minister.

- **Artisan development**

The artisan development environment saw the introduction and implementation of the Workplace Based Learning Agreement Regulations (WBLAR) and the Artisan Recognition of Prior Learning Policy (ARPL) policies during 2019/20. The SETAs in turn had to re-adjust their artisan management and administration systems in order to properly align and comply with these policies. The process of the SETA systems policy realignment and adjustment had an initial negative effect in that artisan registration targets plummeted quite drastically due to systems adaptation processes taking longer than expected. Furthermore, the increasing implementation of the ARPL policy decentralised trade testing from the National Development of Learnerships Employment Skills and Labour Assessments (INDLELA) to accredited Trade Test Centres across the country and as a result, reflecting a decrease in INDLELA trade testing targets.

The sudden advent of the COVID-19 pandemic over the last quarter of 2019/20 financial year had a devastating effect with regards to the collection and reporting of artisan data from SETAs who were unable to transmit this data to INDLELA during April 2020, due to the country locking down. The artisan targets for registration and completion in 2019/20 may have reached a plateau of the curve during this period, further aggravated by the expected economic slump as a result of the effect of the COVID-19 pandemic. The World-Skills, South Africa (WSSA) programme, albeit with operational challenges, successfully hosted the WSSA National Competition during February 2019 and subsequently featured 21 young South African competitors as part of the World-Skills International Competition (WSI) convened in Russia, Kazan from 22 to 27 August 2019 and during which competitors participated in 19 different skills areas.

- **Significant achievements during 2019/20**

A Tracer Study commissioned by the Department indicates that 79% of 19 627 apprentices who qualified in the 2018/19 financial year are employed by a company, 2% are self-employed and 19% are unemployed. This highlights the fact that approximately 81% of these artisans are participating in the labour market after attaining a qualification. By comparison with the 2017/18 Tracer Study survey findings which indicated that 71% of individuals entered the labour market after passing their trade tests, there is an 8% growth in employment for the 2018/19 financial year.

- **Significant developments that impacted on the work of the programme**

The implementation of the Workplace-Based Learning Agreement Regulations and ARPL had a negative impact on the registration of artisans, as numbers plummeted to below 20 000 artisan registrations, when compared to the previous year during which the artisan registration level reached more than 29 000 applications. Nonetheless, the implementation of the ARPL policy added a further twelve trades with completed and approved toolkits nationally. The implementation of ARPL has improved the access and quality of candidates' readiness for trade testing, a positive factor which may be contributing to the improvement in the overall pass rate.

2.1.2.5 COMMUNITY EDUCATION AND TRAINING

The 2019/20 financial year marked the final year of implementing the 2015 to 2020 MTSF. The CET programme was established during 2015 and the MTSF period was therefore significant as it signalled the conceptualisation phase of the programme. In the year under review, the Branch focused on the implementation and monitoring of the steering mechanisms and frameworks that were developed over the MTSF period. Furthermore, 2019/20 marked a major shift in terms of colleges independently managing their budgets and supply chain management processes, while the Department only performed an oversight function.

The context of the CET programme is founded in a set of principles as articulated by the National Policy on Community Colleges. These principles are as follows:

To ensure the realisation of the above set of principles, the programme prioritised targeted support to 54 Community Learning Centres having been identified nationally, to pilot the concept of CET. A Pilot Implementation Plan was developed and also provided to colleges. By way of the piloting process, it is anticipated that the system will move towards becoming differentiated in realising its founding mandate of responsiveness to geographic and sectoral needs and challenges. The identified centres are expected to pilot the concept of CET through strategic partnerships, innovation and programme diversification.

With regard to policy and legislation, the sector continued to be guided by the injunctions of the NDP in terms of which Government is committed to increase youth and adult participation within the CET sector to one million students by 2030. The growth and expansion of institutions within the CET sector remains a strategic priority for the Department. In this regard, the Branch developed enrolment targets to guide planning for the new MTSF period (2020-2024). The enrolment targets have since informed the new CET colleges' Strategic plans for this period. The programme has operated in terms of the *Continuing Education and Training Act, Act No.16 of 2006* as the principal legislation which regulates the system on a standardised basis. The CET programme has therefore focused on building capacity of CET institutions to improve functionality and efficiency.

It is essential to take cognisance of the fact that while CET Branch is forging ahead with the mandate of CET, the systemic challenges that faced the erstwhile adult education and training system still persists. The Department also continues to manage the aftermath of the function shift. The labour instability resulting from varied Conditions of Service for lecturers has continued to have a negative impact on teaching and learning. At the central offices, colleges' human resource capacity is skeletal comprising of only the Principals and their three Deputies. The finalisation and implementation of the Post Provisioning Norm (PPN) Model and the organisational structure for colleges is of critical importance for the gradual evolution of the CET college system.

The different resourcing and funding practices of colleges make it difficult for the latter to innovate and diversify programmes. The Department prioritised the development of funding norms for the efficient and equitable distribution of the fiscal allocations across the CET College sector. The provision of adequate physical and Information Communication Technology (ICT) Infrastructure remains a challenge. The CLCs still operate from main-stream schools, which makes it difficult to innovate in terms of programme offerings and capacitation in terms of ICT.

The CET system currently reflects a slight decline in enrolments. This can be attributed to the changing student cohort in terms of age and the relevance of the programme offerings. Over the MTSF period there has been a noticeable decline in students who need Adult Education and Training (AET) sub-levels 1 to 3. The sector is under tremendous pressure to vary its programme qualification mix. Despite the systemic challenges faced by the sector, major strides that have been made these are alluded to under the section on major achievements.

In terms of human resource capacity at the Branch level, nine senior managers comprising of thee Chief Directors and six Directors have been appointed. The post of Deputy Director-General (DDG) has remained vacant and the Chief Director for System Planning and Institutional Support currently performs the functions attributed to the position on an acting basis. Coordination of the Branch activities has improved since a Branch Coordinator was appointed during April 2019. The Branch successfully realised its mandate with since the appointment of eleven middle managers (excluding the senior manager corps) and in relation to the targets set out in the APP for the CET programme.

- **Significant achievements during 2019/20**

The CET sector has managed to function with a constrained financial and human resource staff compliment in realising its mandate. Despite these challenges though, the following activities represent significant achievements during for the period under review:

Development and implementation of a Financial Management System for CET colleges

Since the establishment of CET colleges during 2015 and leading up to the 2018/19 financial year, colleges have continued to depend on the financial management system of the Department and utilised the supply chain management processes of TVET colleges. For the year under review, all nine CET colleges have complied with the standards set by *Section 38(1)(j) of the Public Finance Management Act, 1999* and its regulations and as a result, the Department transferred approved 2019/20 allocations to the respective College accounts. The Department has continued to provide support through a forum comprising Deputy Principals: Finance and Senior Financial Advisors based at each college. Other achievements linked to the financial management system include the following:

- A review and re-distribution of the funding model for CET colleges and Regional CET units developed and approved for implementation, effective from 2020/21;
- CET colleges submitted audited Annual Financial Statements for the financial years 2015, 2016, 2017 and 2018; and
- Support was provided to colleges by way of the appointment of interim finance staff at CET colleges.

National Norms and Standards for Funding at CET colleges

Consultation on a proposed policy was facilitated for various stakeholders including the Department of Planning, Monitoring and Evaluation and was issued with a SEIAS compliance certificate as well as endorsed by National Treasury and concurrence with its contents and objectives was obtained from the Minister of Finance. The final policy was approved and published in Government Gazette No. 43078 on 6 March 2020.

Development of curricula and open learning material

Programme 6 in collaboration with the QCTO has developed curricula for 24 accredited occupational and skills programmes that will be offered as part of 2020 academic year by CET colleges. **Programme 6** in collaboration with the Open Learning Directorate has also developed National Senior Certificate for Adults (NASCA) open learning materials (including Open Education Resources) in five subjects namely: English, Mathematics, Quantitative Literacy, Economics and Management Sciences, as well as Natural Sciences.

Training of Councils

In performing an oversight and support role to ensure proper implementation of the governance policies, the Branch managed to train the Councils of the nine CET colleges within the following areas: Introduction to Internal Audit and Risk Management (focus on Council responsibilities), Internal audit; the Compilation of Annual Financial Statements and Generally Recognised Accounting Practices (GRAP), as wel as Financial Management System and Overview of 29 governance policies with emphasis on the Supply Chain Management Policy development.

Reconfiguration of Community Learning Centre Institutional landscapes

As guided by the CET system's National Plan for the implementation of the White Paper for Post-School Education and Training System for 2019/2030, the Branch embarked on the reconfiguration of the institutional landscape through rationalisation of the 3 276 CLCs, as initially Gazetted during 2015 to 200 CLCs and 1 610 Satellites Centres (SCs).

The Councils of CET colleges have supported the reconfiguration exercise and have since taken resolutions that provided the Department with a mandate to Gazette the new landscape and it has since been approved by the Minister.

Strengthening CET pilot concept at the 54 CLCs

The Branch developed a pilot implementation plan for the period of 2019 to 2023. The plan provides strategic direction and standardises the approach emulated by the pilot project at all nine CET colleges across the following areas:

- Appropriate governance, management arrangements and Infrastructure development at CET colleges that address management systems, core teaching and administrative staffing requirements, the minimum numbers of learners, governance arrangements, basic facilities and infrastructure requirements.
- Responsive Programme Offerings with the pilot sites testing programme offerings aligned to national social and economic development programmes, including the accreditation and quality assurance arrangements in respect thereof.
- A Funding and Resourcing Model for the funding and resourcing of pilot sites and the implications for a sustainable funding model at CET colleges, including resourcing through partnerships.
- Management Information Systems comprising of the establishment of management information systems consisting of a comprehensive and user-friendly Education Management Information System, while entrenching the ongoing monitoring and a formative evaluation of the College system.
- Lecturer and Management Development and Support with the selection of lecturers who are identified to teach at the pilot sites and their capacitation, alongside the models developed for ongoing planning and delivery of continuous training of lecturers and managers.
- Tools and methodologies for ensuring local and community responsiveness including a survey of needs for communities and the resources available for utilisation at CET colleges, advocacy and publicising the colleges and Community Learning Centres and their readiness in responding to local needs and requests, as well as understanding organisations/initiatives within communities that may enhance cooperation with colleges and Community Learning Centres to their mutual benefit.

- **Significant developments that impacted on the work of the programme**

The finalisation and development of the Post Provisioning Norm, as well as delays in the filling of vacant positions in the Branch has impacted on the work of the programme. The appointment of staff at colleges in terms of the organisational structure has not yet taken place. The implementation of the PPN Model remains a critical requirement. Currently the finance units at CET colleges continues to be supported by interim staff appointed to fulfil the requisite finance functions.

Another significant internal development that has impacted on programme performance was providing strategic leadership in relation to the development of 2020 to 2024 College Strategic and 2020/21 Annual Performance Plans. The leadership of the Branch was critical within the context of developing revised planning guidelines in

accordance with the directives issued by the DPME. For the first time, planning in terms of access and success linked to the NDP and system wide targets was undertaken. The National Plan for Post-School Education and Training (NPPSET) and CET system and National Plan for the implementation of the White Paper for Post-School Education and Training system for 2019 to 2030 were utilised as the guiding documents in setting targets and outcomes. Emanating from the planning process, the system is now clear on the vision of the CET programme, access, success, programme diversification and rationalisation of the CET institutional landscape, as well as the development of steering mechanisms to regulate and support the appropriate provision for CET programmes.

2.2 Service Delivery Improvement Plan

2.2.1 Service Delivery Improvement Plan

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Issuing of certificates to qualifying candidates following the publication of results	Eligible students	4 months from the day the results are issued	3 months from the day results are issued	Achieved within 4 months

Batho Pele arrangements with beneficiaries (consultation, access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
Ministerial Izimbizo	Ministerial izimbizo are planned by Ministry with Communications assisting with execution. There were no izimbizo for the period in review	N/A
Minister's meeting with stakeholders	Minister's meetings with stakeholders are planned by Ministry with Communications assisting with execution. There were no meetings for the period in review where Communications was requested to provide support	N/A
Communication Fora	Four	Two (SETA Communicators' Forum in October 2019 and TVET Communicators' Forum in November 2019). The impact of coronavirus has been felt across all areas of work

Current/actual arrangements	Desired arrangements	Actual achievements
Twitter	Regular updating of the social media feed based on communication that needs to take place with citizenry	The social media feed was regularly updated based on communication that needed to take place with citizenry. There are currently in excess of 14 900 followers
Facebook page	Regular updating of the social media feeds based on communication that needs to take place with citizenry	The DHET social media feed was regularly updated based on communication that needed to take place with citizenry. There are currently in excess of 116 000 followers on Facebook. The DHET Instagram page has just over 1 300 followers. www.tvetcolleges.co.za also has its newly-created Facebook page with nearly 29 000 followers
Websites	Regular updating of the tvetcolleges.co.za website based on new information relevant to the TVET audience Updated content timely on a regular basis. 100% access by website users and stakeholders and accuracy of information	Regular updating of the tvetcolleges.co.za website based on new information relevant to the TVET audience. January 2020 recorded 163 000 visitors with the monthly average being 100 000 visitors. The website content is updated regularly. The number of clients that used the website between April 2019 and April 2020 is 1 035 656. 516 689 returning users and 518 967 new users. The number of pages views between April 2019 to April 2020 is 2 023 495

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Walk-In Client/visit to the department	All walk-in clients/ visitors to the Department are attended to within an hour of arrival	All walk-in clients/ visitors to the Department were attended to within an hour of arrival. Matters that were not possible to immediately close out were recorded and escalated to relevant line managers for closure

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Toll-free line	The toll-free line is staffed by officials during business hours when the Department is in operation. Presidential Hotline queries are closed out with at least a 90% closure rate	The toll-free line was staffed by officials during business hours on all days when the Department was in operation. Presidential Hotline queries were closed out with the close-out rate for the last quarter of 2019/20 at 98.52%

2.3 Organisational Environment

During the period under review, the Department had an approved staff establishment of 28 620 posts of which 25 998 posts were filled and representing a vacancy rate of 9.2%.

The Department at the advent of 2019, had planned to reduce the number of contract employees in terms of a Ministerial determination, with the majority of incumbents employed at CET colleges (12 863 employees) and whom were transferred with Conditions of Service from the provincial departments of education to the latter colleges. The Department has since approved a business model for CET which in turn requires permanency and certainty, particularly in relation to the employment conditions of the lecturing staff.

The Department achieved most of its annual performance plan targets within the Administration programme during 2019/20, all of which were guided and informed by the 2015 to 2020 Programme of Action under priority indicator 12. These include among others: reducing the vacancy rate to just over 7.3% and reducing the 180 day turn-around time in filling vacancies and resolving disciplinary disputes within 90 days. The interim organisational structure was approved during March 2019 and has significantly contributed in normalising the

The approval process has however been delayed and will only be finalised during the first quarter of 2020/21. The conversion of the employment status of CET lecturers provide the latter incumbents with a greater level of security and enable them to qualify for the same benefits that other public service counterparts enjoy.

Another key intervention during 2019/20 was to replace the system by which lecturers are paid through a claim system and introduce stipends for all lecturers solely employed by the Department. The new system however, does not also extend to educators employed by the provincial departments of basic education. The latter process has reduced the tedious practice of having to capture claims and the frequent ensuing delays regarding the payment of lecturers. An investigation into standardising the salaries of CET lecturers was conducted and the results suggest that additional funding will be required in relation to the compensation budget, a requirement that could not be implemented due to the constrained financial environment across the education sector.

post establishment of the Department, bringing about certainty in the management of the establishment. The finalisation of Post Provisioning Norms (PPN) has been a major achievement that will assist the Minister in the creation and endorsement of posts for Colleges as required by the Continuing Education and Training Act. The PPN is needs-driven and will provide a level of flexibility as college management is enabled to better determine posts in terms of the programme offerings, while also providing a framework for support staff positions. The post establishments of colleges will inform the organisational structure and the requisite management layer accordingly required at middle and top management levels of the colleges.

There has been a significant improvement in the number of audit findings and the time it takes to submit documents to the Auditor-General. This has been the result of introducing systems to automate record keeping within the personnel registry within the Department, which old files and new transactions scanned as they occur, in conjunction with an automated system for retrieval. The system is also being implemented at all colleges and allows for the transfer and scanning processes in real time. The new scanning process has improved turn-around times related to the submission of required information to Auditor-General and as a result there has been a reduction in the number of audit findings issued by the Auditor-General during 2019/20, when compared to the previous years' audit process.

The Department has also introduced automated business processes in relation to the management of staff leave, which in turn has contributed to an improved audit for 2019/20. With regard to building capacity at college level and the management of human resources, a survey was conducted during 2019 and it revealed that 39 colleges were ready to receive the requisite functions, while eleven colleges required support to increase capacity and provide required infrastructure.

The Conditions of Service Unit has been compelled to deal with a very high number of transactions while capacity remains limited. The Pension Case Management (PCM) system was installed and contributed to a reduction in the time-frame it takes to process pension applications. Colleges have been provided with access to the PERSAL system with the aim of capturing pension applications and other Conditions of Services functions with no additional financial implications becoming apparent. On average, the processing of pension-related functions has been reduced to a three-month turn-around time.

Twenty one standardised policies and procedure manuals were approved during May 2019 for implementation as endorsed by the Accounting Officer of the Department. These policies have assisted the Department in ensuring that there are standardised human resource management procedures across all 59 colleges and the Department. Further work in developing additional and reviewing identified policies is planned for completion during 2020/21. For consistency and equity, College Councils, for the purpose of consistency and equity, are required to adopt these policies for application at all college and in respect of each employee.

In relation to collective bargaining processes and structures, the Minister mandated the establishment of a collective bargaining structure for lecturers within the Education Labour Relations Council while the support staff remain at the GPSSBC. Responsibility for the finalisation of this process rests with the Minister for Public Service and Administration and the General Secretary of the PSCBC. This move will bring about the much desired stability within the college sector.

The Departmental Ethics Committee was launched during 2019/20, the relevant strategy and policy approved and staff financial disclosures were dealt with as planned. Institutional ethics committees were also launched across the six regions of the Department. Non-compliance on the disclosure of financial interests was reduced and prescribed compliance time-lines realised timeously. There has been an overall improvement in the number of employees below salary levels 13, who disclosed their financial interests, both within the functional areas of

the Financial and Supply Chain Management Directorate and Chief Directorate, respectively. The e-disclosure system was implemented at all colleges with a view to enable all designated employees below the senior management service level to disclose their interests at local level.

Information and Communication Technology (ICT) services stability has significantly improved at a 99% success rate accordingly corroborated by a monitoring report issued by the State Information Technology Agency (SITA) and as a result of the network infrastructure that was replaced at the end of 2019/20. Following on the ICT Audit by the Office of the Auditor-General, most findings were issued in relation to User Access Management, Information Security on business systems such as Technical and Vocational Education and Training Management Information System (TVETMIS), the Examinations System, Higher Education and Training Management Information System, as well as SDLIS and in an effort to mitigate these challenges, monthly engagement meetings with relevant system administrators were introduced in tandem with the submission of monthly reports signed off by respective Branch Heads and submitted to the Accounting Officer, as well as the ongoing monitoring of patch management and information security awareness raising interventions. These actions have led to a reduction in the number of findings, with most having been successfully addressed. Power cuts in the Pretoria central business district and load shedding have necessitated the purchase of generators and the relevant procurement process has since been finalised with delivery expected during the first quarter of 2020/21.

A planned strategic review of the ICT landscape is in the process of being procured by SITA. This review will align the current ICT environment with the new five-year Strategic Plan, 2020 to 2025 of the Department and the development of a revised five-year ICT Strategy. The Government Information Technology Officer (GITO) unit has been instrumental in managing and ensuring the roll-out of the SmartHet system, an enterprise business automation and content management mechanism which has improved efficiency of business processes across the Department. A number of functions such as e-leave, submissions, payments and invoice tracking, quotations management, parliamentary questions, requisitions, as well as Director-General related tasks are now fully automated and online, with the e-PMDS process to be implemented during 2020/21.

A joint Departmental Events Calendar was developed and shared with the purpose of synergising the Departmental and DSI Joint EXCO meetings, alongside improved management of events between the Department and Ministry in relation to the efficient coordination of Public Relations Management priorities. There has been a more practical utilisation of multi-media communication options by the Department within the context of Government's fiscal austerity measures since implementation of the latter.

Four editions of the TVET College Times were produced and disseminated successfully, despite in-house capacity challenges and slow response-times for inputs from colleges. This was made possible by the secondment of an official from the NSF to perform the functions of an interim Editor on behalf of the colleges. An electronic publication titled "Welcome to My TVET World" was also produced and disseminated on all Departmental online platforms. The publication profiled several students whom have moved through the system and emerged as successful entrepreneurs. This 'first-person' technique of storytelling places emphasis rather on individuals such as students telling their stories and experiences as opposed to Government officials informing the public on what needs to be done. The Communication Unit provided marketing and communication services during the World Skills, South Africa event, as well as similar services in relation to the finals of its International counterpart event hosted in Kazan, Russia. A digital wallboard audit was conducted with the purpose of assessing the strategic use of the platform, of which the primary aim is focused towards distributing internal messages to staff members of the Department. The project assisted the Department in identifying and addressing the internal communication challenges that have been apparent regarding the distribution of internal messages by way of these wallboards. The Communications Chief Directorate has also successfully drafted and presented a new Social Media strategy for the Department in conjunction with new, alternative communication channels established with SETA's and TVET Marketing and Communication Managers.

Fraudulent payments pertaining to qualifications improvements and COLA procedures were identified by the Department's Fraud Prevention unit. A forensic investigation was subsequently conducted confirming a fraudulent transaction in relation to payments of Relative Education Qualification Value (REQV) and COLA. Following on the conclusion of these investigations, the responsible officials were subjected to the requisite disciplinary processes, while the individual at the centre of the fraudulent transactions accordingly resigned. Furthermore, the Department managed to detect and prevent the appointment of seven ghost employees on the PERSAL system and a case was opened with the Hawks Investigations Unit. Stringent control measures in managing and signing-off on all payments so as to prevent fraudulent payments and ensure an improvement in audit outcome, have duly been set in place. In addition, fraudulent transactions may have continued occurring without detection, had it not been for the diligence of the Departmental Fraud Unit.

3. Strategic outcome-oriented goals

The 2014 MTSF is structured around 14 Priority Outcomes that cover the focus areas identified in the NDP. The Department is responsible for Outcome 5 of the 14 government outcomes, namely *"A skilled and capable workforce to support an inclusive growth path".*

The following Sub-outcomes have been identified for this Outcome:

- A credible institutional mechanism for labour market and skills planning;
- Increased access and success in programmes leading to intermediate and high-level learning;
- Increased access to and efficiency of high-level occupationally-directed programmes in needed areas; and
- Increased access to occupationally-directed programmes in needed areas and thereby expanding the availability of intermediate level skills with a special focus on artisan skills.

2019 World Skills Competition

For the realisation of the aforementioned sub-outcomes, five strategic outcome oriented goals have been identified for the five-year period covered by the Department's Strategic Plan as follows:

2015-2020 STRATEGIC PLAN OUTCOME-ORIENTED GOALS		CONTRIBUTING BUDGET PROGRAMMES
Goal 1	**Sound Post-School Education and Training steering framework**	2, 3, 4, 5 and 6
Goal Statement	To steer the Post-School Education and Training system through the development and review of steering mechanisms, integrated planning and implementation oversight	
Goal 2	**Improved Post-School Education and Training services**	2, 3, 4, 5 and 6
Goal Statement	To improve the Post-School Education and Training system through the provision of appropriate learning assessment services, teaching and learning and student support services	
Goal 3	**Improved Post-School Education and Training capacity**	2, 3, 4, 5 and 6
Goal Statement	To improve the capacity of the Post-School Education and Training system through funding interventions and infrastructure development	
Goal 4	**Strong stakeholder network**	2, 3, 4, 5 and 6
Goal Statement	To develop partnerships and maintain good stakeholder relations in support of an effective Post-School Education and Training system	
Goal 5	**Excellent business operations within the Department of Higher Education and Training**	1
Goal Statement	To ensure sound business management/leadership and effective resource management within the Department	

Progress status on MTSF outcome/impact indicators

Performance Indicator	Baseline 2014/15	Performance 2015/16	Performance 2016/17	Performance 2017/18	Performance 2018/19	Performance 2019/20	5 year target	Percentage progress against the 5 year target
Access								
1. Students enrolled in public higher education studies (n)	983 698	969 154	985 212	975 837	1 036 984	1 085 568*	1 070 000	101%
2. Headcount enrolments in TVET colleges (n)	709 535	710 535	741 542	703 705	687 955	657 133*	710 535	92%
3. Headcount enrolments in CET colleges (n)	300 000	283 602	273 431	273 431	193 185	149 444	340 000	34%
4. University students in foundation programmes (n)	17 960	19 212	17 977	20 685	21 289	21 730*	36 000	60%
5. Eligible university students obtaining financial aid (NSFAS) (n)	186 150	178 961	255 950	225 950	260 002	393 781***	205 000	192%
6. Qualifying TVET students obtaining NSFAS financial assistance per annum (n)	220 978	298 457	255 557	225 557	200 339	307 409***	(200 000 pa)	153.7%
Success								
7. Graduates in Engineering Sciences from universities (n)	11 441	12 058	12 470	12 386	12 955	13 891** (75 201 cumulative)	57 000	112%
8. Graduates in Human Health and Animal Health from universities (n)	8 627	8 982	9 851	10 087	10 456	10 747** (58 750 cumulative)	45 000	111%
9. Graduates in Natural and Physical Sciences from universities (n)	6 698	7 259	7 917	8 093	8 601	9 270** (47 838 cumulative)	36 000	114%
10. Graduates in Initial Teacher Education from universities (n)	16 594	19 124	20 698	22 123	25 113	28 408** (132 159 cumulative)	99 000	117%
11. Doctoral graduates from universities (n)	2 051	2 258	2 530	2 797	3 057	3 344** (16 304 cumulative)	12 000	119%
12. Research Masters graduates (n)	6 460	7 229	7 317	7 968	8 010	8 610** (45 594 cumulative)	34 000	115%
13. Success rates at Universities (%)	74%	77%	78%	78%	77%	77*	78%	99%

Performance Indicator	Baseline 2014/15	Performance 2015/16	Performance 2016/17	Performance 2017/18	Performance 2018/19	Performance 2019/20	5 year target	Percentage progress against the 5 year target
14. Higher education undergraduate success rate (contact) (%)	81%	82%	83%	83%	82%	82%*	81%	101%
15. Higher education undergraduate success rate (distance) (%)	60%	68%	68%	68%	67%	69%*	71%	97%
16. Certification rates in TVET qualifications NC (V) L4 (%)	34.4%	23.3%	32.6%	42%*	42.8%	53.90	50%	108%
17. Certification rates in TVET qualifications N3 (%)	55.4%	51.0%	64.9%	65.8%	76.8%	83.2%	65%	128%
18. Certification rates in TVET qualifications N6 (%)	47.2%	34.3%	61.0%	66.1 %	96.1%	87.10%	65%	134%
19. Certification rates in CET formal qualification (%)	-	39.8%	35.9%	35.9%*	38%	44%*	45%	98%
Transformation								
20. University academic staff with PhDs (n)	41%	43%	44%	45%*	46%	48%*	46%	104%

Note:

** 2018 academic year, verified by October 2019*

*** Cumulative from 2015/16 academic years*

**** 2018 academic year, verified and confirmed by NSFAS*

4. Performance Information by Programme

4.1 Programme 1: Administration

4.1.1 Purpose

The purpose of the programme is to provide strategic leadership, management and support services to the Department.

There are six budget sub-programmes:

- **Ministry**
- **Department Management**
- **Corporate Services**
- **Office of the Chief Financial Officer**
- **Internal Audit**
- **Office Accommodation**

4.1.2 Strategic Objectives

- To ensure effective human resource management within the Department through sound human resource management practices including staffing, human resource development, performance management, labour relations and human resource administrative systems.
- To ensure effective financial management practices through the application of good financial management systems, including management accounting, financial accounting and supply chain management in line with the requirements of the PFMA.
- To improve ICT services in relation to procurement, management and maintenance of hardware, software and networks.

4.1.3 Summary of significant achievements during the 2019/20 financial year

As part of ensuring effective human resource management, the Department implements various human resource management practices in relation to staffing, human resource development, performance management, labour relations and human resource administrative systems.

During the 2019/20 financial year, the following was achieved:

- Various Human Resource Management and Administration related policies was approved and also some policies was submitted to be reviewed:
  - Policies approved: Overtime Policy; Recruitment and Selection Policy, Secondment Policy, Transfer Policy and Termination of Service Policy;
  - Policies submitted / under review: Leave Policy, Housing Allowance Policy, Special Leave Policy, Contract/Temporary Appointments Policy, and Acting Appointments Policy;

- Policies withdrawn for further review: Medical Aid Membership Policy; and
- Employee Health and Wellness Policies: HIV- AIDS and TB Management Policy, Health Productivity Management Policy, Safety Health Environment Risk and Quality Management Policy and Wellness Management. (The Department is currently using Department of Public Service and Administration (DPSA) guidelines)

- Operations Management Framework processes were initiated including the development of the Service Delivery Improvement Plan, Service Delivery Model, Business Process Mapping, Standard Operating Procedures and Service Delivery Charter. These processes will be completed in the next financial year.
- Appointment of Institutional Ethics committees, Training of the Institutional Ethics Committees on the approved Ethics and Integrity Management Strategy.
- Ninety nine percent of posts at TVET and CET colleges were evaluated in order to adhere to the principle of equal pay for work of equal value. This will assist in addressing the inconsistency of grading of posts across the public colleges and in reducing grievances in this regard.
- The NSF awarded funding for artisan development for the elementary staff project to the amount of R6.7 million. The money has not been spent due to the delay in the signing of the Memorandum of Understanding (MoU). Implementation will continue as soon as the MoU is signed.

2019 "Bogus" Colleges Campaign

4.1.4. Programme performance: Strategic Objectives, performance indicators, planned targets and actual achievements

Strategic Objective	Performance Indicators	Actual Achievement 2018/19	Planned Target for 2019/20		Actual Achievement 2019/20	Deviation from planned targets to Actual Achievement 2019/20	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 1: Administration							
(6.1.1.1) To ensure effective human resource management within the Department through sound human resource management practices including staffing, human resource development, performance management, labour relations and human resource administrative systems	6.1.1.1.1 Percentage of approved funded positions filled per annum	93.8%	90%	90% of approved funded positions filled	92.98	Target achieved	
	6.1.1.1.2 Percentage of disciplinary cases resolved within 90 days per annum	78%	100%	100% of disciplinary cases resolved within 90 days	100% of disciplinary cases resolved within 90 days	Target achieved	
	6.1.1.1.3 Average number of days to fill an advertised position within 180 days per annum	159 days	180 days	180 days number of days to fill an advertised post	108.14	Target achieved	

Strategic Objective	Performance Indicators	Actual Achievement 2018/19	Planned Target for 2019/20		Actual Achievement 2019/20	Deviation from planned targets to Actual Achievement 2019/20	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 1: Administration							
(6.1.1.2) To ensure effective financial management practices through the application of good financial management systems, including management accounting, financial accounting and supply chain management in line with the requirements of the PFMA	6.1.1.2.1 Percentage of invoices received from creditors paid within 30 days	100%	100%	Invoices received from creditors paid within 30 days expressed by a percentage	99.6%	Target not achieved	Miscommunication on processing of transactions and authorisation due to large volumes of work. Sensitise managers to monitor and enforce compliance on 30-day turn-around processes to officials through monthly 30-day memoranda and departmental Newsflashes on an occasional basis.
	6.1.1.2.2 Audit opinion received from the Auditor -General of South Africa	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	Target achieved	

Strategic Objective	Performance Indicators	Actual Achievement 2018/19	Planned Target for 2019/20		Actual Achievement 2019/20	Deviation from planned targets to Actual Achievement 2019/20	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 1: Administration							
	6.1.1.2.3 Number of remedial plans on audit findings in the previous financial year approved	1	1	A remedial plan on audit findings in the previous financial year approved by the Director-General	A remedial plan on audit findings in the 2018/19 financial year developed and approved by the Director-General by 21 September 2019	Target achieved	
(6.1.1.3) To improve ICT services in relation to procurement, management and maintenance of hardware, software and networks	6.1.1.3.1 Percentage of network connectivity uptime	99.05%	95%	95% of network connectivity uptime	99.50%	Target achieved	

4.1.5 Strategy to deal with underperformance

During the twelve-month period under review the Department has been able to pilot the implementation of the Electronic Invoice Tracking System at selected functional sites with a view of testing the efficacy of the system, identifying risks and challenges as they occur and as a precursor to the broader roll-out and implementation of the overall system.

4.1.6 Changes to planned targets during the year

None.

4.1.7 Linking programme performance with budgets

Sub-programme	2019/20			2018/19		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	29 445	28 906	539	59 722	57 394	2 328
Department Management	53 233	51 457	1 776	52 439	45 770	6 669
Corporate Services	164 929	159 420	5 509	168 244	167 027	1 217
Office of the Chief Financial Officer	92 104	86 526	5 578	82 411	81 042	1 369
Internal Audit	12 733	12 549	184	8 062	7 547	515
Office Accommodation	94 801	82 713	12 088	70 902	70 902	-
Total	**447 245**	**421 571**	**25 674**	**441 780**	**429 682**	**12 098**

4.2 Programme 2: Planning, Policy and Strategy

4.2.1 Purpose

The purpose of the programme is to provide strategic direction in the development, implementation and monitoring of Departmental policies in the human resource development strategy for South Africa.

There are six budget sub-programmes:

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

4.2.2 Strategic Objectives

- To monitor and improve the implementation;
- To coordinate and facilitate social inclusion in the PSET system;
- To support teaching and learning in the PSET system;
- To provide management information on PSET to inform decision making and planning; and
- To secure international scholarships to advance human resource development in priority areas.

4.2.3 Summary of significant achievements during 2019/20 financial year

- The Department's Research Agenda for 2020 to 2023 has been updated, which includes the following:
  - A five-year contract between the Department and The University of the Western Cape (UWC) on a five-year programme on TVET focusing on access and demand, responsiveness, teaching and learning, lecturer development and research on private colleges, among others;
  - The Department undertook a tracer study of 4 000 TVET college graduates to explore the labour market outcomes of recent completers in Engineering and Business Studies programmes from South Africa's public TVET colleges;
  - The Department's Research Bulletin was published in December 2019. This edition focused on the Fourth Industrial Revolution; and
  - The Department's first evaluation plan for 2019/20 - 2021/22 MTEF period was developed;

- A comprehensive research for the PSET for 2019/20 to 2021/22 was published;
- Promulgation of the National Qualifications Framework Amendment Act, 2019;
- Publication of the CAS Bill for public comment;
- Obtain concurrence from the Minister of Finance to commence CAS pilot project;
- In terms of the development of NOLS, the content from the NASCA and the Advance Dip were uploaded into the LMS and the content repository; and
- Content for the National Occupational Certificate: Electrician was developed and selected aspects of the course were also uploaded into the LMS and the content repository NOLS.

CETA-UIF Skills launch - Modimolle

4.2.4 Programme performance: Strategic Objectives, performance indicators, planned targets and actual achievements

Strategic Objective	Performance Indicators	Actual Achievement 2018/19	Planned Target for 2019/20		Actual Achievement 2019/20	Deviation from planned targets to Actual Achievement 2019/20	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 2: Planning, policy and strategy							
(6.2.1.1) To monitor and improve the implementation of the NQF Act	6.2.1.1.1 Proposed amendments to the NQF Act gazetted for public comment	7	1	Proposed amendments to the NQF Act gazetted for public comment by 31 March 2020	Proposed amendments to the NQF Act were gazetted for public comment and published on the Department website on 27 March 2020	Target achieved	
	6.2.1.1.2 Annual report on NQF approved	7	1	Annual report on NQF developed and approved by Director-General by 31 March 2020	Annual report on NQF developed and approved by Director-General on 18 March 2020	Target achieved	

Strategic Objective	Performance Indicators	Actual Achievement 2018/19	Planned Target for 2019/20		Actual Achievement 2019/20	Deviation from planned targets to Actual Achievement 2019/20	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 2: Planning, policy and strategy							
(6.2.1.2) Coordinate and facilitate social inclusion in the PSET system	6.2.1.2.1 Policy framework on Gender Based Violence in the PSET system gazetted	1	1	Policy framework on Gender-Based Violence in PSET gazetted by 31 March 2020	Policy framework on Gender-Based Violence in PSET was not gazetted as planned	Target not achieved	Cabinet was scheduled to approve the GBV Policy on 28 March 2020. Completed documents were submitted on 17 February 2020. The meeting was cancelled due to the lock down/ state of disaster.
	6.2.1.2.2 Annual report on social inclusion in the PSET system approved	1	1	Annual report (Jan-Dec 2019) on social inclusion developed	Annual report (Jan-Dec 2019) on social inclusion developed and approved by the Director-General on 29 March 2020	Target achieved	

Strategic Objective	Performance Indicators	Actual Achievement 2018/19	Planned Target for 2019/20		Actual Achievement 2019/20	Deviation from planned targets to Actual Achievement 2019/20	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 2: Planning, policy and strategy							
(6.2.1.3) To support teaching and learning in the PSET system	6.2.1.3.1 Education and training materials made available on an open educational resources repository	1	1	Education and training materials made available on an open educational resources repository	10 Education and training materials made available on an open educational resources repository	Target achieved	
	6.2.1.3.2 Annual report on the implementation of open learning in PSET approved	1	1	Annual report on the implementation of open learning in PSET developed	Annual report on the implementation of open learning in PSET developed and approved by the Director-General on 18 March 2020	Target achieved	

Strategic Objective	Performance Indicators	Actual Achievement 2018/19	Planned Target for 2019/20		Actual Achievement 2019/20	Deviation from planned targets to Actual Achievement 2019/20	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 2: Planning, policy and strategy							
(6.2.1.4) To provide management information on PSET to inform decision making and planning	6.2.1.4.1 Report on skills supply and demand published	1	1	Report on skills supply and demand published	Report on skills supply and demand approved by the Director-General on 31 March 2020	Target achieved	
	6.2.1.4.2 Statistics on PSET in South Africa published annually	1	1	Report on statistics on Post-School Education and Training published by 31 March 2020	Report on statistics on Post-School Education and Training was approved by the Director-General on 23 March 2020 and published on 27 March 2020	Target achieved	

Strategic Objective	Performance Indicators	Actual Achievement 2018/19	Planned Target for 2019/20		Actual Achievement 2019/20	Deviation from planned targets to Actual Achievement 2019/20	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 2: Planning, policy and strategy							
(6.2.1.5) To secure international scholarships to advance human resource development in priority areas	6.2.1.5.1 Number of new agreements on international scholarships entered into with foreign countries approved		2	At least 2 new agreements on international scholarships entered into with foreign countries approved by the Director-General by 31 March 2020	The Director-General signed and accepted two scholarship offers from Hungary (100 scholarships) and France (12 scholarships) on 20 February 2020 and 04 March 2020 respectively	Target achieved	

4.2.5 Strategy to deal with underperformance

The Policy Framework on GBV in PSET was not gazetted as planned. Cabinet was scheduled to approve the GBV Policy on 28 March 2020. Completed documents were submitted on 17 February 2020 but the meeting was cancelled due to the lock down/state of disaster. Future planning will factor possible time lapses.

4.2.6 Changes to planned targets during the year

None.

4.2.7 Linking programme performance with budgets

Sub-programme	2019/20			2018/19		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Actual Expenditure	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Management	1 581	1 466	115	2 584	1 431	1 153
Human Resource Development, Strategic Planning and Coordination	18 623	18 320	303	20 745	18 351	2 394
Planning, Information, Monitoring and Evaluation Coordination	20 700	20 046	654	16 507	15 449	1 058
International Relations	15 730	14 333	1 397	15 708	14 397	1 311
Legal and Legislative Services	14 972	12 104	2 868	16 568	15 503	1 065
Social Inclusion in Education	7 668	7 394	274	7 792	6 920	872
Total	**79 274**	**73 663**	**5 611**	**79 904**	**72 051**	**7 853**

4.3 Programme 3: University Education

4.3.1 Purpose

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

There are six budget sub-programmes:

- **Programme Management**
- **University Planning and Institutional Funding**
- **Institutional Governance and Management Support**
- **Higher Education Policy Development and Research**
- **Teaching and Learning Development**
- **University Subsidies**

4.3.2 Strategic Objectives

- To develop policies, guidelines and plans to steer the university education system;
- To annually provide management, statistical and narrative information on higher education through oversight, monitoring and implementation; and
- To provide teaching and learning support services aimed at improving access to quality teaching and learning in Higher Education Institutions by 31 March 2020.

4.3.3 Summary of significant achievements during 2019/20 financial year

- National Guidelines for Coordination and Implementation of International Scholarships were formulated and approved by the Minister in December 2019.
- The second United States – South Africa Higher Education Network (US-SA HEN) annual seminar was successfully held in Washington in October 2019. Fourteen South African universities leading partnerships with United States universities participated. In addition, representatives from the eight South African Historically Disadvantaged Institutions also participated.
- The second annual EDHE Lekgotla was successfully held from 26 to 29 June 2019.
- The first national Entrepreneurship Intervarsity competition was successfully held in 2019 and this will become an annual event.
- The first phase of the FPP was initiated and a first cohort of 29 senior academics have started the two-year development programme.
- A national workshop on the draft Extended Curriculum Policy was held in September 2019. Universities were requested to submit their comments on the policy to the Department. The policy will be finalised for public comment during 2020/21.

- The Directorate: Private Higher Education Institutions conducted a public awareness campaign in January/ February 2020, with the aim of informing, educating and creating consciousness in the public on the presence of illegal private institutions. The campaign also provided career guidance in conjunction with KHETHA campaign under the auspices of the Career Development Services of the Department. The awareness campaign included all the relevant stakeholders: SAQA, QCs, Directorate Private colleges and KHETHA. The Department's communication section also provides communication and media support.
- The Department implemented the Policy on the Evaluation of Creative Outputs and Innovations for the first time in 2019. Submissions were received from universities in November 2019. The evaluations of the creative outputs received from the universities took place on 24 to 27 February 2020. 184 submissions for the creative outputs and 131 for innovations were received. A report is being developed and will be utilised for generating research outputs subsidy units for the 2021/22 financial year.

Mother Language Month

4.3.4 Programme performance: Strategic Objectives, performance indicators, planned targets and actual achievements

Strategic Objective	Performance Indicators	Actual Achievement 2018/19	Planned Target for 2019/20		Actual Achievement 2019/20	Deviation from planned targets to Actual Achievement 2019/20	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 3: University Education							
(6.3.1.1) To develop policies, guidelines and plans to steer the university education	6.3.1.1.1 Draft Regulatory Framework for university fees approved		1	Draft Regulatory Framework for university fees developed	A first draft of a proposed framework was developed	Target not achieved	A working group between the Department and Universities South Africa (USAf) was constituted and identified the comprehensive data required to make decisions on a fee regulatory framework for the system. The information required, has been analysed for trends by four system analysts. The task team agreed on a central fee increase for a period of three years to increase stability at institutions. A first draft of a proposed framework was developed and once approved by the Minister will be consulted with the sector in the first quarter of the new financial year

Strategic Objective	Performance Indicators	Actual Achievement 2018/19	Planned Target for 2019/20		Actual Achievement 2019/20	Deviation from planned targets to Actual Achievement 2019/20	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 3: University Education							
	6.3.1.1.2 Guidelines for student funding for the DHET bursary scheme for students at public universities approved		1	Guidelines for student funding for the DHET bursary scheme for students at public universities developed	Guidelines for student funding for the DHET bursary scheme for students at public universities were developed and approved by the Minister on 6 December 2019	Target achieved	
	6.3.1.1.3 Guidelines on international scholarships offered by government departments approved		1	Guidelines on international scholarships offered by government departments developed	Guidelines on international scholarships offered by government departments were developed and approved by the Minister on 5 December 2019	Target achieved	
	6.3.1.1.4 Ministerial Statement on University Enrolment Planning for 2020-2025 approved		1	Ministerial Statement on University Enrolment Planning for 2020-2025 developed	Ministerial Statement on University Enrolment Planning for 2020-2025 developed and approved by the Minister on 18 December 2019	Target achieved (outside the time frame)	The Ministerial statement was finalised and submitted to the Minister by the Director-General for approval on 6 December 2019. Executive approval was only given on 29 January 2020

Strategic Objective	Performance Indicators	Actual Achievement 2018/19	Planned Target for 2019/20		Actual Achievement 2019/20	Deviation from planned targets to Actual Achievement 2019/20	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 3: University Education							
	6.3.1.1.5 Plan for piloting the Central Application System for universities approved		1	Plan for piloting the Central Application System for universities developed	Plan for piloting the Central Application System for universities was developed and approved by the Director-General on 13 December 2019	Target achieved	
(6.3.1.2) To annually provide management, statistical and narrative information on higher education through oversight, monitoring and implementation reports	6.3.1.2.1 Number of Monitoring and Evaluation reports approved	15	12 monitoring and evaluation reports developed and approved by the Director-General as follows: Q3:2 report Q4:10 reports	A report on the financial health of universities in the 2018 academic year developed	1. A report on the financial health of universities in the 2018 academic year was developed and approved by the Director-General on 13 December 2019	Target achieved	
				An annual report on the use of the Foundation Provisioning Grant in 2018/19 developed	2. The Report on Foundation Provision Grant for 2018/19 was approved by the Director-General on 29 November 2019	Target achieved	

Strategic Objective	Performance Indicators	Actual Achievement 2018/19	Planned Target for 2019/20		Actual Achievement 2019/20	Deviation from planned targets to Actual Achievement 2019/20	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 3: University Education							
				An annual report on institutional governance developed	3. An annual report on institutional governance developed and approved by the Director-General on 20 March 2020	Target achieved	
				An annual report on effective use the infrastructure and efficiency grants for 24 universities developed	4. An annual report on effective use the infrastructure and efficiency grants for 24 universities developed and approved by the Director-General on 29 March 2020	Target achieved	
				An annual report on the effective use of new universities earmarked grant developed	5. An annual report on the effective use of new universities earmarked grant developed and approved by the Director-General on 29 March 2020	Target achieved	

Strategic Objective	Performance Indicators	Actual Achievement 2018/19	Planned Target for 2019/20		Actual Achievement 2019/20	Deviation from planned targets to Actual Achievement 2019/20	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 3: University Education							
				An annual report on PHEI compliance with the regulations developed	6. An annual report on PHEI compliance with the regulations developed and approved by the Director-General on 31 March 2020	Target achieved	
				An annual report on the 2018 research outputs of 26 universities developed	7. An annual report on the 2018 research outputs of 26 universities developed and approved by the Director-General on 31 March 2020	Target achieved	
				An annual report on the achievement of Ministerial enrolment planning targets developed	8. An annual report on the achievement of Ministerial enrolment planning targets developed and approved by the Director-General on 24 March 2020	Target achieved	

Strategic Objective	Performance Indicators	Actual Achievement 2018/19	Planned Target for 2019/20		Actual Achievement 2019/20	Deviation from planned targets to Actual Achievement 2019/20	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 3: University Education							
				An annual report on the implementation of the University Capacity Development Programme in 2019 developed	9. An annual report on the implementation of the University Capacity Development Programme in 2019 developed and approved by the Director-General on 25 March 2020	Target achieved	
				An annual report on the implementation of the Teaching and Learning Development Capacity Improvement Programme in 2019 developed	10. An annual report on the implementation of the Teaching and Learning Development Capacity Improvement Programme in 2019 developed and approved by the Director-General on 24 March 2020	Target achieved	

Strategic Objective	Performance Indicators	Actual Achievement 2018/19	Planned Target for 2019/20		Actual Achievement 2019/20	Deviation from planned targets to Actual Achievement 2019/20	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 3: University Education							
				Cohort study report on higher education approved and published	11. Cohort study report on higher education approved by the Director-General and published on 29 March 2020	Target achieved	
				A report on the 2019 BRICS partnerships developed	12. A report on the 2019 BRICS partnerships developed and approved by the Director-General on 24 March 2020	Target achieved	
(6.3.1.3) To provide teaching and learning support services aimed at improving access to quality teaching and learning in Higher Education Institutions by 31 March 2020	6.3.1.3.1 Revised Student Leadership Capacity Development Programme (SLCDP) approved		Revised Student Leadership Capacity Development Programme (SLCDP) approved by the Director-General by 31 March 2020	Revised Student Leadership Capacity Development Programme (SLCDP) approved	Revised Student Leadership Capacity Development Programme (SLCDP) approved by the Director-General on 23 March 2020	Target achieved	

Strategic Objective	Performance Indicators	Actual Achievement 2018/19	Planned Target for 2019/20		Actual Achievement 2019/20	Deviation from planned targets to Actual Achievement 2019/20	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 3: University Education							
	6.3.1.3.2 Number of new Generation of Academics Programme posts allocated to universities		100	100	100	Target achieved	
	6.3.1.3.3 Number of additional academic and professional staff at universities supported to undertake Doctoral studies through the University Capacity Development Programme		50	50	134	Target achieved	
	6.3.1.3.4 Number of international Scholarships Programmes implemented through international country-level partnership agreements		4	4	4	Target achieved	

4.3.5 Strategy to deal with underperformance

One target was not achieved during the financial year.

The draft regulatory framework for university fees was not finalised and submitted for approval by the Minister by 31 March 2020. A draft was developed but was not ready for submission to the Minister on time for approval by 31 March 2020. The draft will be finalised for submission to the Minister for approval to publish for comment in the first quarter of the 2020/21 financial year.

4.3.6 Changes to planned targets during the year

None.

4.3.7 Linking programme performance with budgets

Sub-programme	2019/20			2018/19		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Management	4 625	4 559	66	5 406	4 174	1 232
University Planning and Institutional Funding	32 975	16 770	16 205	16 180	13 195	2 985
Institutional Governance and Management Support	31 004 972	31 003 518	1 454	22 270 816	22 266 410	4 406
Higher Education Policy Development and Research	35 476	34 484	992	32 802	30 603	2 199
Teaching and Learning Development	21 216	19 324	1 892	22 321	18 656	3 665
University Subsidies	42 359 022	42 358 941	81	36 900 812	36 896 878	3 934
Total	**73 458 286**	**73 437 596**	**20 690**	**59 248 337**	**59 229 916**	**18 421**

4.3.8 System Performance: University Education

Furthermore, the implementation of sub-outcome 3 of Outcome 5, namely "increase access to higher level occupational-directed programmes in needed areas" was monitored to track the performance of the university system during the year under review in respect to the following 16 performance indicators. Thirteen (81%) of the 16 university institutional targets were achieved.

No	Outcome indicator target	Actual Achievement 2018/19	Planned target for 2019/20	Actual Achievement 2019/20*	Comment on deviation
1.	Students enrolled in public higher education studies at universities (n)	1 036 984	1 070 000	1 085 568	Target achieved
2.	Graduates in Engineering Sciences from universities (n)	12 955	13 000	13 891	Target achieved
3.	Graduates in Human Health and Animal Health from universities (n)	10 456	11 000	10 747	Target not achieved The achievement is 647 graduates less than the target. This is a 5.8% which is larger than the 2% allowable in terms of the policy. Institutions that over or under enroll on their overall targets are penalised financially in the following financial year
4.	Graduates in Natural and Physical Sciences from universities (n)	8 601	9 000*	9 270	Target achieved
5.	Graduates in initial Teacher Education from universities (n)	25 113	25 212	28 408	Target achieved
6.	Doctoral graduates from universities (n)	3 057	3 200*	3 344	Target achieved
7.	Proportion of universities meeting standards of good governance (%)	80%	70%	72%	Target achieved
8.	Research Masters graduates (n)	8 010	8 100*	8 610	Target achieved
9.	Success rates at universities (%)	77%	78%	77%	Target not achieved Success rates is 1% less than planned target
10.	Higher education undergraduate success rates (contact) (%)	82%	82%	82%	Target achieved
11.	Higher education undergraduate success rates (distance) (%)	67%	68%	69%	Target achieved

No	Outcome indicator target	Actual Achievement 2018/19	Planned target for 2019/20	Actual Achievement 2019/20*	Comment on deviation
12.	Universities offering accredited TVET College qualifications (n)	5	10	9	Target not achieved One further university has submitted a qualification to CHE for accreditation and is awaiting a response. It is therefore expected that the target of 10 universities will be reached in the next few months
13.	University academic staff with PHDs (%)	46%	46%	48%	Target achieved
14.	Additional first-time entrants (black and women) to academic workforce in addition to normal replacement and plans (n)	472	100	134	Target achieved
15.	Students in foundation programmes (n)	21 289	35 000*	21 730	Target not achieved Vaal University of Technology (VUT) has not achieved departmental approval for their foundation programmes. Thus no HEMIS foundation students were recorded for 2018
16.	Eligible university students obtaining financial aid	260 002	300 000**	393 781	Target achieved

Note:

** 2018 academic year, reported and verified by October 2019.*

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4.4 Programme 4: Technical and Vocational Education and Training

4.4.1 Purpose

The purpose of the programme is to plan, develop, implement, monitor, maintain and evaluate national policy, programmes, assessment practices and systems for TVET.

There are five budget sub-programmes:

- **Programme Management: Technical and Vocational Education and Training**
- **Technical and Vocational Education and Training System Planning and Institutional Support**
- **Programmes and Qualifications**
- **National Examinations and Assessment; and**
- **Financial Planning**

4.4.2 Strategic Objectives

- To provide oversight for an effective TVET College system;
- To develop and review TVET steering mechanisms in support of a sound PSET system; and
- To implement oversight instruments on TVET colleges to ensure effective monitoring and evaluation of the TVET sector.

4.4.3 Summary of significant achievements during 2019/20 financial year

- The National Norms and Standards for Funding TVET colleges (NNSF – TVET colleges) were revised and published for public comments. Limited public comments were received and were analysed. Various consultations were conducted with key stakeholders which included TVET colleges and the National Treasury. The revised NNSF – TVET colleges will be finalised for implementation in 2020/21 financial year.
- Examinations and Assessment: The credibility of examinations improved significantly during the conduct of the 2019/20 examinations and all public examination centres that participated in the 2019/20 examinations have released the results to eligible students in accordance with the management plan. The executive council of UMALUSI has applauded the Department for managing successful and credible examinations especially that there were no leakages of question papers. A high level State of Readiness across all regions was conducted to determine the compliance gaps in the system to inform the development of Standard Operating Procedures for respective areas where shortcomings were discovered.
- Greater efficiency achieved in the administration of the bursary scheme by NSFAS, with improvements in beneficiary information and disbursements to students.
- A Training Manual for College Council members was developed in-house to build the capacity of new Council members. In the last quarter of 2019/20, the heads of six Departmental regional offices were trained as part of the train the trainer programme. In addition 240 Council members from Limpopo, Western Cape and Northern Cape were inducted.
- Lecturer placement in industry remains critical for the improvement of teaching and learning in colleges and much effort has gone into embedding lecturer development systemically. Work undertaken in the financial year under review has resulted in the 2020/21 financial year skills levy budget allocations been given to colleges upfront and targets committed in the college strategic plans. This will be monitored quarterly. Furthermore systematic engagements are set up with SETAs to encourage their participation in the work placement project. A MoA has been set up with ETDP Seta to support the development of TVET lecturers.

4.4.4 Programme performance: Strategic Objectives, performance indicators, planned targets and actual achievements

Strategic Objective	Performance Indicators	Actual Achievement 2018/19	Planned Target for 2019/20		Actual Achievement 2019/20	Deviation from planned targets to Actual Achievement 2019/20	Comments on deviation; both over and under achievement
			Target	Target Description			
Programme 4: Technical and Vocational Education and Training							
(6.4.1.1) To provide oversight for an effective TVET College system	6.4.1.1.1 Percentage of TVET colleges compliant to approved financial governance standards	1	65%	Percentage of TVET colleges complaint to approved financial governance standards developed	A national average of 73% compliance to approved financial governance standards by the 50 TVET colleges was achieved as approved by the Director-General on 18 March 2020	Target achieved	
	6.4.1.1.2 Percentage of TVET maintenance expenditure achieved in terms of approved infrastructure maintenance plans		70% (R1,038,800,000)	Percentage of TVET maintenance expenditure achieved in terms of approved infrastructure maintenance plans developed	21.74% (R133.205 million) A monitoring report on the percentage of TVET maintenance expenditure achieved in terms of approved infrastructure maintenance plans developed and approved by the Director-General on 29 March 2020	Target not achieved	The predominant reasons for the low actual expenditure by TVET colleges are that the majority of the approved work packages totals to above the R500 000 procurement threshold, thus requiring formal tender processes. These tender processes take on average 3 to 4 months to conclude which entails all process steps ranging from Bid Specification, Bid Evaluation and Bid Adjudication.

Strategic Objective	Performance Indicators	Actual Achievement 2018/19	Planned Target for 2019/20		Actual Achievement 2019/20	Deviation from planned targets to Actual Achievement 2019/20	Comments on deviation; both over and under achievement
			Target	Target Description			
Programme 4: Technical and Vocational Education and Training							
							Another reason is also due to the lack of commitment by College Principals to prioritise the relevant procurement processes to enable quicker turn-around time frames. Training of College staff is ongoing to help with development of maintenance packages and writing of tender specifications
	6.4.1.1.3 Percentage of Public TVET College examinations centres conducting national examinations and assessments in compliance with national policy	100% (All)	100% (All)	Percentage of Public TVET College examinations centres conducting national examinations and assessments in compliance with national policy	100% of Public TVET College examinations centres conducting national examinations and assessments in compliance with national policy	Target achieved	

Strategic Objective	Performance Indicators	Actual Achievement 2018/19	Planned Target for 2019/20		Actual Achievement 2019/20	Deviation from planned targets to Actual Achievement 2019/20	Comments on deviation; both over and under achievement
			Target	Target Description			
Programme 4: Technical and Vocational Education and Training							
	6.4.1.1.4 Period it takes to issue certificates to qualifying candidates following publication of results (month)	4 months	3	Period it takes to issue certificates to qualifying candidates following publication of results (month)	More than 3 months	Target not achieved	The movement of persons and goods between metropolitan and districts were prohibited during the Covid-19 lockdown period As such certificates for the November 2019 examinations could not be dispatched to different TVET and private colleges as the dispatch period felt within the Covid-19 lock down period The certificates will be dispatched to various colleges following the lifting of the Covid-19 lockdown period

Strategic Objective	Performance Indicators	Actual Achievement 2018/19	Planned Target for 2019/20		Actual Achievement 2019/20	Deviation from planned targets to Actual Achievement 2019/20	Comments on deviation; both over and under achievement
			Target	Target Description			
Programme 4: Technical and Vocational Education and Training							
(6.4.1.2) To develop and review TVET steering mechanisms in support of a sound PSET system	6.4.1.2.1 Revised TVET Funding norms approved		1	Revised TVET Funding norms approved	The draft revised funding norms developed based on available Pubic Comment received	Target not achieved	Initial delays were experienced to publish the draft funding norms for Public comment, which only closed on 10 January 2020. Insufficient Public Input and comment was received, with National Treasury only submitting formal input on 20 March 2020. This caused delays to finalize the final revised funding norms as concurrence by the Minister of Finance is still pending
	6.4.1.2.2 CET Act regulations for TVET colleges approved		CET Act regulations for TVET colleges developed and approved by the Minister by 31 March 2020	CET Act regulations for TVET colleges developed and approved by the Minister	The proposed CET Act Regulations have been developed	Target not achieved	Based on a consultation with the Office of the State Law Advisor, a formal legal opinion was issued indicating that the proposed CET Act Regulations are Ultra Vires to the CET Act. Thus, the TVET Branch will have to reconfigure the proposed 'Regulations' to possible 'Determinations' to be issued by the Minister in 2020/21

Strategic Objective	Performance Indicators	Actual Achievement 2018/19	Planned Target for 2019/20		Actual Achievement 2019/20	Deviation from planned targets to Actual Achievement 2019/20	Comments on deviation; both over and under achievement
			Target	Target Description			
Programme 4: Technical and Vocational Education and Training							
(6.4.1.3) To implement oversight instruments on TVET colleges to ensure effective monitoring and evaluation of the TVET sector	6.4.1.3.1 Number of monitoring and evaluation reports on the performance of TVET colleges approved	16	6	Monitoring and evaluation reports approved	4 monitoring and evaluation reports were developed and approved by the Director-General as follows: 2 of 4 reports on progress report on the reduction of certification backlog were developed and approved by the Director-General for quarters 1-4 Q1- Not approved; Q2 - (02 Oct 2019; Q3 - (10 Jan 2020); Q4 - (18 March 2020) 1 monitoring and evaluation report on performance of TVET colleges in terms of planned enrolments developed and approved by the Director-General on 23 March 2020	Targets not achieved	The inconsistent and unstable IT SITA system contributed to the non-achievement of the target as set. The planned verified report could not be produced because the use of unstable data poses a reporting risk

Strategic Objective	Performance Indicators	Actual Achievement 2018/19	Planned Target for 2019/20		Actual Achievement 2019/20	Deviation from planned targets to Actual Achievement 2019/20	Comments on deviation; both over and under achievement
			Target	Target Description			
Programme 4: Technical and Vocational Education and Training							
					1 monitoring and evaluation report on the performance of TVET colleges in teaching and learning developed and approved by the Director-General on 8 March 2020		

4.4.5 Strategy to deal with underperformance

In regard to reporting on the reduction of certification backlog, the Department will continue to hold meetings with SITA with a view to ensure the stability of the data. This has improved the authenticity of updating the subsequent quarter. SITAs now produces fortnightly update reports to the Department and Portfolio Committee.

In terms of the low spending by TVET colleges on the Capital Infrastructure and Efficiency Grant (CIEG), the TVET Branch will continue to provide technical support and training to the TVET colleges to ensure that the National Asset Infrastructure Management Standards (NAIMS) are applied and that CIEG expenditure is incurred based on approved work packages linked to the approved TVET maintenance plans.

With regard to underperformance in placement of lecturers in industry for a certain period of time, the following initiatives will be adopted to mitigate underperformance:

- Conduct an awareness campaign/ programme to inform TVET lecturers about the obligation to be placed in industry.
- The finalisation and implementation of the Public College Administrative Measures (PCAM) which amongst others, seek to regulate lecturer conditions of service including the obligation of lecturers to subject themselves to industry placement be expedited and achieved within the next two years.
- TVET colleges are to be encouraged and assisted to enter into protocols (MoUs/ MoAs) with industry to specifically address lecturer and student placements.
- Ensuring that SETA efforts to assist in placing lecturers are aligned to College and National targets and reported appropriately.
- Endorsement of a pool of service providers by the Department to assist TVET colleges that struggle to attract industry for lecturer placement. Struggling TVET colleges will then have to appoint a service provider from the endorsed pool, to facilitate lecturer placements with industry on.

4.4.6 Changes to planned targets during the year

None.

4.4.7 Linking programme performance with budgets

Sub-programme	2019/20			2018/19		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Management	3 960	3 742	218	4 298	3 915	383
Technical and Vocational Education and Training System Planning and Institutional Support	11 651 226	11 637 949	13 277	10 219 369	10 218 611	758
Programmes and Qualifications	16 897	16 374	523	16 356	16 015	341
National Examinations and Assessment	708 285	648 737	59 548	492 687	475 338	17 349
Financial Planning	12 594	11 860	734	11 763	11 561	202
Total	**12 392 962**	**12 318 662**	**74 300**	**10 744 473**	**10 725 440**	**19 033**

4.4.8 System Performance: Technical and Vocational and Education and Training

Further to the above, the implementation of sub-outcome 2 of Outcome 5 namely "increase access and success in programmes leading to intermediate and high-level learning" was monitored to track the performance of the Vocational and Technical Education and Training system during the year under review through 9 specific performance indicators.

No	Outcome indicator target	Planned target for 2019/20		Actual Achievement 2019/20		Comment on deviation
1.	Headcount enrolments in TVET colleges (n) State funded	710 535	493 991	493 991	657 133 (2018 enrolment data)	Target not achieved Although the national target of 710 535 was not achieved, the achievement is 92% Colleges gradually adapted to plan enrolment within available funding The 2018 dataset is being audited, but it was verified
	Headcount enrolments in TVET colleges (n) College funded		170 757	119 681		
	Headcount enrolments in TVET colleges (n) Funded from other sources		45 787	43 461		
2.	Qualifying TVET students obtaining NSFAS financial assistance per annum (n)	290 467		307 409		Target achieved

No	Outcome indicator target	Planned target for 2019/20	Actual Achievement 2019/20	Comment on deviation
3.	TVET students enrolled in foundation programmes (n)	4 000	3 412	Target not achieved The data provided is unaudited from the TVETMIS. There are colleges that did not declare their enrolment data on the TVETMIS TVETMIS is in the process of verifying and auditing the data
4.	NC(V) L4 certification rates (%)	50%	53.9%	Target achieved
5.	N3 Certification rates (%)	65%	83.2%	Target achieved
6.	N6 certification rates (%)	65%	87.10%	Target achieved
7.	TVET throughput rate (NC(V) L4) (%)	36%	31.80%	Target not achieved It has been recommended that research be undertaken to identify factors that lead to candidates not completing their NC(V) level 4 within the stipulated period. This has been placed on the research agenda of the Research Coordination unit in the Department
8.	Funded NC(V) L4 TVET throughput rate (%)	36%	31.80%	Target not achieved It has been recommended that research be undertaken to identify factors that lead to candidates not completing their NC(V) level 4 within the stipulated period. This has been placed on the research agenda of the Research Coordination unit in the Department

No	Outcome indicator target	Planned target for 2019/20	Actual Achievement 2019/20	Comment on deviation
9.	TVET lecturers undergoing specified hours of work in their industry for specified periods (%)	33% of lectures per annum	An average of 7% was achieved by TVET colleges SETAS reported 43% of the target of 538 lecturers	Target not achieved Most TVET colleges struggle to place their lecturers in industry for workplace exposure Colleges indicate that the first quarter of the academic year is not a suitable period for lecturers placements Colleges target to place lectures, by the end of each quarter, during college closures SETAs and TVET colleges only submit their reports after the end of the financial year, during April. The submission to the DG will be ready after all the reports from TVET colleges and SETAs have been collated. This should be by the end of the March 2020 A vibrant awareness programme to inform TVET lecturers about the obligation to be placed in industry. The finalisation of the Public College Administrative measures which amongst others seek to regulate lecturer conditions of service has to be expedited

4.5 Programme 5: Skills Development

4.5.1 Purpose

The purpose of the programme is to promote and monitor the NSDS. Develop skills development policies and regulatory framework for an effective skills development system.

There are four budget sub-programmes

- **Programme Management-Skills Development;**
- **SETA Coordination;**
- **National Skills Development Services; and**
- **Quality Development and Promotion.**

4.5.2 Strategic Objectives

- Putting in systems to ensure that the approved NSDP is implemented smoothly as from 1 April 2020, together with the new SETA Landscape;
- Conduct strategy, policy and systems analysis to inform the implementation of the NSDP; and
- Implement Skills Education Training Management Information system to collet skills information for performance reporting purposes.

4.5.3 Summary of significant achievements during 2019/20 financial year including APP targets

- **Artisan Development:**

– Increase in the artisan employment index which sits at 81%, of the ten artisans who qualify as artisans eight of them are able to secure employment in the labour market or are self-employed;

– Increase in the average national artisan pass rate to 69.8%;

– A slight increase in the number of artisan completions targets from 19 627 in 2018/19 to 24 049; and

– Significantly improved turnaround time for trade testing at INDLELA sitting at 37 days.

- **New SETA Landscape**

Twenty Sector Education and Training Authorities (SETAs) were re-established until 2030 with the Mining Qualifications Authority (MQA) being established for two years until 2022. The reason for the shorter period of the MQA establishment is to establish the process of aligning the Skills Development Act (Act No.97 of 1998) and Mine Health and Safety Act (Act No. 29 of 1996) which are not aligned. The longer period of establishment of the twenty SETAs is informed by the NSDP which was gazetted on 6 February 2019 and NDP whose time frame is until 2030.

- **Appointment of the SETA Accounting Authorities ("AAs")**

The term of office of all 21 SETA AAs came to an end on 31 March 2020 and the process of appointing the new Accounting Authorities commenced with nineteen new AAs being appointed except the Construction Education and Training Authority (CETA) and Mining Qualifications Authority (MQA), due to CETA being placed under administration whilst the MQA was left to the Minister of Mineral Resources and Energy to process the appointment in terms of the Mine Health and Safety Act.

- **Sector Education and Training Management Information System (SETMIS)**

With effect from the financial year 2019/20 SETAs were informed that quarterly reporting will only be through SETMIS starting from the first quarter of the 2019/20 financial year. Technical assistance was also provided to the SETAs by the Department in 2019 and eventually all SETAs started uploading the data through SETMIS, although there are challenges as is the case with any new system.

- **SETA Monitoring Reports and SETA Governance Reports**

The four SETA Monitoring Reports which covers various goals of the NSDS III such as: establishing a credible institutional mechanism for skills planning; increasing access to occupationally-directed programmes; promoting the growth of a public TVET colleges system that is responsive to sector, local, regional and national skills needs and priorities; addressing low level of youth and adult language and numeracy skills to enable additional training; encouraging better use of workplace-based skills development; encouraging and supporting cooperatives, small enterprises, worker-initiated, NGO and community training initiatives; and building career and vocational guidance.

Whilst the SETA Good Governance Report covered, amongst others, the following areas: action plans to address the Auditor-General findings; reports on the action plans to address the Auditor-General findings; Accounting Authority meeting minutes and resolutions; recommendations of the Audit Committee; Terms of Reference of the Audit Committee; declaration of Conflict of Interests; Risk Register and Mitigating Measures; approved Delegation of Authority; approved Code of Conduct for the Accounting Authority; Risk Management and Internal Control System Framework.

4.5.4. Programme performance: Strategic Objectives, performance indicators, planned targets and actual achievements

Strategic Objective	Performance Indicators	Actual Achievement 2018/19	Planned Target for 2019/20		Actual Achievement 2019/20	Deviation from planned targets to Actual Achievement 2019/20	Comments on deviation; both over and under achievement
			Target	Target Description			
Programme 5: Skills development							
(6.5.1.1) To provide improved artisan development and assessment services	6.5.1.1.1 Average lead time from qualifying trade test applications received until trade test is conducted (days)	40 days	60 days	60 days	37 days	Target achieved	The implementation of the ARPL in conjunction with measures implemented at INDLELA to decrease the lead time have positively impacted on the amount of time candidates wait to be trade tested
	6.5.1.1.2 Percentage of national artisan learners trade test pass rate (including INDLELA)	54%	65%	65%	69.8%	Target achieved	The pass rate is based on 225 trade test centers that are actively doing trade testing. 31 trade test centers where visited for on-site validation

Strategic Objective	Performance Indicators	Actual Achievement 2018/19	Planned Target for 2019/20		Actual Achievement 2019/20	Deviation from planned targets to Actual Achievement 2019/20	Comments on deviation; both over and under achievement
			Target	Target Description			
Programme 5: Skills development							
	6.5.1.1.3 Number of new artisan learners registered	29 982	30 000	30 000	16 692	Target not achieved	The availability of the workplaces for the 2019/20 associated with the struggling economy had an impact Only four out of 17 SETA's have met their registration targets The change of reporting format in the introduction of the Workplace Based Learning Programme Agreement Regulation (WPBLPAR) and the roll out of the Artisan Recognition of Prior Learning (ARPL) process had an unintended negative impact on the registration of learner agreements The COVID-19 pandemic impacted on the reporting and submission of Q4 data and Portfolio of Evidence (POE) by SETAs and INDLELA, thus under reporting may have occurred in the last quarter

Strategic Objective	Performance Indicators	Actual Achievement 2018/19	Planned Target for 2019/20		Actual Achievement 2019/20	Deviation from planned targets to Actual Achievement 2019/20	Comments on deviation; both over and under achievement
			Target	Target Description			
Programme 5: Skills development							
	6.5.1.1.4 Number of new artisan learners qualified per annum	19 627	24 000	24 000	24 049	Target achieved	Late data submissions by SETAs Submission of inaccurate and unusable data None adherence to data validation processes in terms of supplying evidence on reported data SETAs siting their internal system challenges thus affecting their normal reporting compliance
(6.5.1.2) To provide oversight over Sector Education and Training Authorities	6.5.1.2.1 Number of SETAs monitoring reports approved per annum	1	5	Report on the implementation of the National Skills Development Strategy by SETAs developed Report on the implementation of the National Skills Development Strategy by SETAs developed	Report on the implementation of the National Skills Development Strategy by SETAs developed and approved by the Director-General by 30 June 2019 Report on the implementation of the National Skills Development Strategy by SETAs developed and approved by the Director-General by 17 September 2019	Target achieved	

Strategic Objective	Performance Indicators	Actual Achievement 2018/19	Planned Target for 2019/20		Actual Achievement 2019/20	Deviation from planned targets to Actual Achievement 2019/20	Comments on deviation; both over and under achievement
			Target	Target Description			
Programme 5: Skills development							
				Report on the implementation of the National Skills Development Strategy by SETAs developed Report on the implementation of the National Skills Development Strategy by SETAs developed Report on the implementation of Good Governance Standards by SETAs developed	Report on the implementation of the National Skills Development Strategy by SETAs was developed and approved by the Director-General on 29 November 2019 Report on the implementation of the National Skills Development Strategy by SETAs was developed and approved by the Director-General on 5 March 2020 Report on the implementation of Good Governance Standards by SETAs developed and approved by the Director-General by 3 December 2019		

4.5.5 Strategy to deal with underperformance

In the main the targets that have been affected are those that are related to workplace based learning opportunities, which require workplaces noting the contraction of the economy for three quarters of 2019/20, increased rate of unemployment and the declaration of the state of the national disaster towards the end of quarter 4 of 2019/20.

The planned conclusion of the Shareholder Compact Agreement between the Minister and the Chairpersons of the SETAs will also go a long way in ensuring that SETA Annual Performance Targets are met. The Accounting Authorities are always encouraged as part of their quarterly meeting to place the performance information on the agenda.

4.5.6 Changes to planned targets during the year

None.

4.5.7 Linking programme performance with budgets

Sub-programme	2019/20			2018/19		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Management	21 888	21 696	192	3 297	2 824	473
SETA Coordination	233 862	231 185	2 677	220 191	219 242	949
National Skills Development Services	13 583	12 208	1 375	11 738	10 246	1 492
Quality Development and Promotion	26 079	26 078	1	27 380	27 380	-
Total	**295 412**	**291 167**	**4 245**	**262 606**	**259 692**	**2 914**

4.5.8 System Performance: Sector Education and Training Authorities

No	Outcome indicator target	Actual Achievement 2018/19	Planned target for 2019/20	Actual Achievement 2019/20	Comment on deviation
1.	Work based learning opportunities (n)	182 852	165 000	158 651	Target not achieved The COVID-19 pandemic impacted on the reporting and submission of Q4 data by SETAs. As this is an annual target once the submission of the last quarter data is completed, data will then be verified and quality assured prior to submitting POE
2.	National artisan learners employed or self-employed (%)	77%	80%	81%	Target achieved The 81% is based on a survey of 4 285 artisans interviewed out of the total of 19 627 (response rate of about 22%)

4.6 Programme 6: Community Education and Training

4.6.1 Purpose

Programme purpose: Plan, develop, implement, monitor, maintain and evaluate national policy, programme assessment practices and systems for CET.

There are four budget sub-programmes:

- **Programme Management - Community Education and Training**
- **Community Education and Training Colleges Systems Planning, Institutional Development and Support**
- **Financial Planning**
- **Education and Training and Development Support**

4.6.2 Strategic Objectives

To implement appropriate monitoring instruments for the CET College sector by 31 March 2022.

4.6.3 Summary of significant achievements during 2019/20 financial year

- Approval of the NNSF Community Education and CET colleges;
- Training of Councils;
- Implementation of the financial management systems for CET colleges;
- Reconfiguration of Community Learning Centres institutional landscape; and
- Strengthening the Pilot of CET Concept in 54 CLCs.

4.6.4 Programme performance: Strategic Objectives, performance indicators, planned targets and actual achievements

Strategic Objective	Performance Indicators	Actual Achievement 2018/19	Planned Target for 2019/20		Actual Achievement 2019/20	Deviation from planned targets to Actual Achievement 2019/20	Comments on deviation; both over and under achievement
			Target	Target Description			
Programme 6: Community Education and Training							
(6.6.1.1) To implement appropriate monitoring instruments for the CET College sector by 31 March 2022	6.6.1.1.1 Number of monitoring and evaluation reports approved per annum	5	2	2 monitoring and evaluation reports on CET colleges developed	A monitoring and evaluation report on the CET College sector performance for the 2018/19 financial year was developed and approved by the Director-General on 28 June 2019 A draft progress report on monitoring and evaluation of CET College sector performance for the 2019/20 financial year was approved by the Deputy Director-General on 26 March 2020	Targets achieved	

4.6.5 Strategy to deal with underperformance

None.

4.6.6 Changes to planned targets during the year

None.

4.6.7 Linking programme performance with budgets

Sub-programme	2019/20			2018/19		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Management	1 900	1 108	792	2 891	1 174	1 717
Community Education and Training Colleges Systems Planning, Institutional Development and Support	2 165 253	2 080 098	85 155	2 161 395	2 034 704	126 691
Financial Planning	187 905	178 105	9 800	166 739	165 532	1 207
Education and Training and Development and Support	11 473	10 484	989	15 948	5 547	10 401
Total	**2 366 531**	**2 269 795**	**96 736**	**2 346 973**	**2 206 957**	**140 016**

4.6.8 System performance: Community education and training

As part of its oversight, the Department monitored and the performance of the CET colleges in relation to headcount enrolments and certification rates in formal CET qualifications in terms of the percentage and number. Colleges were requested to submit details of each student who had registered with them. The table below reports achievement against a target of 340 000 headcount enrolments and 44% certification rates.

No	Outcome indicator target	Actual Achievement 2018/19	Planned target for 2019/20	Actual Achievement	Comment on deviation
1.	Headcount enrolments in all CET colleges (n)	193 185*	340 000	149 444	Target not achieved ▪ Poor planning at college level- colleges did not provide centres with enrolment targets. ▪ Usage of varied admission tools compromised enrolment data storage and hampered proper reporting. ▪ Poor return rate of reporting tools- only 56% of CLCs submitted their enrolment data ▪ Poor advocacy to attract students to CET colleges ▪ Limited access to infrastructure
2.	Certification rates in formal CET qualifications (%)	41.7%	45%	44%	Target not achieved Inadequate budget to provide sufficient Learning and Teaching Support Materials (LTSM) for students - Lack of suitably qualified lecturers in CET colleges which results in lack of capacity to deliver programmes/ courses offerings

5. Transfer Payments

5.1 Transfer payments to public entities

Name of Public Entity	Services rendered by the Public Entity	Amount Transferred to the Public Entity	Amount Transferred to the Public Entity
		2018/19	2019/20
		R'000	R'000
Agriculture Sector Education and Training Authority (AGRISETA)	Provision of relevant, quality and accessible education, training and development in both primary and secondary agriculture sectors	424 905	460 227
Banking Sector Education and Training Authority (BANKSETA)	Provision of relevant, quality and accessible education, training and development in the banking sector	832 789	853 146
Chemical Industry Education and Training Authority (CHIETA)	Provision of relevant, quality and accessible education, training and development in the chemical industries sector	602 631	540 216
Construction Sector Education and Training Authority (CETA)	Provision of relevant, quality and accessible education, training and development in the construction industry	597 350	624 149
Council on Higher Education (CHE)	Advises the Minister of Higher Education and Training on all higher education policy matters, implements the system of quality assurance for all Higher Education Institutions (HEIs), monitors the state of the higher education system and contributes to the development of higher education through intellectual engagement	50 727	53 210
Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority (CATHSSETA)	Provision of relevant, quality and accessible education, training and development in the culture, arts, tourism, hospitality and sport sector	366 291	410 027
Education, Training and Development Practices Sector Education and Training Authority (ETDP-SETA)	Provision of relevant, quality and accessible education, training and development in the education, training and development sector	544 756	596 880
Energy and Water Sector Education and Training Authority (EWSETA)	Provision of relevant, quality and accessible education, training and development in the energy and water sector	306 186	310 740
Fibre, Processing and Manufacturing (FP&M SETA)	Provision of relevant, quality and accessible education, training and development in the fabric processing and manufacturing sector	360 158	364 674
Financial and Accounting Services Sector Education and Training Authority (FASSETA)	Provision of relevant, quality and accessible education, training and development in the financial and accounting services sector	529 439	549 042

Name of Public Entity	Services rendered by the Public Entity	Amount Transferred to the Public Entity	Amount Transferred to the Public Entity
		2018/19	2019/20
		R'000	R'000
Food and Beverages Sector Education and Training Authority (FOODBEV-SETA)	Provision of relevant, quality and accessible education, training and development in the food and beverages sector	385 408	400 047
Health and Welfare Sector Education and Training Authority (HWSETA)	Provision of relevant, quality and accessible education, training and development in the health and welfare sector	492 827	539 473
Insurance Sector Education and Training Authority (INSETA)	Provision of relevant, quality and accessible education, training and development in the insurance sector	507 857	547 797
Local Government Sector Education and Training Authority (LGSETA)	Provision of relevant, quality and accessible education, training and development in the local government sector	661 251	756 129
Manufacturing, Engineering and Related Services Sector Education and Training Authority (MERSETA)	Provision of relevant, quality and accessible education, training and development in the manufacturing, engineering and related services sector	1 487 177	1 486 834
Media, Information and Communication Technologies Sector Education and Training (MICT- SETA)	Provision of relevant, quality and accessible education, training and development in the information system, electronics and telecommunications technologies sector	880 635	957 730
Mining Qualifications Authority (MQA)	Provision of relevant, quality and accessible education, training and development in the mining and minerals sector	1 151 003	1 186 802
National Student Financial Aid Scheme (NSFAS)	Responsible for administering loans and bursaries and allocating these to eligible students, developing criteria and conditions for the granting of loans and bursaries to eligible students in consultation with the Minister of Higher Education and Training, raising funds, recovering loans, maintaining and analysing a database, undertaking research for the better utilisation of financial resources and advising the Minister on matters relating to student financial aid	22 096 031	30 822 466
National Skills Fund (NSF)	To fund national skills development priority projects as identified in the National Skills Development strategy and projects related to achieving the purpose of the Act as determined by the Accounting Authority	3 495 979	3 656 769

Name of Public Entity	Services rendered by the Public Entity	Amount Transferred to the Public Entity	Amount Transferred to the Public Entity
		2018/19	2019/20
		R'000	R'000
Public Service Sector Education and Training Authority (PSETA)	Provision of relevant, quality and accessible education, training and development in the public service sector	114 289	120 349
Quality Council for Trades and Occupations	To develop and quality assure occupational qualifications that are responsive to labour market and developmental state initiatives	27 380	26 056
Safety and Security Sector Education and Training Authority (SASSETA)	Provision of relevant, quality and accessible education, training and development in the safety and security sector	317 201	351 977
Services Sector Education and Training Authority (SERVICES SETA)	Provision of relevant, quality and accessible education, training and development in the services sector	1 645 383	1 690 361
South African Qualifications Authority (SAQA)	SAQA focuses on the further development and implementation of the National Qualifications Framework (NQF), which includes upholding the principles and objectives of the National Qualifications Framework, ensuring access, quality, redress and development for all learners, through and integrated national framework of learning achievements	66 719	69 893
Transport Education and Training Authority (TETA)	Provision of relevant, quality and accessible education, training and development in the transport sector	752 963	795 736
Wholesale and Retail Sector Education and Training Authority (W&RSETA)	Provision of relevant, quality and accessible education, training and development in the wholesale and retail sector	1 147 793	1 213 957

The Department received written assurance in terms of section 38(1)(j) certificates from all public entities that the entities implemented effective, efficient and transparent financial management and internal control systems during 2019/20.

With regard to the monitoring of expenditure of the public entities, including the NSF and SETAs, under the authority of the Minister of Higher Education and Training, quarterly reports are obtained as legally required.

5.2 Transfer payments to all organisations other than public entities

The following table reflects the transfer payments made for the period 1 April 2019 to 31 March 2020

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the Department comply with Section 38(1)(j) of the PFMA	Amount transferred 2019/20 R'000
UNIVERSITIES				
Cape Peninsula University of Technology	Higher Education Institution	Subsidy	Yes	1 574 033
Central University of Technology, Free State	Higher Education Institution	Subsidy	Yes	690 150
Durban University of Technology	Higher Education Institution	Subsidy	Yes	1 365 212
Mangosuthu University of Technology	Higher Education Institution	Subsidy	Yes	563 736
Nelson Mandela University	Higher Education Institution	Subsidy	Yes	1 384 441
North West University	Higher Education Institution	Subsidy	Yes	2 566 843
Rhodes University	Higher Education Institution	Subsidy	Yes	772 549
Tshwane University of Technology	Higher Education Institution	Subsidy	Yes	2 613 579
University of Cape Town	Higher Education Institution	Subsidy	Yes	1 854 928
University of Fort Hare	Higher Education Institution	Subsidy	Yes	961 474
University of Free State	Higher Education Institution	Subsidy	Yes	1 628 630
University of Johannesburg	Higher Education Institution	Subsidy	Yes	2 626 074
University of KwaZulu-Natal	Higher Education Institution	Subsidy	Yes	2 692 336
University of Mpumalanga	Higher Education Institution	Subsidy	Yes	1 063 589
Sefako Makgatho Health Sciences University	Higher Education Institution	Subsidy	Yes	998 938
Sol Plaatje University	Higher Education Institution	Subsidy	Yes	692 146
University of Limpopo	Higher Education Institution	Subsidy	Yes	1 451 549
University of Pretoria	Higher Education Institution	Subsidy	Yes	3 105 279
University of South Africa	Higher Education Institution	Subsidy	Yes	4 356 776
University of Stellenbosch	Higher Education Institution	Subsidy	Yes	2 086 014
University of Venda	Higher Education Institution	Subsidy	Yes	891 018

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the Department comply with Section 38(1)(j) of the PFMA	Amount transferred 2019/20 R'000
University of Western Cape	Higher Education Institution	Subsidy	Yes	1 326 011
Witwatersrand University	Higher Education Institution	Subsidy	Yes	2 420 586
University of Zululand	Higher Education Institution	Subsidy	Yes	697 150
Vaal University of Technology	Higher Education Institution	Subsidy	Yes	837 950
Walter Sisulu University	Higher Education Institution	Subsidy	Yes	1 137 950
Higher Health	Other Educational Institution	Earmarked Funds for HEAIDS project	Yes	18 781
National Institute for Humanities and Social Sciences	Other Educational Institution	Subsidy	Yes	36 196
TVET COLLEGES				
Buffalo City College	TVET College	Subsidy	Yes	69 443
East Cape Midlands College	TVET College	Subsidy	Yes	126 899
Ikhala College	TVET College	Subsidy	Yes	93 160
Ingwe College	TVET College	Subsidy	Yes	74 373
King Hintsa College	TVET College	Subsidy	Yes	76 748
King Sabata College	TVET College	Subsidy	Yes	86 242
Lovedale College	TVET College	Subsidy	Yes	48 849
Port Elizabeth College	TVET College	Subsidy	Yes	50 855
Flavius Mareka College	TVET College	Subsidy	Yes	49 576
Gold Fields College	TVET College	Subsidy	Yes	47 750
Maluti College	TVET College	Subsidy	Yes	85 064
Motheo College	TVET College	Subsidy	Yes	102 463
Central Johannesburg College	TVET College	Subsidy	Yes	96 816
Ekhurhuleni East College	TVET College	Subsidy	Yes	135 826
Ekhurhuleni West College	TVET College	Subsidy	Yes	171 774
Sedibeng College	TVET College	Subsidy	Yes	148 707
South West College	TVET College	Subsidy	Yes	251 106
Tshwane North College	TVET College	Subsidy	Yes	131 568
Tshwane South College	TVET College	Subsidy	Yes	146 015
Western College	TVET College	Subsidy	Yes	130 421
Coastal College	TVET College	Subsidy	Yes	145 109
Elangeni College	TVET College	Subsidy	Yes	105 016
Esayidi College	TVET College	Subsidy	Yes	91 493
Majuba College	TVET College	Subsidy	Yes	220 241
Mnambithi College	TVET College	Subsidy	Yes	65 917
Mthashana College	TVET College	Subsidy	Yes	100 344

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the Department comply with Section 38(1)(j) of the PFMA	Amount transferred 2019/20 R'000
Thekwini College	TVET College	Subsidy	Yes	60 958
Umfolozi College	TVET College	Subsidy	Yes	235 178
Umgungundlovu College	TVET College	Subsidy	Yes	55 156
Capricorn College	TVET College	Subsidy	Yes	190 257
Lephalale College	TVET College	Subsidy	Yes	9 725
Letaba College	TVET College	Subsidy	Yes	104 366
Mopani College	TVET College	Subsidy	Yes	84 187
Sekhukhune College	TVET College	Subsidy	Yes	45 776
Vhembe College	TVET College	Subsidy	Yes	136 609
Waterberg College	TVET College	Subsidy	Yes	61 836
Ehlanzeni College	TVET College	Subsidy	Yes	147 774
Gert Sibande College	TVET College	Subsidy	Yes	164 358
Nkangala College	TVET College	Subsidy	Yes	147 408
Rural College	TVET College	Subsidy	Yes	48 358
Urban College	TVET College	Subsidy	Yes	84 845
Orbit College	TVET College	Subsidy	Yes	88 821
Taletso College	TVET College	Subsidy	Yes	89 341
Vuselela College	TVET College	Subsidy	Yes	92 097
Boland College	TVET College	Subsidy	Yes	85 115
Cape Town College	TVET College	Subsidy	Yes	89 927
False Bay College	TVET College	Subsidy	Yes	81 994
Northlink College	TVET College	Subsidy	Yes	132 876
South Cape College	TVET College	Subsidy	Yes	27 096
West Coast College	TVET College	Subsidy	Yes	89 132
COMMUNITY EDUCATION AND TRAINING COLLEGES				
Eastern Cape CET College	CET College	Subsidy	Yes	10 273
Free State CET College	CET College	Subsidy	Yes	7 808
Gauteng CET College	CET College	Subsidy	Yes	49 315
KwaZulu-Natal CET College	CET College	Subsidy	Yes	10 894
Limpopo CET College	CET College	Subsidy	Yes	18 925
Mpumalanga CET College	CET College	Subsidy	Yes	18 080
Northern Cape CET College	CET College	Subsidy	Yes	2 687
North West CET College	CET College	Subsidy	Yes	19 941
Western Cape CET College	CET College	Subsidy	Yes	12 912
FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS				
Commonwealth of Learning	International organisation	Membership Contribution	No	2 866
India-Brazil-South Africa Trilateral Commission	International organisation	Contribution	No	-

R78 897.575 million (88.6%) of the total allocation of R89 039.710 million, excluding direct charges, has been allocated to transfers and subsidies on the Department's Vote. Direct charges amount to R18 283.844 million.

Transfer payments from Voted funds were effected in respect of subsidies to 50 TVET colleges, subsidies to 26 universities and universities of technology, as well as public entities (the NSFAS, SAQA, CHE and the Quality Council for Trades and Occupations), international organisations (the Commonwealth of Learning), non-profit institutions (Universities South Africa for the Higher Education HIV/Aids Programme (HEAIDS) project and National Institute for Humanities and Social Sciences), the Education, Training and Development Practices SETA and the Public Service SETA.

Transfer payments from the direct charges of the National Revenue Fund (NRF) were made to 21 SETAs and the NSF via levies received from the South African Revenue Service.

With regard to the monitoring of expenditure, the Department is receiving expenditure reports on the spending of the TVET colleges, as well as its public entities, including the NSF and the SETAs.

With regard to universities and universities of technology, annual reports are evaluated by the Department, Earmarked grants to universities and universities of technology are monitored by means of site visits and expenditure reports.

Amounts allocated to Higher Education Subsidies, the NSFAS, the HEAIDS Programme and the Technical and Vocational Education and Training College subsidies were earmarked during the 2019/20 financial year. All these amounts were utilised for the purposes originally intended.

UIF Skills Launch - Modimolle

6. Conditional Grants

6.1 Conditional grants and earmarked funds paid

None.

7. Donor Funds

7.1 Donor Funds Received

The Department received new donations totalling R85.813 million in cash from foreign donors during the 2019/20 financial year. Total donations held in the Reconstruction and Development Programme (RDP) for 2019/20 amounts to R200.015 million. Expenditure of R48.535 million was incurred against funds held in the RDP Fund. The balance of the funds available to the Department in the RDP fund, as at 31 March 2020, was R151.480 million.

For further details regarding donor funding allocated to the Department, refer to detailed information as indicated in the Report of the Accounting Officer.

8. Capital Investment

8.1 Capital Investment, Maintenance and Asset Management Plan

The Department of Higher Education and Training has developed the User Asset Management Plan in compliance with the Government Immovable Asset Management Act (Act No. 19 of 2007) and copies have been submitted to the Department of Public Works and National Treasury. This plan incorporates the immovable asset life-cycle requirements from acquisition, maintenance, management and disposal, which ensure greater efficiency in the use of maintenance and capital budgets as well as improving service delivery. The Department is therefore able to match it's immovable assets with service delivery objectives. The User Immovable Asset Management Plan for the Department informs the budget allocation process in terms of the Annual Strategic Plan of the Department.

PART C

GOVERNANCE

PART C
GOVERNANCE

1. Introduction

The Department has appropriate governance structures set in place aimed at ensuring required legislative compliance together with the effective, efficient and economic utilisation of the resources are at its disposal. Relevant governance documents include policies and procedures in support of ensuring the Department delivers on its mandate within the required regulatory framework.

Appropriate controls, delegations of authority and segregation of duties bolster the implementation process of Departmental policies and procedures. The Department communicates governance documents on a regular basis to all staff. The Executive Committee meets on a regular basis to discuss critical areas of strategic, performance, administrative and financial importance, while the Minister hosts regular meetings with the Executive Committee to discuss strategic policy initiatives, including the status of performance.

The Department has implemented control measures with a view to assist with the identification of irregular and fraudulent activities. The Department may not always be able to prevent actions aimed at defrauding the Department. However, existing controls in assisting in identifying cases and ensuring immediate actions to resolve matters are taken, have been set in place. Where appropriate, the Department implements additional controls in an effort prevent undesirable activities from occurring again.

The activities in the six programmes of the Department are aligned to the approved budget.

Expenditure monitoring is conducted on a regular basis and cash-flow reports submitted to the Minister and National Treasury on a monthly basis in terms of Section 40 of the Public Finance Management Act.

The key governance areas as well as the activities of the Audit Committee and Internal Audit are also discussed in more detail in this part of the report.

2. Risk Management

In accordance with the requirements and provisions of the Public Finance Management Act of 1999, (PFMA), [Act No. 1 of 1999, as amended by Act No. 29 of 1999, as well as the National Treasury Regulations 2018, the Department developed, approved and implemented a Risk Management Policy to support the Risk Management Strategy for the identification, analysis, evaluation, treatment, monitoring and review of risk. Both the Policy and Strategy are being implemented in line with the Public Sector Risk Management Framework. In addition to being treated as a guideline for the effective implementation of all processes involved in the management of risk (avoidance, reduction, sharing and retention of risk), the Risk Management Policy plays a critical role in the development and the maintenance of the Risk Register.

The Risk Management Policy assists with the development of risk mitigation plans and is reviewed regularly in an effort to ensure applicability and relevance. The review of the Policy and Strategy is sanctioned by the Risk Management Committee and approved by the Accounting Officer of the Department. Using all the tools at its disposal the Department assesses risk (both strategic as well as operational) on a regular basis to identify, analyse, evaluate and develop a mitigation plan for all existing and emerging risks and minimise the negative impact on the Department's ability to deliver services to the general public and realise predetermined objectives.

The Department is also continuously exploring proactive options in creating and embedding a risk-based culture that encourages risk-based decision-making. As part of this effort, the Department has incorporated the management of risk into the Performance Agreements of Senior Managers.

3. Ethics, Integrity, Anti-Corruption and Fraud Prevention

In line with Priority 6 aimed at building a capable, ethical and developmental state, which encourages a zero-tolerance stance towards corruption, fraud and unethical conduct, while promoting integrity as a key value for public servants, the Department implemented its own Fraud Prevention Strategy and a Whistle-Blowing Policy. The implementation of the Fraud Prevention Strategy and the Whistle-Blowing Policy have been identified in accordance with applicable legislation, including the *Prevention and Combating of Corrupt Activities Act of 2004 (PRECCA), [Act No. 12 of 2004], the Protected Disclosures Act of 2000, [Act No. 26 of 2000], and the National Anti-Corruption Strategy (NACS).*

In its efforts to inculcate a culture of zero-tolerance to corruption, fraud, unethical conduct and to encourage integrity among employees, the Department launched a number of channels including a confidential e-mail address to enable whistle-blowers (staff as well as members of the public) to report incidents, as well as suspicions of malfeasance. The Department also works with the relevant law enforcement agencies, including the Hawks, the South African Police Service, the Special Investigating Unit and the National Prosecuting Authority. Through its Directorate responsible for Ethics, Integrity, Anti-Corruption, Fraud Prevention and Risk Management, the Department ensures that all allegations of wrongdoing are investigated and subjected to internal disciplinary processes, or alternatively, where warranted, prosecution in court.

The Directorate also conducts awareness campaigns across the Post-School Education and Training landscape, particularly for staff at institutions involved in the core business of the Department, including SETAs, CET and TVET colleges.

4. Minimising Conflict of Interest

The Department manages conflicts of interest on an ongoing basis within the parameters of suitable Regulatory Framework. Members of senior and middle management are required to disclose their financial interests on an annual basis. Additional categories of staff have also been identified to disclose their financial interests. These are employees from the Directorate: Financial Management and the Chief Directorate: Supply Chain and Asset Management.

5. Code of Conduct

In order to increase awareness around the Code of Conduct, the Department decided to include the Code as part of all appointment letters for new employees. The Department invited the Public Service Commission during July 2019 to conduct a Code of Conduct workshop, alongside raining awareness on financial disclosures to senior managers. Employee induction workshops focus on raising awareness among staff members regarding the Code of Conduct.

6. Health, Safety and Environmental Issues

The Occupational, Health and Safety (OHS) Committee was established in terms of the OHS Act. However, it has not commenced with its functions due to a lack of training. The delay in identifying a suitable, dedicated staff emergency assembly point remains an issue which was raised with the landlord and evacuation signs have been installed throughout the National Office building.

Security Advisory Service

An access system has been installed alongside various infrastructure improvements to enable effective security screening processes on entry and exit to and from the building, as well as the parking areas. Security monitoring is facilitated via CCTV cameras installed throughout the building. A security zoning system with requisite infrastructure enhancements for high-security areas located at the Information Technology (IT) and Human Resources offices and the floor housing the Office of the Accounting Officer as well as other senior managers has been installed.

A vetting workshop was convened for senior management and the requisite Z204 vetting forms were shared with participants. The State Security Agency also conducted an Information Security Audit and proposed recommendation contained therein, will duly be implemented. A threat risk assessment was also completed during the year under review in an effort to identify physical security threats and shortfall and implement additional security measures at the Institute for the National Development of Learnerships, Employment Skills and Labour Assessments (INDLELA) and the Head Office buildings. A similar assessment was conducted at various TVET colleges and residences of Principals who had received threats in relation to their work.

7. Portfolio Committee on Higher Education, Science and Innovation

The Committee convened meetings focussing on:

- 2018/19 Annual Reports and Audit Outcomes of the Department and selected public entities such as the Wholesale and Retail SETA, as well as the Mining Qualifications Authority;
- The briefing on the situational analysis and profile of governance and management in each TVET College;
- The briefing on the implications of the Medium-Term Budget Policy Statement (MTBPS) and Adjusted Estimates of National Expenditure on the Department's budget;
- The 2018/19 Budgetary Review and Recommendations Report;
- Briefings on quarterly expenditure and performance reports;
- The briefing on the situational analysis of governance and management at CET colleges, including infrastructure challenges and mitigating strategies;
- A briefing on the Student Housing Infrastructure Project (SHIP); and
- The state of readiness across the PSET system for the 2020 academic year.

Select Committee on Education and Technology, Sports, Arts and Culture

The Committee convened meetings which focussed on:

- 2018/19 Annual Reports and Audit Outcomes;
- Briefings on quarterly expenditure and performance reports; and
- The state of readiness across the PSET system for the 2020 academic year.

Standing Committee on Public Accounts

The Committee convened a meeting with the Department and the NSFAS that focussed on why the Entity's Annual Report was not submitted for tabling before Parliament by the due date.

8. Scopa Resolutions

None.

9. Prior Modifications to Audit Reports

None.

10. Internal Control Unit (Finance)

The Internal Control Unit staff compliment consists of a Deputy and Assistant Director as well as three State Accountant posts. The work performed during the year included updating financial policies, conducting training workshops on payroll management in conjunction with the CET Branch, the inspection of payroll management for CET and TVET colleges, inspections and cash counts of the cashier offices at Head Office and INDLELA and the training of office administrators and personal assistants on the processing and submission of Travel and Subsistence claims on the Smarthet Information Management system at the National Office.

11. Internal Audit and Audit Committees

Key activities and objectives of Internal Audit

The objective of the Internal Audit Function is to provide independent, objective assurance and consulting services designed to add value and improve the Department's operations. It assists the Department to accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the efficacy of risk management, control and governance processes.

The Internal Audit Function operates with skilled personnel and functions in accordance with requisite Treasury Regulations and the ***Public Finance Management Act (PFMA)***. A Risk-based Audit Plan was developed for the year under review and approved by the Audit Committee. During the reporting period, internal audit engagements were performed in accordance with the Audit Plan. Due to a lack of staff and specialised skills to execute the work on the Audit Plan, the Department utilises consultants in providing co-sourcing functions to assist with the audits.

Key activities and objectives of the Audit Committee

The objective of the Audit Committee is to assist the Accounting Officer in accordance with requisite oversight responsibilities regarding the financial reporting process, the system of internal control and management of risks, the broader audit process and the monitoring of compliance with relevant laws and regulations.

The Unit's main activities comprises of:

- Considering the effectiveness of the internal control systems;
- Understanding the scope of internal and external auditor's reviews of internal control regarding financial reporting and obtaining reports on significant findings and recommendations together with management's responses;
- Assessing whether the Department assets have been properly safe-guarded and utilised;
- Reviewing the Department's risk profile on an annual basis and ensuring that management is effectively managing the risks;
- Reviewing the effectiveness of the system for monitoring compliance with relevant laws and regulations; and
- Reviewing the adequacy, reliability and accuracy of the financial information provided to management and other users of such information and annually reviewing the Annual Financial Statements while recommending its approval to the Director-General.

The Audit Committee is fully operational and functions effectively as required by the Treasury Regulations and the PFMA. The Audit Committee convened four meetings during the year under review.

The table below provides relevant information in relation to the membership of the Audit Committee meetings:

Name	Qualifications	Internal/ External member	Date Appointed	No of meetings attend
Professor DP van der Nest	D Tech	External	1/12/2016 Re appoint on 11 February 2020	4
Ms S Padayachy	M Comm	External	1/12/2016 Re appoint on 11 February 2020	4
Mr S Makhubu	CA, SA	External	1/12/2016 Re appoint on 11 February 2020	4

12. Audit Committee Report

Refer to the details provided in Part E.

CoS Launch Welding Boland College

PART D

HUMAN RESOURCE MANAGEMENT

PART D
HUMAN RESOURCE MANAGEMENT

1. Introduction and Overview of Human Resources

Organisational challenges and successes during the year under review

The purpose of the Sub-Programme is aimed at ensuring effective human resource management within the Department through the implementation of sound human resource management practices including staffing, human resource development, performance management, labour relations and administrative human resource systems.

During the past year, activities were focused on implementation of the approved organisational structure for the National Office through the matching and placement of staff, the development and finalisation of Post Provisioning Norms (PPN) and Distribution Model for the college sector, the decentralisation of key human resource functions to colleges, addressing disparities in the grading of posts within the college sector, as well as implementing the capacitation of elementary staff on artisan skills, the training of college staff on labour relations processes, the standardisation of Conditions of Service for lecturers at CET colleges, the reduction of contract employees across the Department including colleges and the implementation of new policies.

The process for the establishment of centres of specialisation was also further augmented by the appointment of qualified facilitators in the selected colleges. The implementation of the electronic document management system, in conjunction with the scanning system both at head office and college levels, alongside the business automation for leave management and submissions have yielded positive results and the Department's ability to produce accurate records for auditing purposes has improved significantly. The Department also implemented the early retirement project as initiated by National Treasury in collaboration with the Department of Public Service and Administration and culminated in a total of 157 early retirement applications being approved up to 2021 and of which 97 incumbents went on retirement during the reporting period.

Measures that were adopted to mitigate the impact of these events on service delivery

The Department in relation to finalisation of its Skills Audit processes, continues relying on Branches in identifying priority skills aligned to their respective strategic objectives.

The implementation of the Department's Operational Management Framework is ongoing, with the Service Delivery Model having been completed in conjunction with the Business Mapping process and the Service Delivery Improvement Plan having been finalised.

Several of the fore-mentioned Human Resources interventions were successfully implemented, while others such as the standardisation of the Conditions of Service for CET lecturers did not materialise, mainly due to the financial implications related to this process. The Department has also been unable to fund post-graduate studies through the bursary scheme and due to limited financial resources could only support those students intending to pursue under-graduate degrees. The Department was unable to develop and implement the planned e-recruitment system, a commitment made and intended as a means to reduce the turn-around times in relation the filling of vacancies. The process was stalled due to several delays in the broader implementation of a government-wide e-recruitment intervention driven under the auspices of the Department of Public Service and Administration. This in turn, had a negative impact on the ability of the Department in meeting its target of filling crucial vacancies timeously. The Organisational Culture Survey could also not be completed by the end of the financial year and will only be concluded during the next financial year.

Achievements and challenges faced by the Department, as well as future human resource plans/goals

During the 2019/20 financial year, various policy decisions were taken and unplanned strategic issues arose within the Chief Directorate: Human Resource Management and Development, as well as the Labour Relations and Employee Health and Wellness Directorates:

- **The Training Unit:** The NSF awarded funding towards artisan development for the elementary staff project to a value of R 6.7 million. The funding has not yet been expended however, due to the MoU not being signed as a result of legal technicalities. It is anticipated that R1.9 million of the allocated amount will be utilised by the end of May 2020.
- **The Human Resource Planning Unit:** The development of the Human Resource Plan is a process that will continue to the next financial year.
- **The Change Management Unit:** Occupational management functions and processes were initiated in respect of the Service Delivery Improvement Plan, the Service Delivery Model, Business Process Mapping and Standard Operating Procedures as well as the Service Delivery Charter and these interventions will be prioritised.
- **The Ethics Unit:** A process for the establishment of Institutional Ethics committees in conjunction with the training of the Institutional Ethics committees member on the approved Ethics and integrity Management Strategy was facilitated.
- **The Performance Management Development System Unit**: The Director-General approved the Performance Management Development (PMD) Policy during May 2019.
- **The Human Resource Management and Administration Unit:** During 2019/20, various human resource management and administration related policies were approved, while several others were reviewed:
  - The Department's Overtime; Recruitment and Selection, Secondment as well as Transfer and Termination of Service Policies were approved.
  - The Department's Leave; Housing Allowance, Special Leave, Contract/Temporary Appointments and Acting Appointments policies are currently being updated and/or are under review.
  - The Department's Medical Aid Membership, Employee Health and Wellness: HIV-AIDS and Tuberculosis policies were withdrawn.

Significant Events that took place during 2019/20

- **The Organisational Development Unit:** The Unit managed to evaluate 99% of posts at TVET and CET colleges in order to adhere to the principle of equal pay for work of equal value. This development will assist in addressing the inconsistency of grading posts across public colleges and in reducing grievances in this regard.
- **The Training Unit:** In relation to the Departmental Orientation Programme, 60 new staff members were inducted on 5 to 6 September 2019 during an orientation workshop.
- **The HRP Unit:** The Human Resource Planning Development Project was initiated during the year under review.
- **The Change Management Unit:** The Unit managed to commence with an Organisational Culture Survey Project and culture engagement sessions were facilitated.

- **The Ethics Unit**: The Departmental Ethics Awareness Campaign was launched during the year under review.
- **Employee Health and Wellness Unit:** The Unit was responsible for the oversight and management of numerous activities such as Blood Donor Drives and National Public Servants Sports and Cultural Events, as well as the facilitation of information sessions on Disability Management, the Government Employee Pension Fund, the Government Employee Housing Scheme and National Credit Regulations.

Major projects undertaken or completed during 2019/20

Several projects were managed and coordinated by the Directorate: Human Resource Management and Administration during the 2019/20 Financial Year:

- The Smarthet business automation system was rolled out at the National Office with a view to ensure more efficient management of staff leave and leave applications processes.
- The decentralisation of identified Human Resources functions, such as leave management, employment terminations and pension case management to TVET colleges was overseen during the year under review.
- The NGN Scanning System was installed at TVET colleges and a similar process is underway at relevant Community Education and Training (CET) colleges.
- The appointment of a Service Provider for MIE vetting of newly appointed staff and SMS members was concluded.
- The compliance measure as captured in the APP of the Department for a vacancy rate of less than 10% and vacancies filled within 180 days was fully achieved.
- The Minister has approved the Post Provisioning Norms (PPN) Model and Standardised Generic Organisational Structure for TVET colleges which will be implemented over the next three financial years with effect from 1 April 2020. This will assist in clearing the audit query which has appeared in the Auditor-General's finding for the past three financial years.
- The Training and Upskilling of Elementary Staff project in relation to the Artisanal Skills programme was overseen during the year under review.
- An Organisational Culture Survey was also initiated in order to address low staff morale.
- The launch of the Departmental Ethics Awareness Campaign was overseen by the Minister.
- The validation of IQMS and PMDS documents at all institutions, as well as moderation sessions at the Regions, alongside refresher training on PMDS was facilitated and concluded.

Compliance in the respect of the declaration of financial interests at SMS level was 100%, while incomplete disclosures at levels belows SMS was apparent.

2. Oversight Report

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

The statistics provided in the tables hereafter provide high-level information on key human resource issues. The information aims to empower legislatures, the media and the public, as well as other key stakeholders to monitor whether the Department:

- is exercising the powers granted in terms of the relevant Public Service and Public Finance legislation in a responsible manner; and
- is achieving national transformation priorities determined by Cabinet, such as affirmative action and other interventions.

Annual Reports are produced subsequent to the end of the relevant financial year. This requirement is aimed at strengthening the accountability of departments in relation to service delivery and the expectations of key stakeholders.

2.1 EXPENDITURE

Note: During 2019/20 a total of R332.759 million was spent on remuneration for examiners and moderators. This amount is excluded from the personnel expenditure tables as these officials are remunerated on a claim per task basis.

The inclusion of this information in the following tables would give a false reflection on the personnel numbers and cost in the tables.

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

TABLE 2.1.1 – Personnel expenditure by Programme, 1 April 2019 to 31 March 2020

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Professional and special services (R'000)	Training expenditure (R'000)	Personnel cost as a % of total expenditure	Average personnel cost per employee (R'000)	Number of employees
1	421 571	234 553	3 713	3 432	55.6	425	552
2	73 663	62 456	-	36	84.8	422	148
3	73 437 596	64 440	1 692	-	0.1	632	102
4	12 318 662	6 451 790	-	33 118	52.4	404	15 966
5	291 167	134 142	-	-	46.1	247	544
6	2 269 795	2 087 265	-	221	92.0	240	8 686
Sub total	**88 812 454**	**9 034 646**	**5 405**	**36 807**	**10.2**	**348**	**25 998**
Statutory	18 283 844	-	-	-	-	-	-
Total	**107 096 298**	**9 034 646**	**5 405**	**36 807**	**8.4**	**348**	**25 998**

TABLE 2.1.2 – Personnel costs by salary bands, 1 April 2019 to 31 March 2020

Salary band	Personnel expenditure (R'000)	Number of employees	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	298 976	3 986	3.3	75
Skilled (Levels 3-5)	1 353 497	8 676	15.0	156
Highly skilled production (Levels 6-8)	5 016 167	10 444	55.5	479
Highly skilled supervision (Levels 9-12)	2 119 139	2 720	23.5	779
Senior Management (Levels 13-16)	246 867	172	2.7	1 435
Total	**9 034 646**	**25 998**	**100.0**	**348**

TABLE 2.1.3 – Salaries, Overtime, Home Owner's Allowance and Medical Assistance by programme, 1 April 2019 to 31 March 2020

Programme	Salaries			Overtime		Home Owner's Allowance		Medical Assistance	
	Personnel costs (R'000)	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical assistance as a % of personnel cost
1	234 553	155 643	66.4	9 147	3.9	5 663	2.4	10 051	4.3
2	62 456	43 648	69.9	1	0.0	813	1.3	1 497	2.4
3	64 440	45 540	70.7	21	0.0	799	1.2	1 376	2.1
4	6 451 790	4 436 270	68.8	5 833	0.1	223 594	3.5	333 536	5.2
5	134 142	94 178	70.2	1 443	1.1	3 784	2.8	6 659	5.0
6	2 087 265	1 354 191	64.9	2	0.0	30 632	1.5	15 996	0.8
Total	**9 034 646**	**6 129 470**	**67.8**	**16 447**	**0.2**	**265 285**	**2.9**	**369 115**	**4.1**

TABLE 2.1.4 – Salaries, Overtime, Home Owner's Allowance and Medical Assistance by salary bands, 1 April 2019 to 31 March 2020

Salary band	Salaries			Overtime		Home Owner's Allowance		Medical Assistance	
	Personnel costs (R'000)	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical assistance as a % of personnel cost
Lower skilled (Levels 1-2)	298 976	163 018	54.5	507	0.2	21 484	7.2	20 436	6.8
Skilled (Levels 3-5)	1 353 497	880 734	65.1	2 073	0.2	57 391	4.2	74 763	5.5
Highly skilled production (Levels 6-8)	5 016 167	3 387 810	67.5	10 800	0.2	150 797	3	210 821	4.2
Highly skilled supervision (Levels 9-12)	2 119 139	1 504 754	71	3 067	0.1	34 955	1.6	61 503	2.9
Senior Management (Levels 13-16)	246 867	193 154	78.2	-	-	658	0.3	1 592	0.6
Total	**9 034 646**	**6 129 470**	**67.8**	**16 447**	**0.2**	**265 285**	**2.9**	**369 115**	**4.1**

2.2 EMPLOYMENT AND VACANCIES

TABLE 2.2.1 - Employment and vacancies by Programme as at 31 March 2020

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate (Includes frozen posts)	Number of employees additional to the establishment
Programme 1: Administration	688	552	19.8	1
Programme 2: Planning. Policy & Strategy, Permanent	187	148	2.9	1
Programme 3: University Education, Permanent	130	102	21.5	-
Programme 4: Technical and Vocational Education and Training, Permanent	17 460	15 966	8.6	120
Programme 5: Skills Development, Permanent	731	544	25.6	1
Programme 6: Community Education and Training, Permanent	6 757	6 019	10.9	3 874
Programme 6: Community Education and Training, Temporary	2 667	2 667	-	794
Total	**28 620**	**25 998**	**9.2**	**4 791**

TABLE 2.2.2 - Employment and vacancies by salary band as at 31 March 2020

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy rate (Includes frozen posts)	Number of employees additional to the establishment
Lower Skilled (Levels 1-2)	1 550	1 301	16.1	2
Skilled (Levels 3-5)	4 551	3 931	13.6	48
Highly Skilled Production (Levels 6-8)	11 356	10 362	8.8	105
Highly Skilled Supervision (Levels 9-12)	3 316	2 667	19.6	5
Senior Management (Levels 13-16)	272	162	40.4	2
Other	7 575	7 575	-	4 629
Total	**28 620**	**25 998**	**9.2**	**4 791**

TABLE 2.2.3 - Employment and vacancies by critical occupation as at 31 March 2020

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate (Includes frozen posts)	Number of employees additional to the establishment
Administrative Related, Permanent	1 417	1 010	28.7	-
All Artisans in the Building, Metal, Machinery, etc, Permanent	1	1	-	-
Archivists Curators and Related Professionals, Permanent	1	1	-	-
Artisan Project and Related Superintendents, Permanent	1	1	-	-
Basic Training, Permanent	20	15	25	-
Binding and Related Workers, Permanent	2	2	-	-
Building and Other Property Caretakers, Permanent	25	20	20	-
Bus and Heavy Vehicle Drivers, Permanent	6	5	16.7	-
Cashiers Tellers and Related Clerks, Permanent	10	10	-	-
Cleaners In Offices Workshops Hospitals etc., Permanent	2 106	1 948	7.5	19
Client Inform Clerks (Switchboard Reception Inform Clerks), Permanent	16	16	-	-
Communication and Information Related, Permanent	7	7	-	-
Computer Programmers, Permanent	4	4	-	-
Computer System Designers and Analysts, Permanent	3	2	33.3	-
Crime Investigators/Misdaad Ondersoekers, Permanent	1	1	-	-
Dental Practitioners, Permanent	1	1	-	-
Economists, Permanent	1	1	-	-
Farm Hands and Labourers, Permanent	1	1	-	-
Finance and Economics Related, Permanent	28	23	17.9	-

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate (Includes frozen posts)	Number of employees additional to the establishment
Financial and Related Professionals, Permanent	91	58	36.3	-
Financial Clerks and Credit Controllers, Permanent	221	197	10.9	1
Food Services Aids and Waiters, Permanent	44	40	9.1	3
General Legal Administration and Related, Professionals, Permanent	10	5	50	-
Head of Department/Chief Executive Officer, Permanent	3	3	-	-
Household and Laundry Workers, Permanent	38	33	13.2	-
Household Food and Laundry Services Related, Permanent	10	10	-	-
Housekeepers Laundry and Related Workers, Permanent	4	4	-	-
Human Resources & Organisational Development and Relate Professional, Permanent	29	26	10.3	-
Human Resources Clerks, Permanent	280	241	13.9	-
Human Resources Related, Permanent	59	53	10.2	-
Information Technology Related, Permanent	9	7	22.2	-
Inspectors of Apprentices Works and Vehicles, Permanent	1	1	-	-
Legal Related, Permanent	4	2	50	-
Librarians and Related Professionals, Permanent	7	7	-	-
Library Mail and Related Clerks, Permanent	37	35	5.4	-
Light Vehicle Drivers, Permanent	45	42	6.7	-
Logistical Support Personnel, Permanent	14	14	-	-
Material-Recording and Transport Clerks, Permanent	134	123	8.2	-
Mathematicians and Related Professionals, Permanent	3	3	-	-
Messengers Porters and Deliverers, Permanent	75	64	14.7	-
Motor Vehicle Drivers, Permanent	4	4	-	-
National Technical Examiners, Permanent	28	25	10.7	-
Natural Sciences Related, Permanent	2	2	-	-
Occupational Therapy, Permanent	1	1	-	-
Operational Planning, Permanent	2	2	-	-
Other Administration and Related Clerks and Organisers, Permanent	3 580	3 281	8.4	17
Other Administrative Policy and Related Officers, Permanent	55	52	5.5	-
Other Information Technology Personnel, Permanent	7	7	-	2
Other Occupations, Permanent	16 762	15 391	8.2	3 949

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate (Includes frozen posts)	Number of employees additional to the establishment
Other Occupations, Temporary	2 667	2 667	-	794
Pharmacologists Pathologists and Related Professionals, Permanent	1	1	-	-
Printing and Related Machine Operators, Permanent	1	1	-	-
Professional Nurse, Permanent	1	1	-	-
Rank: Education Specialist (FETI), Permanent	8	-	100	-
Rank: Education Specialist Senior (FETI), Permanent	4	-	100	-
Rank: Lecturer (FETI), Permanent	23	-	100	-
Rank: Teacher, Permanent	1	-	100	-
Risk Management and Security Services, Permanent	6	6	-	-
Secretaries and Other Keyboard Operating Clerks, Permanent	298	248	16.8	1
Security Guards, Permanent	73	60	17.8	1
Security Officers, Permanent	21	18	14.3	1
Senior Managers, Permanent	268	161	39.9	3
Social Work and Related Professionals, Permanent	2	1	50	-
Statisticians and Related Professionals, Permanent	1	1	-	-
Trade Labourers, Permanent	25	23	8	-
Trade Related, Permanent	7	6	14.3	-
Trade/Industry Advisers and Other Related Profession, Permanent	3	2	33.3	-
Total	**28 620**	**25 998**	**9.2**	**4 791**

2.3 FILLING OF SMS POSTS

TABLE 2.3.1 - SMS post information as at 31 March 2020

SMS Level	Total number of funded SMS posts	Total number of funded SMS posts filled	% of SMS posts filled	Total number of funded SMS posts vacant	% of SMS posts vacant
Director-General/Head of Department	1	1	100	0	0
Salary Level 16	3	2	67	1	33
Salary Level 15	9	6	67	3	33
Salary Level 14	49	34	69	15	31
Salary Level 13	212	121	57	91	43
Total	**274**	**164**	**60**	**110**	**40**

TABLE 2.3.2 - SMS post information as at 30 September 2019

SMS Level	Total number of funded SMS posts	Total number of funded SMS posts filled	% of SMS posts filled	Total number of funded SMS posts vacant	% of SMS posts vacant
Director-General/Head of Department	1	1	100	-	-
Salary Level 16	3	2	67	1	33
Salary Level 15	9	5	56	2	22
Salary Level 14	49	34	69	15	31
Salary Level 13	213	123	58	90	42
Total	**275**	**165**	**60**	**108**	**39**

TABLE 2.3.3 - Advertising and filling of SMS posts for the period 1: April 2019 to 31 March 2020

SMS Level	Advertising	Filling of posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/Head of Department	-	-	-
Salary Level 16	-	-	-
Salary Level 15	-	-	-
Salary Level 14	10	-	8
Salary Level 13	31	16	9
Total	**41**	**16**	**17**

Table 2.3.4 - Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period: 1 April 2019 to 31 March 2020

All advertised SMS posts were filled within 12 months after becoming vacant for the period 1 April 2019 to 31 March 2020, with the exception of withdrawn posts which did not align with the approved organogram at the time as well as the identification of suitable candidates for these vacancies.

Table 2.3.5 - Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period: 1 April 2019 to 31 March 2020

None.

2.4 JOB EVALUATION

TABLE 2.4.1 - Job evaluation by salary band for the period: 1 April 2019 to 31 March 2020

Salary band	Number of posts on approved establishment	Number of jobs evaluated	% of Posts evaluated by salary bands	Number of posts upgraded	% of upgraded posts evaluated	Number of posts downgraded	% of downgraded posts evaluated
lower Skilled (Levels 1-2)	1 550	1	0.1	-	-	-	-
Skilled (Levels 3-5)	4 551	5	0.1	1	100	-	-
Highly Skilled Production (Levels 6-8)	11 356	10	0.1	4	75	-	-
Highly Skilled Supervision (Levels 9-12)	3 316	13	0.4	5	100	-	-
Senior Management Service Band A	212	1	0.5	-	-	-	-
Senior Management Service Band B	48	-	-	-	-	-	-
Senior Management Service Band C	8	-	-	-	-	-	-
Senior Management Service Band D	4	-	-	-	-	-	-
Other	7 575	1	-	-	-	-	-
Total	**28 620**	**31**	**0.1**	**10**	**90**	**-**	**-**

TABLE 2.4.2 – Profile of employees whose positions were upgraded due to their posts being upgraded for the period: 1 April 2019 to 31 March 2020

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**
Employees with a Disability	-	-	-	-	-

TABLE 2.4.3 - Employees with salary levels higher than those determined by job evaluation by occupation for the period: 1 April 2019 to 31 March 2020

None.

TABLE 2.4.4 – Profile of employees who have salary levels higher than those determined by job evaluation for the period: 1 April 2019 to 31 March 2020

Employees with a Disability:	None

2.5 EMPLOYMENT CHANGES

TABLE 2.5.1 - Annual turnover rates by salary band for the period: 1 April 2019 to 31 March 2020

Salary band	Number of employees at beginning of Period - 1 April 2019	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower Skilled (Levels 1-2) Permanent	1 311	45	33	2.5
Skilled (Levels 3-5) Permanent	4 529	219	160	3.5
Highly Skilled Production (Levels 6-8) Permanent	9 882	342	337	3.4
Highly Skilled Supervision (Levels 9-12) Permanent	2 449	86	161	6.6
Senior Management Service Band A Permanent	127	4	8	6.3
Senior Management Service Band B Permanent	27	1	1	3.7
Senior Management Service Band C Permanent	5	-	-	-
Senior Management Service Band D Permanent	3	-	-	-
Other Permanent	4 780	152	217	4.5
Other Temporary	2 745	2	105	3.8
Contract (Levels 1-2) Permanent	24	4	3	12.5
Contract (Levels 3-5) Permanent	144	14	15	10.4
Contract (Levels 6-8) Permanent	109	15	19	17.4
Contract (Levels 9-12) Permanent	53	5	6	11.3
Contract Band A Permanent	11	2	2	18.2
Contract Band B Permanent	1	-	-	-
Contract Band C Permanent	1	-	1	100
Contract Band D Permanent	1	-	1	100
Total	**26 202**	**891**	**1 069**	**4.1**

TABLE 2.5.2 - Annual turnover rates by critical occupation for the period: 1 April 2019 to 31 March 2020

Critical occupation	Number of employees at beginning of period - 1 April 2019	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Administrative Related, Permanent	918	77	58	6.3
All Artisans in the Building, Metal, Machinery, etc, Permanent	1	-	-	-
Archivists Curators and Related Professionals, Permanent	1	-	-	-
Artisan Project and Related Superintendents, Permanent	1	-	-	-
Basic Training, Permanent	11	6	1	9.1
Binding and Related Workers, Permanent	2	-	-	-
Building and Other Property Caretakers, Permanent	24	-	3	12.5
Bus and Heavy Vehicle Drivers, Permanent	5	-	-	-
Cashiers Tellers and Related Clerks, Permanent	10	-	-	-
Cleaners in Offices Workshops, Hospitals etc. Permanent	1 991	61	109	5.5
Client Information Clerks (Switchboard Reception Information Clerks), Permanent	16	1	-	-
Communication and Information Related, Permanent	7	-	-	-
Computer Programmers, Permanent	4	-	-	-
Computer System Designers and Analysts, Permanent	2	-	-	-
Dental Practitioners, Permanent	1	-	-	-
Economists, Permanent	1	-	-	-
Farm Hands and Labourers, Permanent	1	-	-	-
Finance and Economics Related, Permanent	22	1	3	13.6
Financial and Related Professionals, Permanent	29	25	3	10.3
Financial Clerks and Credit Controllers, Permanent	188	14	8	4.3
Food Services Aids and Waiters, Permanent	38	4	1	2.6
General Legal Administration and Related Professionals, Permanent	6	-	1	16.7
Head of Department/Chief Executive Officer, Permanent	2	-	-	-
Household and Laundry Workers, Permanent	36	-	2	5.6
Household Food and Laundry Services Related, Permanent	11	-	1	9.1
Housekeepers Laundry and Related Workers, Permanent	3	-	-	-
Human Resources and Organisational Development and Related Professionals, Permanent	21	1	1	4.8
Human Resources Clerks, Permanent	254	9	31	12.2
Human Resources Related, Permanent	43	5	1	2.3

Critical occupation	Number of employees at beginning of period - 1 April 2019	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Information Technology Related, Permanent	8	-	1	12.5
Inspectors of Apprentices Works and Vehicles, Permanent	1	-	-	-
Legal Related, Permanent	2	-	-	-
Librarians and Related Professionals, Permanent	7	-	-	-
Library Mail and Related Clerks, Permanent	36	-	1	2.8
Light Vehicle Drivers, Permanent	44	-	3	6.8
Logistical Support Personnel, Permanent	11	-	-	-
Material-Recording and Transport Clerks, Permanent	123	-	2	1.6
Mathematicians and Related Professionals, Permanent	2	1	-	-
Messengers Porters and Deliverers, Permanent	84	11	5	6
Motor Vehicle Drivers, Permanent	3	-	-	-
National Technical Examiners, Permanent	23	3	1	4.3
Natural Sciences Related, Permanent	2	-	-	-
Occupational Therapy, Permanent	1	-	-	-
Other Administrative and Related Clerks and Organisers, Permanent	3 351	91	216	6.4
Other Administrative Policy and Related Officers, Permanent	53	-	1	1.9
Other Information Technology Personnel, Permanent	6	-	-	-
Other Occupations, Permanent	15 566	535	479	3.1
Other Occupations, Temporary	2 745	2	105	3.8
Pharmacologists Pathologists and Related Professional, Permanent	1	-	-	-
Printing and Related Machine Operators, Permanent	1	-	-	-
Professional Nurse, Permanent	1	-	-	-
Rank: Lecturer (FETI), Permanent	1	-	-	-
Risk Management and Security Services, Permanent	7	-	-	-
Secretaries and Other Keyboard Operating Clerks, Permanent	234	20	12	5.1
Security Guards, Permanent	61	3	5	8.2
Security Officers, Permanent	20	-	2	10
Senior Managers, Permanent	150	21	11	7.3
Social Work and Related Professionals, Permanent	1	-	-	-
Statisticians and Related Professionals, Permanent	1	-	-	-
Trade Labourers, Permanent	1	-	2	200
Trade Related, Permanent	6	-	-	-
Total	**26 202**	**891**	**1 069**	**4.1**

TABLE 2.5.3 - Reasons why staff are left the Department for the period: 1 April 2019 to 31 March 2020

Termination type	Number	% of Total Resignations
Death, Permanent	94	8.8
Death, Temporary	3	0.3
Resignation, Permanent	432	40.4
Resignation, Temporary	82	7.7
Expiry of contract, Permanent	143	13.4
Expiry of contract, Temporary	15	1.4
Transfers, Permanent	1	0.1
Discharged due to ill health, Permanent	16	1.5
Dismissal-misconduct, Permanent	33	3.1
Retirement, Permanent	243	22.7
Retirement, Temporary	5	0.5
Other, Permanent	1	0.1
Other, Temporary	1	0.1
Total	**1 069**	**100**
Total number of employees who left as a % of total employment	**4.1**	

TABLE 2.5.4 - Promotions by critical occupation packages for the period: 1 April 2019 to 31 March 2020

Occupation	Employees 1 April 2019	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative related	918	63	6.9	497	54.1
All Artisans in the Building Metal Machinery etc.	1	-	-	-	-
Archivists Curators and Related Professionals	1	-	-	1	100
Artisan Project and Related Superintendents	1	-	-	1	100
Basic Training	11	1	9.1	1	9.1
Binding and Related Workers	2	-	-	2	100
Building and Other Property Caretakers	24	-	-	10	41.7
Bus and Heavy Vehicle Drivers	5	-	-	1	20
Cashiers Tellers and Related Clerks	10	-	-	8	80
Cleaners in Offices Workshops Hospitals etc.	1 991	1	0.1	1 280	64.3
Client Inform Clerks (Switchboard Reception Inform Clerks)	16	-	-	14	87.5
Communication and Information Related	7	1	14.3	4	57.1
Computer Programmers	4	-	-	4	100

Occupation	Employees 1 April 2019	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Computer System Designers and Analysts	2	-	-	2	100
Dental Practitioners	1	-	-	1	100
Economists	1	-	-	1	100
Farm Hands and Labourers	1	-	-	1	100
Finance and Economics Related	22	4	18.2	9	40.9
Financial and Related Professionals	29	11	37.9	18	62.1
Financial Clerks and Credit Controllers	188	5	2.7	134	71.3
Food Services Aids and Waiters	38	-	-	14	36.8
General Legal Administration and Related Professionals	6	-	-	5	83.3
Head of Department/Chief Executive Officer	2	-	-	1	50
Household and Laundry Workers	36	-	-	12	33.3
Household Food and Laundry Services Related	11	1	9.1	1	9.1
Housekeepers Laundry and Related Workers	3	-	-	2	66.7
Human Resources and Organisation Development and Related Professional	21	5	23.8	12	57.1
Human Resources Clerks	254	3	1.2	187	73.6
Human Resources Related	43	7	16.3	17	39.5
Information Technology Related	8	-	-	3	37.5
Inspectors of Apprentices Works and Vehicles	1	-	-	1	100
Legal Related	2	-	-	2	100
Librarians and Related Professionals	7	-	-	3	42.9
Library Mail and Related Clerks	36	-	-	31	86.1
Light Vehicle Drivers	44	-	-	16	36.4
Logistical Support Personnel	11	2	18.2	7	63.6
Material-Recording and Transport Clerks	123	2	1.6	98	79.7
Mathematicians and Related Professionals	2	-	-	1	50
Messengers Porters and Deliverers	84	-	-	41	48.8
Motor Vehicle Drivers	3	-	-	3	100
National Technical Examiners	23	-	-	10	43.5
Natural Sciences Related	2	-	-	2	100
Occupational Therapy	1	-	-	-	-

Occupation	Employees 1 April 2019	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Other Administrative and Related Clerks and Organisers	3 351	37	1.1	2 105	62.8
Other Administrative Policy and Related Officers	53	-	-	36	67.9
Other Information Technology Personnel	6	-	-	6	100
Other Occupations	18 311	106	0.6	8 604	47
Pharmacologists, Pathologists and Related Professionals	1	-	-	1	100
Printing and Related Machine Operators	1	-	-	1	100
Professional Nurse	1	-	-	-	-
Rank: Lecturer (FETI)	1	-	-	-	-
Risk Management and Security Services	7	-	-	4	57.1
Secretaries and other Keyboard Operating Clerks	234	2	0.9	126	53.8
Security Guards	61	1	1.6	25	41
Security Officers	20	-	-	6	30
Senior Managers	150	14	9.3	61	40.7
Social Work and Related Professionals	1	-	-	1	100
Statisticians and Related Professionals	1	-	-	1	100
Trade Labourers	1	-	-	23	23
Trade Related	6	-	-	4	66.7
Unknown	-	1	-	-	-
Unknown	-	1	-	-	-
Total	**26 202**	**268**	**1**	**13 462**	**51.4**

TABLE 2.5.5 - Promotions by salary band for the period: 1 April 2019 to 31 March 2020

Salary band	Employees 1 April 2019	Promotions to another salary level	Salary level promotions as a % of employees by salary band	Progressions to another notch within a salary level	Notch progression as a % of employees by salary band
lower Skilled (Levels 1-2), Permanent	1 311	-	-	769	58.7
Skilled (Levels 3-5), Permanent	4 529	7	0.2	2 277	50.3
Highly Skilled Production (Levels 6-8), Permanent	9 882	131	1.3	8 191	82.9
Highly Skilled Supervision (Levels 9-12), Permanent	2 449	112	4.6	1 998	81.6
Senior Management (Levels >= 13), Permanent	162	15	9.3	75	46.3
Other, Permanent	4 780	-	-	-	-
Other, Temporary	2 745	-	-	-	-
Contract (Levels 1-2), Permanent	24	-	-	2	8.3
Contract (Levels 3-5), Permanent	144	-	-	34	23.6
Contract (Levels 6-8), Permanent	109	-	-	76	69.7
Contract (Levels 9-12), Permanent	53	3	5.7	38	71.7
Contract (Levels >= 13), Permanent	14	-	-	2	14.3
Total	**26 202**	**268**	**1**	**13 462**	**51.4**

2.6 EMPLOYMENT EQUITY

TABLE 2.6.1 - Total number of employees (incl. employees with disabilities) in each of the following occupational categories as at 31 March 2020

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Officials and Managers	73	10	3	14	43	2	6	14	165
Professionals	4 854	361	140	366	6 767	378	137	686	13 689
Technicians and Associate Professionals	369	60	13	37	348	170	9	73	1 079
Clerks	1 272	48	31	40	2 433	116	50	161	4 151
Service Shop and Market Sales Workers	79	6	1	4	26	-	-	-	116
Craft and Related Trade Workers	25	-	1	7	3	-	-	-	36
Plant and Machine Operators and Assemblers	28	8	-	1	7	8	-	-	52
Labourers and Related Workers	1 976	103	5	22	4 417	159	4	23	6 709

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Unknown	1	-	-	-	-	-	-	-	1
Total	**8 677**	**596**	**194**	**491**	**14 044**	**833**	**206**	**957**	**25 998**
Employees with disabilities	18	5	-	6	17	2	1	7	56

TABLE 2.6.2 - Total number of employees (incl. employees with disabilities) in each of the following occupational bands as at 31 March 2020

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	4	-	-	1	1	-	-	1	7
Senior Management, Permanent	70	11	2	12	40	2	6	12	155
Professionally qualified and experienced specialists and mid-management, Permanent	1 015	147	61	196	799	118	32	299	2 667
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	4 139	266	111	233	4 533	377	142	561	10 362
Semi-skilled and discretionary decision making, Permanent	1 291	106	16	28	2 179	222	23	66	3 931
Unskilled and defined decision making, Permanent	558	37	-	6	648	50	-	2	1 301
Not Available, Permanent	1 095	25	3	10	3 435	57	2	11	4 638
Not Available, Temporary	424	2	-	-	2 235	4	-	2	2 667
Contract (Senior Management), Permanent	4	-	-	2	2	-	1	1	10
Contract (Professionally Qualified), Permanent	21	-	-	3	25	1	-	2	52
Contract (Skilled Technical), Permanent	31	-	1	-	67	2	-	-	101
Contract (Semi-Skilled), Permanent	25	2	-	-	70	-	-	-	97
Contract (Unskilled), Permanent	-	-	-	-	10	-	-	-	10
Total	**8 677**	**596**	**194**	**491**	**14 044**	**833**	**206**	**957**	**25 998**
Employees with disabilities	18	5	-	6	17	2	1	7	56

TABLE 2.6.3 – Recruitment for the period: 1 April 2019 to 31 March 2020

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	3	-	-	-	1	-	1	-	5
Senior Management, Temporary	-	-	-	-	1	-	5	-	6
Professionally qualified and experienced specialists and mid-management, Permanent	44	4	2	2	29	-	1	4	86
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	143	8	2	5	144	23	2	14	341
Semi-skilled and discretionary decision making, Permanent	93	8	-	3	102	8	2	3	219
Unskilled and defined decision making, Permanent	16	-	-	-	28	1	-	-	45
Not Available, Permanent	66	2	-	1	83	-	-	-	152
Not Available, Temporary	-	-	-	-	2	-	-	-	2
Contract (Senior Management), Permanent	-	-	-	1	-	-	-	1	2
Contract (Professionally qualified), Permanent	3	-	-	-	1	-	-	1	5
Contract (Skilled technical), Permanent	9			-	6	-	-	-	15
Contract (Semi-skilled), Permanent	4	1	-	-	9	-	-	-	14
Contract (Unskilled), Permanent	-	-	-	-	4	-	-	-	4
Total	**381**	**23**	**4**	**12**	**410**	**32**	**11**	**23**	**896**
Employees with disabilities	-	-	-	-	1	-	-	-	1

TABLE 2.6.4 – Promotions for the period: 1 April 2019 to 31 March 2020

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	1	-	-	-	-	-	-	1	2
Senior Management, Permanent	37	8	2	7	21	1	4	8	88
Professionally qualified and experienced specialists and mid-management, Permanent	739	127	46	169	635	98	28	268	2 110
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	3 219	218	97	196	3 680	290	125	497	8 322
Semi-skilled and discretionary decision making, Permanent	698	64	8	17	1 279	156	15	47	2 284
Unskilled and defined decision making, Permanent	324	16	-	4	399	26	-	-	769
Contract (Senior Management), Permanent	-	-	-	-	1	-	1	-	2
Contract (Professionally qualified), Permanent	17	-	-	3	21	-	-	-	41
Contract (Skilled technical), Permanent	21	-	1	-	53	1	-	-	76
Contract (Semi-skilled), Permanent	11	1	-	-	22	-	-	-	34
Contract (Unskilled), Permanent	-	-	-	-	2	-	-	-	2
Total	**5 067**	**434**	**154**	**396**	**6 113**	**572**	**173**	**821**	**13 730**
Employees with disabilities	14	4	-	6	12	-	1	4	41

TABLE 2.6.5 – Terminations for the period: 1 April 2019 to 31 March 2020

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	3	-	1	2	2	-	-	1	9
Senior Management, Temporary	-	-	-	-	1	-	-	-	1
Professionally qualified and experienced specialists and mid-management, Permanent	53	5	1	26	33	4	3	36	161
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	145	10	6	10	114	13	5	33	336
Semi-skilled and discretionary decision making, Permanent	61	11	-	2	66	8	-	12	160
Unskilled and defined decision making, Permanent	19	2	-	-	11	1	-	-	33
Not Available, Permanent	51	1	-	-	163	2	-	-	217
Not Available, Temporary	16	-	-	-	89	-	-	-	105
Contract (Top Management), Permanent	-	-	-	1	1	-	-	-	2
Contract (Senior Management), Permanent	-	-	1	1	-	-	-	-	2
Contract (Professionally qualified), Permanent	3	-	-	-	3	-	-	-	6
Contract (Skilled technical), Permanent	8	-	-	-	11	-	-	-	19
Contract (Semi-skilled), Permanent	4	2	-	-	8	1	-	-	15
Contract (Unskilled), Permanent	-	-	-	-	3	-	-	-	3
Total	**363**	**31**	**9**	**42**	**505**	**29**	**8**	**82**	**1 069**
Employees with disability	-	-	-	-	1	-	-	-	1

TABLE 2.6.6 - Disciplinary Action for the period: 1 April 2019 to 31 March 2020

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Absence or repeated absence from work without a valid reason or permission	11	-	-	-	3	-	-	-	14
Abandoning the workplace without authorisation	3	-	-	-	-	-	-	-	3
Assault, attempt or threatens to assault, another employee or person while on duty	2	-	-	-	2	-	-	-	4
Abuse of state vehicle	-	-	-	-	-	-	-	-	-
Breaching of contract employment and causing financial implications	1	-	-	-	-	-	-	-	1
Breaching the internal security measures	1	-	-	-	-	-	-	-	1
Bringing the name of the college into disrepute	3	-	-	-	4	-	-	-	7
Collusion	-	-	-	-	-	-	-	-	-
Conducting himself / herself in an improper, disgraceful, and unacceptable manner	2	-	-	-	1	-	-	-	3
Contravention of leave policy	1	-	-	-	-	-	-	-	1
Contravention of the registration procedure by approving student registration forms without proof of payment	1	-	-	-	-	-	-	-	1
Dereliction of duties	5	-	-	2	-	-	-	-	7
Disclosure of confidential information	-	-	-	-	1	-	-	-	1
Dishonesty	-	1	-	-	-	-	-	-	1
Display disrespect towards others in the workplace or demonstrates abuse or insolent behaviour	2	-	-	-	-	-	-	-	2
Driving the State vehicle under the influence of alcohol	1	-	-	-	-	-	-	-	1
Fails to carry out a lawful order or routine instruction without just or reasonable cause	4	-	-	2	-	-	-	-	6
Falsification of records or any other documentation	1	-	-	-	-	-	-	-	1

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Fails to comply with, or contravenes an Act, regulation or legal obligation	4	-	-	-	1	-	-	-	5
Failure to disclose remuneration outside the normal working hours	2	-	-	-	-	-	-	-	2
Fraudulent signing the campus register whilst not at work	1	-	-	-	-	-	-	-	1
Fleeing the scene after vehicle was involved in a car accident and giving false statement about the absence of causalities during the accident	1	-	-	-	-	-	-	-	1
Give false evidence	-	-	-	-	-	-	-	-	-
Gross dishonesty	3	-	-	-	2	-	-	-	5
Gross insubordination	3	-	-	-	2	-	-	-	5
Gross misrepresentation	-	-	-	-	-	-	-	-	-
Gross negligence				4	2				6
Gross misconduct	-	1	-	-	-	-	-	-	1
Incitement of students	-	-	-	-	-	-	-	-	-
Intimidation	1	-	-	-	-	-	-	-	1
Insubordination	3	-	-	1	1	-	-	-	5
Hiring of classroom without approval	-	-	-	-	-	-	-	-	-
Homophobic attack to a student	-	-	-	-	-	-	-	-	-
Intentionally omitted some of the service providers	-	-	-	-	1	-	-	-	1
Loss of college property	1	-	-	-	-	-	-	-	1
Maladministration	-	-	-	-	-	-	-	-	-
Malicious damage to property / misuse of property	5	-	-	-	5	-	-	-	10
Misrepresentation	4	-	-	-	2	-	-	1	7
Misuse of the State property	-	-	-	-	1	-	-	-	1
Negligence	1	-	-	-	1	-	-	2	4
Not returning vehicle when expected	1	-	-	-	-	-	-	-	1
Prejudice and disrespect	-	-	-	-	-	-	-	-	-
Prejudice the administration of the institution	1	-	-	-	2	-	-	-	3
Poor or inadequate performance for reasons other than incapacity	1	-	-	-	-	-	-	-	1
Poor time keeping	-	-	-	-	-	-	-	-	-
Racism	-	-	-	-	-	-	-	-	-
Reckless driving	1	-	-	-	-	-	-	-	1
Refusal to sign the tools of trade	2	-	-	-	-	-	-	-	2

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Removal of college equipment	-	-	-	-	-	-	-	-	-
Sexual harassment	3	-	-	-	-	-	-	-	3
Theft, bribery, fraud, corruption or any combination thereof	3	-	-	-	3	-	-	1	7
Unauthorised expenditure and utilisation of college funds without authority	2	-	-	-	-	-	-	-	2
Unauthorised swapping of position	-	-	-	-	1	-	-	-	1
Unauthorised removal of College equipment	-	1	-	-	-	-	-	-	1
Upgrading the salary level without following procedures	1	-	-	-	-	-	-	-	1
Utilisation of college vehicle for private trips	-	-	-	-	-	-	-	-	-
While on duty, is under the influence of intoxicating, illegal, unauthorised, habit-forming and/ or stupefying drug, including alcohol	-	-	-	-	-	-	-	-	-
Without permission possesses or wrongfully uses the property of the State, other employees and/or a visitor	2	-	-	-	-	-	-	-	2
Upgrading the salary level without following procedures	-	-	-	-	-	-	-	-	-
Total	**84**	**3**	**-**	**9**	**35**	**-**	**-**	**4**	**135**

TABLE 2.6.7 - Skills Development for the period: 1 April 2019 to 31 March 2020

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	44	-	3	3	57	-	2	2	111
Professionals	33	1	-	2	66	-	-	1	103
Technicians and Associate Professionals	12	-	-	2	46	3	-	1	64
Clerks	126	2	-	3	164	1	-	5	301
Service and Sales Workers	5	-	-	1	1	-	-	-	7
Skilled Agriculture and Fishery Workers	-	-	-	-	-	-	-	-	-
Craft and related Trades Workers	6	-	-	1	5	-	-	-	12
Plant and Machine Operators and Assemblers	4	-	-	-	-	-	-	-	4
Elementary Occupations	4	-	-	-	4	-	-	-	8
Total	**234**	**3**	**3**	**12**	**343**	**4**	**2**	**9**	**610**
Employees with disabilities	-	-	-	1	5	-	-	2	8

2.7 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

TABLE 2.7.1 Signing of Performance Agreements by SMS members as at 31 May 2020

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	100
Salary Level 16	-	-	-	-
Salary Level 15	5	5	5	100
Salary Level 14	32	32	32	100
Salary Level 13	128	128	124	97
Total	**166**	**166**	**162**	**98**

TABLE 2.7.2 Reasons for not having concluded Performance agreements for all SMS members as at 31 May 2020

Reasons: Informal disagreements, unavailability of supervisors

TABLE 2.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as at 31 May 2020

Reasons: SMS members who failed to submit their performance agreements by 31 May 2020 will forfeit their performance rewards

2.8 PERFORMANCE REWARDS

Table 2.8.1 Performance Rewards by race, gender and disability for the period: 1 April 2019 to 31 March 2020

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Total cost (R'000)	Average cost per employee
African					
Female	963	14 027	6.9	21 598	**22 428**
Male	593	8 659	6.8	14 186	**23 922**
Asian					
Female	18	205	8.8	665	**36 944**
Male	9	194	4.6	381	**42 317**
Coloured					
Female	73	831	8.8	1 760	**24 103**
Male	50	591	8.5	1 620	**32 400**
White					
Female	114	950	12	4 214	**36 965**
Male	32	485	6.6	1 626	**50 809**
Employees with a disability	8	56	14.3	216	**26 949**
Total	**1 860**	**25 998**	**7.2**	**46 266**	**24 873**

TABLE 2.8.2 - Performance Rewards by salary band for personnel below Senior Management Service for the period: 1 April 2019 to 31 March 2020

Salary band	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of Total within salary band	Total cost (R'000)	Average cost per employee
Lower Skilled (Levels 1-2)	180	1 301	13.8	1 822	10 125
Skilled (Levels 3-5)	630	3 931	16	10 135	16 087
Highly skilled production (Levels 6-8)	706	10 362	6.8	17 293	24 494
Highly skilled supervision (Levels 9-12)	229	2 667	8.6	11 052	48 263
Senior Management Service	1	1	100	99	98 756
Other	-	7 305	-	-	-
Contract (Levels 1-2)	3	10	30	37	12 377
Contract (Levels 3-5)	12	97	12.4	177	14 788
Contract (Levels 6-8)	23	101	22.8	454	19 746
Contract (Levels 9-12)	24	52	46.2	1 096	45 652
Total	**1 808**	**25 827**	**7**	**42 165**	**23 322**

TABLE 2.8.3 - Performance Rewards by Critical Occupation Service for the period: 1 April 2018 to 31 March 2019

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% Of total within occupation	Total cost (R'000)	Average cost per employee
Financial clerks and credit controllers	71	197	36	1 547	21 770
Household food and laundry services related	-	10	-	-	-
Human resources clerks	122	241	50.6	2 942	24 103
Security officers	4	18	22.2	69	17 152
Household and laundry workers	2	33	6.1	29	14 280
Messengers, porters and deliverers	21	64	32.8	272	12 945
Human resources and organisational development and related proffessions	14	26	53.8	528	37 689
All artisans in the building, metal, machinery, etc.	-	1	-	-	-
Risk management and security services	1	6	16.7	71	71 192
Finance and economics related	6	23	26.1	323	53 868
Logistical support personnel	7	14	50	233	33 295
Natural sciences related	-	2	-	-	-
Other administration and related clerks and organisers	742	3 281	22.6	15 319	20 639
Housekeepers laundry and related workers	-	4	-	-	-
Other occupations	45	18 058	0.2	1 009	22 414
Legal related	1	2	50	54	53 792
Financial and related professionals	9	58	15.5	432	47 999
Building and other property caretakers	1	20	5	1	10 250
Occupational therapy	1	1	100	30	30 083
Administrative related	231	1 010	22.9	10 514	45 493
Communication and information related	1	7	14.3	35	35 304
Basic training	1	15	6.7	4	13 598
Secretaries and other keyboard operating clerks	83	248	33.5	1 868	22 494
Cleaners in offices workshops hospitals etc.	291	1 948	14.9	3 371	11 573
Library mail and related clerks	9	35	25.7	211	23 455
National technical examiners	4	25	16	139	34 710
Human resources related	7	53	13.2	283	40 455
Operational planning	-	2	-	-	-
Dental practitioners	1	1	100	99	99 126
Trade/industry advisers and other related professionals	1	2	50	12	11 544
Printing and related machine operators	-	1	-	-	-
Crime investigators/misdaad ondersoekers	-	1	-	-	-

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% Of total within occupation	Total cost (R'000)	Average cost per employee
Cashiers tellers and related clerks	4	10	40	110	27 527
Head of department/chief executive officer	-	3	-	-	-
Computer programmers.	-	4	-	-	-
Binding and related workers	1	2	50	10	10 403
Trade labourers	11	23	47.8	190	17 291
Social work and related professionals	1	1	100	26	25 830
General legal administration and related professionals	3	5	60	122	40 707
Archivists curators and related professionals	-	1	-	-	-
Material-recording and transport clerks	57	123	46.3	1 208	21 185
Farm hands and labourers	-	1	-	-	-
Other administrative policy and related officers	20	52	38.5	643	32 163
Artisan project and related superintendents	-	1	-	-	-
Inspectors of apprentices works and vehicles	-	1	-	-	-
Statisticians and related professionals	1	1	100	61	61 209
Professional nurse	-	1	-	-	-
Bus and heavy vehicle drivers	-	5	-	-	-
Senior managers	49	161	30.4	3 832	78 156
Client inform clerks (switchboard reception information clerks)	4	16	25	68	16 896
Computer system designers and analysts	1	2	50	32	32 288
Economists	1	1	100	53	53 394
Trade related	1	6	16.7	30	29 690
Other information technology personnel	2	7	28.6	38	18 892
Light vehicle drivers	3	42	7.1	33	10 982
Mathematicians and related professionals	-	3	-	-	-
Motor vehicle drivers	-	4	-	-	-
Security guards	14	60	23.3	192	13 744
Food services aids and waiters	8	40	20	107	13 400
Pharmacologists pathologists and related professionals	-	1	-	-	-
Information technology related	2	7	28.6	80	39 988
Librarians and related professionals	1	7	14.3	35	35 304
Total	**1 860**	**25 998**	**7.2**	**46 265**	**24 873**

TABLE 2.8.4 - Performance Related Rewards (cash bonus) by Salary band for Senior Management Service for the period: 1 April 2019 to 31 March 2020

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% Of total within salary band	Total cost (R'000)	Average cost per employee	
Band A	33	131	25.2	2 402	72 793	1.50
Band B	17	34	50	1 487	87 458	3.10
Band C	2	4	50	210	105 089	2.80
Band D	-	2	-	-	-	-
Total	**52**	**171**	**30.4**	**4 099**	**78 829**	**1.90**

2.9 FOREIGN WORKERS

TABLE 2.9.1 Foreign workers by salary band for the period: 1 April 2019 and 31 March 2020

Salary band	01 April 2019		31 Mach 2020		Change	
	Number	% of total	Number	% of total	Number	% Change
Highly skilled production (Levels 6-8)	250	67.9	237	49.6	(13)	11.8
Highly skilled supervision (Levels 9-12)	14	3.8	20	4.2	6	5.5
Lower skilled (Levels 1-2)	1	0.3	1	0.2	-	-
Other	77	20.9	205	42.9	128	116.4
Senior management (Levels 13-16)	1	0.3	3	0.6	2	1.8
Skilled (Levels 3-5)	25	6.8	12	2.5	(13)	11.8
Total	**368**	**100**	**478**	**100**	**110**	**100**

TABLE 2.9.2 Foreign workers by major occupation for the period: 1 April 2019 and 31 March 2020

Major occupation	01 April 2019		31 Mach 2020		Change	
	Number	% of total	Number	% of total	Number	% Change
Administrative office workers	9	2.4	9	1.9	-	-
Elementary occupations	2	0.5	2	0.4	-	-
Information technology personnel	-	-	-	-	-	-
Other occupations	353	95.9	458	95.8	105	95.5
Professionals and managers	4	1.1	9	1.9	5	4.5
Total	**368**	**100**	**478**	**100**	**110**	**100**

2.10 LEAVE UTILISATION

TABLE 2.10.1 - Sick leave for the period: 1 January 2019 to 31 December 2019

Salary band	Total days	% Days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)
Contract (Levels 1-2)	40	65	10	0.1	4	21
Contract (Levels 13-16)	26	80.8	6	0.1	4	104
Contract (Levels 3-5)	429	84.8	71	0.5	6	343
Contract (Levels 6-8)	471	66.7	81	0.6	6	616
Contract (Levels 9-12)	291	71.8	40	0.3	7	825
Contract Other	1 687	51.8	353	2.6	5	777
Highly skilled production (Levels 6-8)	53 836	77.3	7 072	52.8	8	80 085
Highly skilled supervision (Levels 9-12)	13 494	81.4	1 761	13.2	8	34 558
Lower skilled (Levels 1-2)	8 234	86.8	921	6.9	9	4 721
Other	17	88.2	6	0.1	3	28
Senior management (Levels 13-16)	540	81.9	86	0.6	6	2 422
Skilled (Levels 3-5)	22 822	79.5	2 983	22.3	8	20 299
Total	**101 887**	**78.7**	**13 390**	**100**	**8**	**144 799**

TABLE 2.10.2 - Disability leave (temporary and permanent) for the period: 1 January 2019 to 31 December 2019

Salary band	Total days	% Days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost (R'000)
Contract (Levels 6-8)	92	100	3	1.8	31	107
Contract (Levels 9-12)	58	100	2	1.2	29	191
Contract Other	12	100	1	0.6	12	4
Highly skilled production (Levels 6-8)	3 212	100	79	48.5	41	4 690
Highly skilled supervision (Levels 9-12)	2 250	100	35	21.5	64	6 028
Lower skilled (Levels 1-2)	383	100	11	6.7	35	218
Senior management (Levels 13-16)	33	100	1	0.6	33	201
Skilled (Levels 3-5)	1 551	100	31	19	50	1 296
Total	**7 591**	**100**	**163**	**100**	**47**	**12 735**

TABLE 2.10.3 - Annual leave for the period: 1 January 2019 to December 2019

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Contract (Levels 1-2)	175	19	9
Contract (Levels 3-5)	1 265	93	14
Contract (Levels 6-8)	2 199	110	20
Contract (Levels 9-12)	1 139	56	20
Contract (Levels 13-16)	225	13	17
Contract Other	5 918	388	15
Lower skilled (Levels 1-2)	30 514	1 351	23
Skilled (Levels 3-5)	77 380	3 327	23
Highly skilled production (Levels 6-8)	52 798	2 203	24
Highly skilled supervision (Levels 9-12)	28 859	1 298	22
Senior management (Levels 13-16)	3 645	168	22
Other	46	6	8
Total	**204 163**	**9 032**	**23**

TABLE 2.10.4 - Capped Leave for the period: 1 January 2019 to December 2019

Salary band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Average capped leave per employee as at end of period
contract (Levels 1-2)	-	-	-	-
Contract (Levels 3-5)	-	-	-	-
Contract (Levels 6-8)	-	-	-	-
Contract (Levels 9-12)	-	-	-	-
Contract (Levels 13-16)	-	-	-	-
Contract Other	-	-	-	57
Lower skilled (Levels 1-2)	-	-	-	21
Skilled (Levels 3-5)	57	22	3	59
Highly skilled production (Levels 6-8)	111	18	6	62
Highly skilled supervision (Levels 9-12)	174	20	9	54
Senior management (Levels 13-16)	14	3	5	57
Other	-	-	-	87
Total	**356**	**63**	**6**	**58**

TABLE 2.10.5 - Leave pay-outs for the period: 1 April 2019 and 31 March 2020 (estimated)

Reason	Total estimated amount (R'000)	Number of employees	Estimated average per employee (R'000)
Annual discounting with resignation (workdays)	1 709	71	24
Annual gratuity: death/retirement/medical retirement (workdays)	2 641	86	31
Capped gratuity: death/retirement/medical retirement (workdays)	6 748	58	116
Total	**11 098**	**215**	**52**

2.11 HIV/AIDS AND HEALTH PROMOTION PROGRAMMES

TABLE 2.11.1 - Steps taken and to reduce the risk of occupational exposure

Units/ categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	Key steps taken to reduce the risk
▪ Officials working directly with blood, attending to sporadic injuries, first aiders, evacuators and wellness officials ▪ Youth ▪ People with other sexually transmitted infections ▪ Officials on substance abuse ▪ Officials with chronic illnesses	Functional wellness centre
	Approved policies and SOPs on HIV/Aids, STI's and TB Management
	Established OHS Committee
	Appointed Compliance Officer
	Educational awareness and prevention programmes on matters related to HIV/AIDS (e. g WORLD AIDS DAY)
	Trained first aiders, OHS personnel's and evacuators

TABLE 2.11.2 - Details of Health Promotion and HIV/AIDS Programmes

Question	Yes	NO	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Mr S Chamane (Acting-Director: Labour Relations and Wellness Management)
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		1X Deputy-Director 1 X Assistant Director 2 X Practitioners 1X Sport Promotional Practitioner 1X Senior Administrative clerk 1X Intern Annual budget R350 000
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this programme.	X		▪ Intervention in incapacity due to ill health ▪ Injury on duty (IOD) through implementation of COIDA (Compensation for Occupational Injuries and Diseases Act) ▪ Psychosocial wellness (trauma, stress management, workplace support, relationships, family challenges) ▪ Financial wellness ▪ Physical wellness ▪ Organisational wellness e.g. workplace bullying ▪ Substance abuse ▪ First aid ▪ HIV/AIDS and TB Management ▪ Labour related matters

Question	Yes	NO	Details, if yes
4. Has the Department established (a) committee(s) as contemplated in Part VI E. 5(e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		HIV/AIDS committee all branches of the Department are represented
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		▪ Leave policy ▪ Policy on Pilir and ill health retirement ▪ HIV/AIDS,STI and TB Management policy ▪ COIDA SOPs ▪ Health and Productivity Management policy ▪ Wellness Management policy ▪ SHERQ policy ▪ Bereavement policy
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list key elements of these measures.	X		▪ HIV/AIDS, STI and TB management policy ▪ HCT campaigns ▪ Minimise practice/barriers to Human Rights through enforcing Labour Relations policies ▪ Monitoring and redress HIV and TB related human rights violations
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		Through HCT Campaigns officials undergo pre-test and post–test counselling, ▪ Total uptake for 2019/20 = 432. ▪ Tested for HIV = 313, ▪ Tested positive = 5 (females = 5) (18-49yrs). ▪ Positivity rate of 1.6%
8. Has the Department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measure/ indicators.	X		▪ Trained first aiders, and evacuator ▪ Distribution of males and female condoms ▪ Protective clothing and gloves utilised ▪ Information sessions ▪ Physical wellness activities ▪ Financial wellness workshops ▪ Healthy life-style campaigns ▪ Blood donor drive ▪ Health awareness campaigns ▪ Daily BMI screening

2.12 LABOUR RELATIONS

TABLE 2.12.1 - Collective agreements for the period: 1 April 2019 to 31 March 2020

Subject matter
No collective agreements was signed for the period 1 April 2019 to 31 March 2020

TABLE 2.12.2 Misconduct and disciplinary hearings finalised for the period: 1 April 2019 to 31 March 2020

Outcomes of disciplinary hearings	Number	% of Total
Correctional counselling	-	-
Verbal warning	-	-
Written warning	11	13
Final written warning	12	15
Suspended without pay	19	23
Fine	-	-
Demotion	-	-
Dismissal	29	36
Not guilty	6	7
Case withdrawn	5	6
Total	**82**	**100**

TABLE 2.12.3 - Types of misconduct addressed at disciplinary hearings for the period: 1 April 2019 to 31 March 2020

Type of misconduct	Number	% of Total
Absence or repeated absence from work without a valid reason or permission	14	10
Abandoning the workplace without authorisation	3	2
Assault, attempt or threatens to assault, another employee or person while on duty	4	3
Abuse of state vehicle	-	-
Breaching of contract employment and causing financial implications	1	1
Breaching the internal security measures	1	1
Bringing the name of the college into disrepute	7	5
Collusion	-	-
Conducting himself / herself in an improper, disgraceful, and unacceptable manner	3	2
Contravention of leave policy	1	1
Contravention of the registration procedure by approving student registration forms without proof of payment	1	1
Dereliction of duties	7	5
Disclosure of confidential information	1	1
Dishonesty	1	1
Display disrespect towards others in the workplace or demonstrates abuse or insolent behaviour	2	1
Driving the State vehicle under the influence of alcohol	1	1

Type of misconduct	Number	% of Total
Fails to carry out a lawful order or routine instruction without just or reasonable cause	6	4
Falsification of records or any other documentation	1	1
Fails to comply with, or contravenes an Act, regulation or legal obligation	5	4
Failure to disclose remuneration outside the normal working hours	2	1
Fraudulent signing the campus register whilst not at work	1	1
Fleeing the scene after vehicle was involved in a car accident and giving false statement about the absence of causalities during the accident	1	1
Give false evidence	-	-
Gross dishonesty	5	4
Gross insubordination	5	4
Gross misrepresentation	-	-
Gross negligence	6	4
Gross misconduct	1	1
Incitement of students	-	-
Intimidation	1	1
Insubordination	5	4
Hiring of classroom without approval	-	-
Homophobic attack to a student	-	-
Intentionally omitted some of the service providers	1	1
Loss of college property	1	1
Maladministration	-	-
Malicious damage to property / misuse of property	10	7
Misrepresentation	7	5
Misuse of the State property	1	1
Negligence	4	3
Not returning vehicle when expected	1	1
Prejudice and disrespect	-	-
Prejudice the administration of the institution	3	2
Poor or inadequate performance for reasons other than incapacity	1	1
Poor time keeping	-	-
Racism	-	-
Reckless driving	1	1
Refusal to sign the tools of trade	2	1
Removal of college equipment	-	-
Sexual harassment	3	2
Theft, bribery, fraud, corruption or any combination thereof	7	5
Unauthorised expenditure and utilisation of college funds without authority	2	1
Unauthorised swapping of position	1	1
Unauthorised removal of college equipment	1	1
Upgrading the salary level without following procedures	1	1

Type of misconduct	Number	% of Total
Utilisation of college vehicle for private trips	-	-
While on duty, is under the influence of intoxicating, illegal, Unauthorised, habit-forming and/ or stupefying drug, including alcohol	2	1
Without permission possesses or wrongfully uses the property of the State, other employees and/or a visitor	-	-
Upgrading the salary level without following procedures	-	-
Total	**135**	**101**

TABLE 2.12.4 - Grievances logged for the period: 1 April 2019 to 31 March 2020

Grievances	Number	% of Total
Number of grievances resolved	96	37
Number of grievances not resolved	165	63
Total number of grievances lodged	**261**	**100**

TABLE 2.12.5 - Disputes logged with Councils for the period: 1 April 2019 to 31 March 2020

Disputes	Number	% of Total
▪ Number of disputes upheld	10	6
▪ Number of disputes dismissed	34	19
Total number of disputes lodged	**44**	**25**

TABLE 2.12.6 - Strike actions for the period: 1 April 2019 to 31 March 2020

Total number of persons working days lost	14 409
Total costs working days lost (R'000)	9
Amount recovered as a result of no work no pay (R'000)	3 391 720.27

TABLE 2.12.7 Precautionary suspensions for the period: 1 April 2019 to 31 March 2020

Number of people suspended	15
Number of people whose suspension exceeded 30 days	12
Average number of days suspended	29.240
Cost of suspension (R'000)	6 208 472.97

2.13 SKILLS DEVELOPMENT

Table 2.13.1 - Training needs identified for the period: 1 April 2019 to 31 March 2020

Occupational category	Gender	Number of employees at beginning of period	Training needs identified at start of the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	123	-	63	-	63
	Male	116	-	45	-	45
Professionals	Female	140	-	46	-	46
	Male	117	-	30	-	30
Technicians and associate professionals	Female	96	-	47	-	47
	Male	63	-	20	-	20
Clerks	Female	276	-	164	-	164
	Male	173	-	102	-	102
Service and sales workers	Female	15	-	1	-	1
	Male	30	-	1	-	1
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	18	-	6	-	6
	Male	54	-	20	-	20
Plant and machine operators and assemblers	Female	1	-	1	-	1
	Male	16	-	10	-	10
Elementary occupations	Female	47	-	34	-	34
	Male	10	-	5	-	5
Sub Total	Female	716	-	362	-	362
	Male	579	-	233	-	233
Total		**1 295**	**-**	**595**	**-**	**595**

Table 2.13.2 - Training provided for the period: 1 April 2019 to 31 March 2020

Occupational category	Gender	Number of employees at beginning of period	Training provided within the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	123	-	61	-	61
	Male	116	-	50	-	50
Professionals	Female	140	-	67	-	67
	Male	117	-	36	-	36
Technicians and associate professionals	Female	96	-	50	-	50
	Male	63	-	14	-	14
Clerks	Female	276	-	170	-	170
	Male	173	-	131	-	131
Service and sales workers	Female	15	-	1	-	1
	Male	30	-	6	-	6
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	18	-	5	-	5
	Male	54	-	7	-	7
Plant and machine operators and assemblers	Female	1	-	-	-	-
	Male	16	-	4	-	4
Elementary occupations	Female	47	-	4	-	4
	Male	10	-	4	-	4
Sub Total	Female	716	-	358	-	358
	Male	579	-	252	-	252
Total		**1 295**	**-**	**610**	**-**	**610**

2.14 Injury on duty

Table 2.14.1 - Injury on duty for the period: 1 April 2019 to 31 March 2020

Nature of injury on duty	Number	% of Total
Required basic medical attention only	21	100
Temporary Total Disablement	-	-
Permanent Disablement	-	-
Fatal	-	-
Total	**21**	**100**

2.15. UTILISATION OF CONSULTANTS

TABLE 2.15.1 - Report on consultant appointments using appropriated funds for the period: 1 April 2019 to 31 March 2020

Project title	Total number of consultants that worked on project	Duration (workdays)	Contract value in Rand
Appointment of a suitable service provider to render Internal Audit services at the Department of Higher Education and Training	Twenty-one (21)	Time is based on the requirement	**Year 1 rate per hour** R641.00 for internal audit work; R917.00 for computer audit work; R873.00 for specialised work; **Year 2 rate per hour** R679.00 for internal audit work; R972.00 for computer audit work; R925.00 for specialised work
Investigation into the affairs of the Northern Cape CET College	Six (6)	514 hours (64 days)	R775 545.74
Forensic investigation into allegations of leaked examination question papers	Four (4)	41.00 hours (5 days)	R110 749.14
HR TVET data research consultant	Two (2)	504 hours (63 days)	R467 303.00
Russian translator	One (1)	3 days	R22 356.00
Sign language interpreter	One (1)	4 hours	R1 400.00

Total Number of Projects	Total individual consultants	Total duration workdays	Total contract value in Rand
6	35	Varies	Varies

TABLE 2.15.2 - Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period: 1 April 2019 to 31 March 2020

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Appointment of a suitable service provider to render internal audit services at the Department of Higher Education and Training	78.4	78.4	15
Investigation into the affairs of the Northern Cape CET College	61.6	61.6	3
Forensic investigation into allegations of leaked examination question papers	61.6	61.6	1
HR TVET data research consultant	100	100	1
Russian translator	100	100	1
Sign language interpreter	100	100	1

TABLE 2.15.3 - Report on consultant appointments using Donor Funds for the period: 1 April 2019 to 31 March 2020

Project title	Total Number of consultants that worked on project	Duration (work days)	Donor and contract value in Rand
Appointment of a suitable service provider to adapt current open educational resources to produce digital teaching and learning resources (courseware) for two subjects of the National Certificate (Vocational)	Eleven (11) consultants	466 days	2 581 738.36
Appointment of a suitable service provider to audit Technical and Vocational Education and Training colleges' immovable assets by the Department of Higher Education and Training	Seven (7) consultants	14 months (425 days)	14,728,487.00
Appointment of a suitable service provider to develop digital teaching and learning resources (courseware) for the national occupational certificate for electricians [SAQA Qualification ID 91761 registration start date: 7 November 2013]	Thirteen (13)	1 055 days	6 604 933,82
Appointment of a suitable service provider to develop monitoring and evaluation framework, and evaluation plan and conduct mid-term and summative evaluation for National Open Learning Project (NOLS) by the Department of Higher Education and Training	Five (5)	330 days	1 385 606.25
Appointment of Neil Butcher and Associates to render phase 5 of DHET111: Appointment of a service provider to develop curriculum content and open learning materials for the occupational certificate: electrician (QCTO curriculum code 671101000)	Eight (8)	306 days	2 199 375.00

Total number of projects	Total individual consultants	Total duration workdays	Total contract value in Rand
5	44	2 582 days	27 500 140.43

TABLE 2.15.4 - Analysis of consultant appointments using Donor Funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period: 1 April 2019 to 31 March 2020

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Appointment of a suitable service provider to adapt current open educational resources to produce digital teaching and learning resources (courseware) for two subjects of the National Certificate (Vocational)	-	-	3
Appointment of a suitable service provider to audit Technical and Vocational Education and Training Colleges' immovable assets by the Department of Higher Education and Training	47.6	47.6	1
Appointment of a suitable service provider to develop digital teaching and learning resources (courseware) for the national occupational certificate for electricians [SAQA Qualification ID 91761 registration start date: 7 November 2013]	30	30	4
Appointment of a suitable service provider to develop monitoring and evaluation framework, and evaluation plan and conduct mid-term and summative evaluation for National Open Learning Project (NOLS) by the Department of Higher Education and Training	100	100	5
Appointment of Neil Butcher and Associates to render phase 5 of DHET111: Appointment of a service provider to develop curriculum content and open learning materials for the occupational certificate: electrician (QCTO curriculum code 671101000)	-	-	3

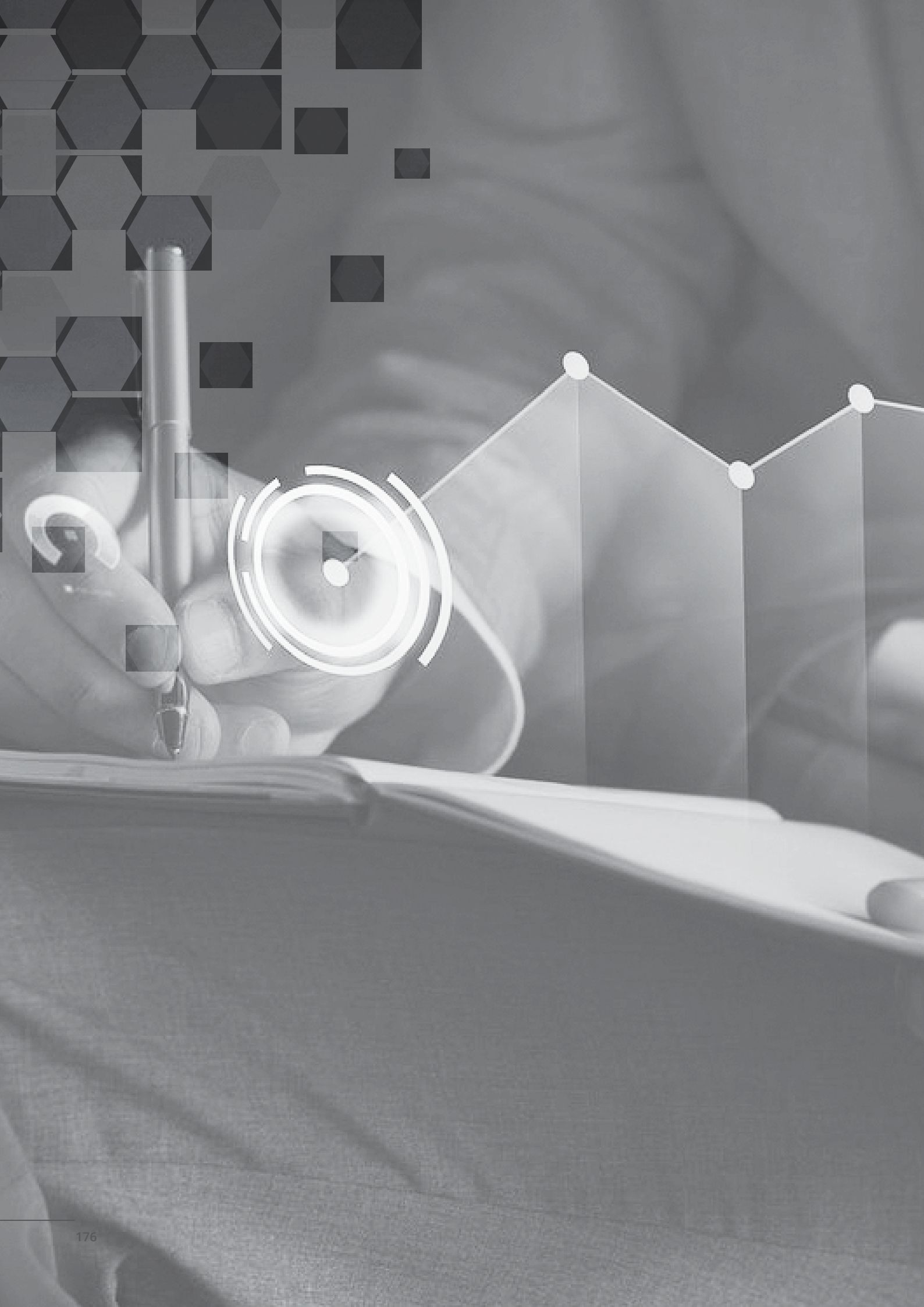
2.16 SEVERANCE PACKAGES

TABLE 2.16.1 - Granting of employee initiated severance packages for the period: 1 April 2019 to 31 March 2020

None.

PART E

ANNUAL FINANCIAL STATEMENTS 2019/20



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

1. General review of the state of financial affairs

The original allocation to the Department of Higher Education and Training for the 2019/20 financial year, excluding direct charges, included in the 2019 Estimates of National Expenditure, increased by 22.6% from R73 020.643 million during 2018/19 to R89 498.183 million during 2019/20. This included R42 306.695 million for Higher Education Institutions (HEIs) that represented 47.3% of the Department's total budget for 2019/20, compared to 52.8% during 2018/19. An amount of R30 822.466 million for the National Student Financial Aid Scheme (NSFAS) represents the second largest portion of the budget. The Department's allocation decreased to R89 039.710 million in the 2019/20 Adjusted Estimates as follows:

	R'000	R'000
INCREASE:		
▪ Funds shifted from the Department of Health for settling costs associated with the Medical Student's programme at the University of the Witwatersrand		**8 827**
▪ **Student Housing Infrastructure Programme: Higher Education Institutions (Capital transfers)**		**429 800**
University of Limpopo	274 190	
North West University	119 310	
King Hintsa TVET College	36 300	
Total Increase		**438 627**
DECREASE:		
▪ Declared unspent funds on Goods and Services		**(1 700)**
▪ Declared unspent funds on Compensation of Employees		**(145 400)**
▪ Declared unspent funds on Transfers and Subsidies		**(750 000)**
Capital transfers to Higher Education Institutions	(350 000)	
Capital transfers to TVET colleges	(400 000)	
Total Decrease		**(897 100)**
Total Nett Decrease		**(458 473)**

The total expenditure of the Department for the 2019/20 financial year, excluding direct charges, increased by 21.8% from R72 923.738 million during 2018/19 to R88 812.454 million during 2019/20. The amount of R88 812.454 million represents a spending rate of 99.74% (99.73% during 2018/19). The expenditure was made up as follows (in R'000):

	2018/19	2019/20	Increase/ (Decrease)
Compensation of employees	8 753 103	9 367 405	614 302
Departmental operations	368 329	467 208	98 879
Payments for financial assets (Losses)	1 393	1 596	205
Departmental earmarked funds	127 658	137 690	10 032
Subsidies to HEIs	36 896 878	42 358 941	5 462 063
NSFAS	22 096 031	30 822 466	8 726 435
Subsidies to public entities	251 251	261 463	10 212
Subsidies to TVET colleges	4 287 538	5 204 965	917 427
Subsidies to CET colleges	109 923	150 835	40 912
Other transfers	31 634	39 883	8 249
TOTAL EXPENDITURE	**72 923 738**	**88 812 454**	**15 888 716**

The underspending on the Vote for the 2019/20 financial year, excluding direct charges, amounted to R227.256 million (R200.335 million during 2018/19) and was made up as follows (in R'000):

	2018/19	2019/20
Compensation of employees	193 011	101 853
Departmental operations	2 378	108 708
Payments for financial assets (Losses)	5	562
Departmental earmarked funds	-	12 088
Subsidies to HEIs	3 934	81
Subsidies to CET colleges	1	-
Other transfers	1 006	3 964
TOTAL UNDERSPENDING	**200 335**	**227 256**

With regard to direct charges, a decrease in the projected collection of the skills development levy resulted in a decrease of R182.205 million in the allocation for the year under review from R18 759 million to R18 576 million in the Adjusted Estimates for 2019/20. Based on the actual collection of levies, the total expenditure on direct charges during the 2019/20 financial year amounted to R18 283.844 million (R17 479.896 million during 2018/19) and was made up as follows (in R'000):

	2018/19	2019/20
Sector Education and Training Authorities (SETAs)	13 983 917	14 627 075
National Skills Fund	3 495 979	3 656 769
TOTAL EXPENDITURE	**17 479 896**	**18 283 844**

Important policy decisions and strategic issues

During the year under review, the Department took a number of important policy decisions regarding a wide spectrum of activities. The following paragraphs highlight some of the significant areas:

With the Government announcement of fully-subsidised free higher education and training for students from poor and working class backgrounds studying at public universities and TVET colleges, a national bursary scheme was introduced during 2018 to support students from families earning a gross annual income of R350 000 per annum. The Department developed guidelines for the new bursary scheme, which are updated annually. Following an extensive analysis of the bursary provision during 2019 and engagement with NSFAS, universities, student representative councils and the South African Union of Students, the Department released the 2020 guidelines for the bursary scheme during December 2019 and outlined the approved implementation parameters for the bursary scheme that must be applied by all implementing partners. The 2020 academic year is the third year of implementing the fully-subsidised funding for students, which is being phased-in over a five-year period, with the new first time cohort added each year. By 2022 the scheme will cover all cohorts of students across the university system. The substantial investment in support for students from poor and working class backgrounds over the 2019 MTEF amounts to R82 billion for university students and R20.4 billion for TVET college students.

University fees received further attention after the sector-wide agreements as part of a longer-term social compact between universities and government that has been in operation since the zero percent fee increase of 2016 that followed the #FeesMustFall protests of 2015. In 2017 and 2018, tuition fee increases were capped at 8% across all institutions, with the Department providing a fee adjustment grant to all students from families whose gross annual income was up to R600 000. A working group was set up comprising of Departmental and Universities South Africa representatives that would develop a framework for setting fees in 3-year cycles from 2020 onwards. It was expected that an agreed upon framework would be finalised during 2019 in time for it to be implemented in the 2020 academic year. The working group identified that comprehensive data is required to make decisions on a fee regulatory framework. This work required detailed information and considerable input from all universities and took longer to collate than initially planned. Given the delays in collating the necessary data, it was not possible to complete this work in good time to develop a policy framework for implementation in 2020. Consequently, the Department reached a further compact on tuition fees for the 2020 academic year during December 2019. The agreement led to a CPI-linked increase on tuition fees of 5.4% and a CPI+2% increase on residence fees (7.4%) in public higher education institutions. Work continues in developing a policy framework for the regulation of tuition fees in public higher education institutions, which will make provision for a three-year framework.

In line with the Cabinet decision that the Department should coordinate international scholarship partnerships across government, the Department established an International Scholarship Forum, in which all relevant national and provincial government departments participate. Under the leadership of the Department, the Forum developed and finalised a set of *National Guidelines for Coordination and Implementation of International Scholarships*, approved by the Minister during December 2019 for distribution to all national and provincial departments.

Enrolment plans for universities are the key tool for managing the expansion of the system. They include targets linked to the enrolments and graduations in various programmes offered by institutions, targets linked to the qualifications of staff as well as the gender and demographic profile of students and staff. The final Council approved institutional enrolment plan is a culmination of extensive integrated planning taking into account financial and human resources, infrastructure and key areas for development identified at national and provincial levels. Universities submitted their Council approved enrolment plans for the next six-year period (2020 to 2025 academic years) during April 2019. The plans were analysed and further discussions took place with institutions culminating in a national enrolment plan for 2020 to 2025 approved by the Minister during January 2020.

The Director-General approved the pilot plan for the Central Applications Service on 13 December 2019. The Minister obtained concurrence from the Minister of Finance and implementation of the pilot will commence during the 2020/21 financial year.

The Department implements the Research Outputs Policy to "encourage research productivity by rewarding quality research outputs at public higher education institutions". The 'quality' of research and publications has been questioned recently, specifically in relation to the perceived increase in unethical practices and predatory publishing. In the evaluation of the research outputs during 2019/20, the Department noticed some anomalies and made the strategic decision to withhold subsidies for the identified research outputs pending further investigations during 2020/21. If cleared, the subsidy will be transferred to the affected institutions in the 2020/21 research subsidy allocations. The Department has also decided to develop a research quality framework to guide the sector going forward.

The National Senior Certificate (Colleges) qualification, which was awarded to TVET students after completing N3 subjects with two languages, was phased out as a result of the qualification being discontinued by UMALUSI. Policies pertaining to Report 190/191, Regulating the Norms and Standards for Programmes, Examinations and Certification was reviewed to ensure updated programme requirements for the TVET sector.

Research on the Continuous Professional Development (CPD) framework and system for lecturers in the TVET college sector was finalised by JET Education Services in 2019 and the publication of the research report as well as the finalisation of the framework is underway.

The Ministers of Higher Education and Training and Basic Education had on 5 April 2019, concurred that the South African Council for Educators (SACE) should become the professional and regulatory body for lecturers in the TVET sector as stipulated in the SACE Act 2000. The amendment of the SACE Act to rectify the perceived exclusion caused by the Basic Education Laws Amendment of 2011 has been concluded by the Department of Basic Education and SACE. The SACE Act Amendment Bill 2020 is under review by the Office of Chief State Law Adviser.

The Department finalised standard operating procedures for the Lecturer Support System that should be approved during the 2020/21 financial year.

The National Norms and Standards for Funding TVET colleges were revised and published for public comments. The revised norms will be finalised for implementation during 2020/21.

The artisan development environment saw the introduction and implementation of two new policies being the Workplace Based Learning Agreement Regulations and an Artisan Recognition of Prior Learning Policy. SETAs had to readjust their artisan management and administration systems in order to properly align and comply with these policies.

The new SETA landscape was gazetted on 12 August 2019, which heralded the appointment of new Accounting Authorities and Chairpersons for the period 1 April 2020 to 31 March 2025. The Mining Qualifications Authority was re-established for a period of two years with the aim to resolve the legislative conflict between the Skills Development Act and the Mine Health and Safety Act.

The CET sector developed policies and initiatives to strengthen the capacity of 54 Community Learning Centres (CLCs) to pilot the CET concept over the next five years. Financial management systems for the CET colleges was developed so that they comply with the standards set in the PFMA, 1999 and its regulations. Norms and standards for funding of CET colleges were developed and the policy on the National Norms and Standards for Funding CET colleges was published in March 2020. Strategies for increasing access to and success in CET programmes were improved. The CET plan which seeks to improve efficiency and effectiveness of CET colleges through gradual rationalisation and consolidation of CLCs and Satellite Learning Centres was finalised.

The National Career Development Coordinating Structure for coordinating and managing operations of and providing shared services to the Career Development Services (CDS) system is in the process of being institutionalised. The Department developed a business case in partnership with the Government Technical Advisory Centre and extensively consulted with role-players and stakeholders. Extensive consultation took place between the Department and the Department of Public Service and Administration for finalising the institutional arrangements of incorporating the Coordinating Structure within the Department.

The National Qualifications Framework (NQF) Amendment Act (Act 12 of 2019) was promulgated during the year.

NSFAS experienced serious deficiencies in its systems, business processes and capacity. As a result, the Minister placed NSFAS under administration during August 2018. Since the appointment of the Administrator, there have been significant improvements in the operations at NSFAS, including improved working relationships with institutions. This assisted in more successful registration periods during 2019 and 2020. The Minister approved the appointment of the Administrator for a second term of administration for one year from August 2019 to August 2020, in terms of Government Gazette No. 42662. The Administrator must put in place processes for the appointment of key executive managers at the entity and a process for the transition of the entity from Administration back to normal governance.

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

During the 2019/20 financial year, various policy decisions and strategic issues unfolded in the Chief Directorate: Human Resource Management and Development, Labour Relations, and Employee Health and Wellness units in the Department. The Department appointed an Institutional Ethics Committee and trained the Committee on the approved Ethics and Integrity Management Strategy of the Department. The Department also launched an ethics awareness campaign. Various policies were approved including performance management and development, overtime, recruitment and selection, secondment as well as the transfer and termination of service. 99% of posts at TVET and CET colleges were evaluated in order to adhere to the principle of equal pay for work of equal value. This will assist in addressing the inconsistency of grading of posts across public colleges and reducing grievances in this regard. The Department commenced with an organisational culture survey project and conducted culture engagement sessions. The SmartHet system became operational for electronic document management as well as more efficient leave management for Head Office staff. Some human resource functions were decentralised to TVET colleges including leave management, terminations and pension case management. The scanning system was rolled out to TVET colleges. To address delays in the pre-screening of staff, a service provider was appointed to conduct pre-screening of newly appointed staff and SMS members. The Minister approved the Post Provisioning Norms (PPN) model that brought about the standardised generic organisational structure for TVET colleges which will be implemented over the next three financial years with effect from 1 April 2020. Validations of the Integrated Quality Management System and the Performance Management Development System (PMDS) documents at all institutions were done. Moderation at regional offices and a refresher training of PMDS were conducted.

Risk assessments were conducted in all the regional offices and fraud prevention investigations relating to Relative Education Qualification Value and cost of living adjustments continued during the year. A number of Senior Management Service officials also went for training on risk management.

The communications unit took a lead in organising a Mandela Day internal activity.

A State Security Agency information security audit was conducted over a period of three months. The South African Police Service Minimum Physical Security Standards assessments were conducted at 123 Francis Baard Street and Institute for the National Development of Learnerships, Employment Skills and Labour Assessments (INDLEL)A, Olifantsfontein.

The strategic review of the Information and Communications Technology (ICT) landscape project, which seeks to consolidate all ICT related initiatives in the Department commenced in the year under review. The main objective of the project is to derive business value from the utilisation of information and communication technologies to ensure digital transformation and ultimately embrace the fourth industrial revolution. A project on implementing the network management and patching solution commenced and the procurement process through SITA is in process.

During the financial year, the Department published the Statistics on Post-School Education and Training (PSET) in South Africa and the Central Service Application Bill, 2018 for public comment and consideration of comments. The Department also hosted a Ministerial media launch for the performance on PSET during April 2019.

The PSET Information Policy and the final Gender-Based-Violence Policy was approved during December 2019. The Gender-Based-Violence Policy is due for tabling in Cabinet.

The Department together with its entities hosted the 2019 Research Colloquium during September 2019. The topic was "*the Fourth Industrial Revolution (4IR): Implications for Post-School Education and Training*." The colloquium displayed and shared new and cutting-edge research on key dimensions of 4IR, thus providing an opportunity for stakeholders to reflect on policy and practice.

The University of the Western Cape will undertake a five-year research programme on TVET. The research programme aims to build a significant local body of knowledge that can inform TVET policymakers, practitioners, prospective employers, learners and their communities about the inputs, practices, performance and outcome of public TVET colleges. The aim is to enhance knowledge and understanding for planning and delivery of interventions towards continuous improvement. The programme comprises of multiple research projects, focusing on the following key themes: 1) An overview of the TVET college sector; 2) Responsiveness of TVET colleges to the world of work; 3) TVET college graduate destination studies; 4) Access and demand for TVET; 5) Benchmarking of TVET colleges (based on the evaluation of key pillars); 6) TVET college student satisfaction surveys and student sentiment analysis; 7) Teaching and learning in TVET colleges; 8) TVET college lecturer development; and 9) Private colleges.

The Department has been working closely with the Capacity Building Programme for Employment Promotion to undertake a tracer study of TVET college graduates in South Africa. 4 000 Graduates with the following qualifications were included in the sample: 1) National Certificate Vocational (NCV) Level (L) 4 Engineering; 2) NCV – L4 Business Studies; 3) National Accredited Technical Education Diploma N3 Engineering Studies; 4) N6 – Business Studies; and 5) N6 – Engineering Studies. The tracer study has been concluded and the research report is being finalised.

On the international front, support was provided to the Minister and Deputy Minister for working visits to the United States of America as well as meetings held on the margins of the UNESCO General Conference in Paris between the Minister and his counterparts from Norway, Finland and Sweden. The Department hosted a seminar on TVET cooperation between South Africa and China during June 2019 to explore possible areas of cooperation around thematic areas such as lecturer and student exchanges, opportunities for joint collaboration programmes and twinning of colleges. The Department signed Higher Education Cooperation Agreements with Hungary and France. An implementation agreement on the allocation of additional resources in support of the programme Skills Development for a Green Economy between the Department and GIZ was signed. The Department participated in the 10th South Africa-India JMC hosted by India in New Delhi. The Department jointly hosted the 5th Senior Officials meeting which preceded a seminar under the theme Education for Employability in Brussels. The Department also negotiated and facilitated the signing of the joint initiative between the Government of South Africa and the Federal Republic of Germany concerning the promotion of skills development.

With regard to Career Development Services, 24 partnership arrangements were maintained during the year. Coordinating structures such as the inter-departmental Career Development Committee and the National Career Development Forum are operational. Networks of Khetha Centres were established as well as a national multi-channel career development service through which career, study and funding information, advice and counselling is offered to members of the public. These include a national career telephone helpline, which can be reached through SMS, telephone, email, Facebook and an online Live Chat. 17 973 Clients were assisted in 2019. The training and support team provided career information to the public at career exhibitions, school visits and career information sessions for NEET youth in communities, as well as training of teachers and career development practitioners, such as those operating within Khetha Centres. The training and support team reached 179 251 clients in 2019. Through the various platforms, information services and support provide free access to quality and up to date career information. This includes the CareerHelp website and National Career Advice Portal platforms. Administration of career choice and subject choice assessments to groups and individuals, career counselling in terms of career planning, subject choice and labour market information has taken place and life skills workshops were facilitated. In 2019, 45 advocacy and communication campaigns took place in order to promote the Khetha CDS message including 19 CDS awareness campaigns, 2 Apply Now! campaigns, 22 Blitz campaigns and 2 Let's Talk Careers campaigns.

The second United States – South Africa Higher Education Network annual seminar was successfully held in Washington during October 2019. 14 South African universities leading partnerships with US universities participated. In addition, representatives from the eight South African historically disadvantaged institutions also participated.

The annual Entrepreneurship Development in Higher Education Lekgotla was successfully held from 26 to 29 June 2019. The first national Entrepreneurship Intervarsity Competition was successfully held and will become an annual event. The first phase of the Future Professors Programme was initiated and a first cohort of 29 senior academics have started the two-year development programme.

A national workshop on the draft Extended Curriculum Policy was held in September 2019. Universities were requested to submit their comments on the policy to the Department. The policy will be finalised for public comment during 2020/21.

A public awareness campaign was convened in January/February 2020, with the aim of informing, educating and creating consciousness in the public on the presence of illegal private institutions. At the same time, the campaign also provided career guidance in conjunction with the KHETHA campaign under the auspices of CDS of the Department. The awareness campaign included all the relevant stakeholders such as SAQA, quality councils, officials in the Department and KHETHA.

The Department implemented the Policy on the Evaluation of Creative Outputs and Innovations for the first time in 2019. Submissions were received from universities during November 2019. The evaluations of the creative outputs received from the universities took place from 24 to 27 February 2020. 184 Submissions for the creative outputs and 131 for innovations were received. A report is being developed and will be utilised for generating research outputs subsidy units for the 2021/22 financial year.

The University Capacity Development Programme continued during the 2019/20 financial year. A number of important sub-progammes and national collaborative projects were initiated and strengthened, including:

- The approval of the first phase of the Nurturing Emerging Scholars Programme (NESP) for implementation.
- The new generation of academics programme (nGAP) recruits new academics against carefully designed and balanced equity considerations and disciplinary areas of greatest need into permanent positions at universities and supports them through an intensive development programme.
- The University Staff Doctoral Programme supports existing permanent academic and professional staff to achieve doctoral degrees.
- Phase 1 of the Future Professor's Programme (FPP), which recruits promising senior lecturers (black and women senior lecturers are being prioritised) onto a two year programme that provides strong mentoring, specialised courses and an extended mobility opportunity abroad.

On 24 May 2019, the Minister appointed a Ministerial Task Team (MTT) to advise the Minister and the Department on matters related to sexual harassment and gender based violence and harm at public universities for a period of 12 months, commencing during June 2019. The appointment of the MTT followed engagements with various stakeholders in the sector including universities, where incidents of sexual harassment have been reported to the Department. The Task Team will conclude its work during 2020.

The MTT on the Recruitment, Retention and Progression of Black South African academics has concluded its work and submitted its report to the Minister during December 2019. The report, which is being published and will be widely disseminated, makes 20 recommendations on how the black South African academic pipeline can be further strengthened and these will be discussed with the sector and taken forward, including through the range of national and institutional initiatives that are currently underway.

The MTT on the Implications of the Fourth Industrial Revolution for PSET, was fully appointed during November 2019. It has worked steadily since then and it plans to submit a first draft of its report to the Minister by the end of May 2020.

During 2019/20, independent assessors were appointed to two institutions, namely, the Vaal University of Technology and the University of Fort Hare. The reports of these assessors were published in the Government Gazette as follows:

Institution	Independent Assessor(s)	Date of Publication	Notice Number	Gazette Number
UFH	Prof Chris Brink Prof Louis Molamu	13 December 2019	Notice No. 1592	Gazette No. 42902
VUT	Prof Barney Pityana Prof Rocky Ralebipi-Simela	14 February 2020	Notice No. 127	Gazette No. 43015

Administrators were also appointed to the two universities as a measure to restore proper governance.

Professor Loyiso Nongxa was appointed as the Administrator for the University of Fort Hare. His appointment was published in a Government Notice No. 618, Government Gazette No. 42425 of 29 April 2019. Professor Ihron Rensburg was appointed as the Administrator for VUT and the appointment was published in a Government Notice No. 650, Government Gazette No. 42639 of 15 August 2019.

During the period under review, the Department continued to implement TVET steering mechanisms to ensure a sound sector. The Department continued the monitoring and evaluation of the TVET sector. Oversight reports were issued on the conduct of public TVET college examination centres during national examinations and assessments. Reports were also issued regarding the eradication of certification backlogs, the implementation of the information technology examination services system, the performance of students in colleges, the compliance of sampled TVET colleges to recommend governance standards and the implementation of teaching and learning support plans in TVET colleges as well as student support services plans.

The Department participated in various structures that include and strengthen partnerships with various stakeholders for instance, the Sasol Foundation round table aimed at seeking solutions and support for the TVET college sector. To date, four key areas of intervention by the Foundation have been collectively identified and are explored. Continuous engagement with the GIZ and the British Council on capacitation of lecturers and developing intervention strategies to improve the quality of teaching and learning at TVET colleges are taking place. In December 2019, 16 facilitators were trained by the British Council in core skills so that these core facilitators could train other lecturers.

The Department was invited by the United Nations Educational, Scientific and Cultural Organisation (UNESCO) Regional Office for Southern Africa (ROSA) to attend a three-day workshop on CPD for teachers and lecturers in the TVET college sector, hosted by the UNESCO ROSA in collaboration with the UNESCO Lilongwe Office. The goal of the workshop was to share best practices on CPD for teachers and lecturers in the Southern African Development Community (SADC) region. It was observed that South Africa is seen as a pioneer in CPD for teachers while Malawi and Zambia are doing very well on CPD in the TVET sector. The workshop resolved to recommend to governments and departments within the region that all SADC countries develop their CPD framework/policies, that governments should establish systems to fund and institutionalise CPD, that all the SADC countries have professional regulatory bodies and that all the SADC countries should strengthen partnerships and collaboration with industry, business and other relevant stakeholders, particularly for TVET.

A new vetting system was developed to assist during the appointment process of Council members that ensured that candidates entering the TVET system fulfilled minimum ethical standards and appropriate qualifications and experience. Through this process, the Department has facilitated the constitution of 48 new TVET college Councils for the 2019 to 2025 cycle. This involved processing the verification of over 400 external Council members. A training manual was developed to assist in building the capacity of new Council members. In the last quarter of the 2019/20 financial year, using the training manual, the heads of six regional offices of the Department were trained as part of the train the trainer programme. In addition, 240 Council members from Limpopo, Western Cape and Northern Cape were also inducted.

In terms of TVET compliance to approved financial governance standards, the results for 2019/20 compared to 2018/19 marks a notable improvement in TVET college financial governance.

During the 2019/20 financial year, the Department continued to support its infrastructure projects in TVET colleges consisting of the construction of 13 new TVET college campus sites and the refurbishment of three existing colleges. Of these 16 sites, one has been fully completed (Thabazimbi), two sites are nearing completion (Nkandla A and Bhambanani) and 10 sites are currently under construction. The remaining 3 sites (Giyani, Vryheid and Nkandla B) could not be awarded through a tender process due to a lack of qualifying contractors. These sites are now in process of being completed through the available TVET colleges Capital Infrastructure and Efficiency Grant. Projections are that all sites will be completed during 2020/21.

Progress of the 10 construction projects as at 31 March 2020 is as follows:

No.	Project/Sites	Start Date	Anticipated Completion Date	Percentage Completion
1	Construction of **new Graaff-Reinet Campus** of Eastcape Midlands TVET College	19-06-2018	15-03-2020	97.7%
2	Construction of **new uMzimkhulu Campus** of Esayidi TVET College	13-06-2018	27-05-2020	91%
3	Construction of **new Aliwal North Campus** of Ikhala TVET College	20-06-2018	4-05-2020	85%
4	Construction of **new Msinga New Campus** of Umgugundlovu TVET College	14-06-2018	30-07-2020	83%
5	Construction of **new Nongoma Campus** of Umfolozi TVET College	08-08-2018	30-04-2020	80%
6	Construction of **new Sterkspruit Campus** of Ikhala TVET College	21-06-2018	30-06-2020	70%
7	Construction of **new Ngqungqushe Campus** of Ingwe TVET College	12-06-2018	20-07-2020	50%
8	Construction of **new Kwagqikazi Campus** of Umfolozi TVET College	11-10-2018	2-07-2020	33%
9	Construction of **new Greytown Campus** of Umgungundlovu TVET College	21-09-2018	4-06-2020	27%
10	Construction of **new Balfour Campus** of Gert Sibande TVET College	11-10-2019	21-02 -2021	21%

During the period under review, the curricula of 36 subjects in the Report 191 programmes were reviewed and updated which will be implemented from the beginning of 2021. A new stream in the NC(V) IT and Computer Science programme focusing on Robotics was developed which will undergo a quality assurance process in 2020 for implementation in 2021.

The PPN for the PSET college sector was developed and approved. A pilot implementation process is planned from August/September 2020.

21 Young South African competitors participated in 19 skills areas, at the World Skills International competition held in Russia, Kazan during August 2019. Individual medals were achieved in Welding Skills and Car Painting whilst one member received a medal for being part of a team who won the Team Challenge Competition on a Computer Numerical Control project.

During the year under review the Minister appointed new members for the National Skills Authority.

The tracer study commissioned by the Department during the year under review indicates that 79% of 19 627 apprentices who qualified in the 2018/19 financial year are employed whilst 2% are self-employed. This highlights that about 81% of these artisans are participating in the labour market post qualification. In comparison to the 2017/18 tracer study survey findings that showed 71% of individuals entered the labour market after passing their trade test, there is an 8% growth in employment for the 2018/19 financial year.

Significant progress has been made in relation to CET policy decisions and initiatives. A decision was taken to replace the development of the staffing norms and standards for CET colleges with the development of a PPN model and an organisational structure for CET colleges which will ensure the standardisation of conditions of service for this sector. Reviewed regulations on the Conduct, Administration and Management of the General Education and Training Certificate: AET Level 4 Examinations and Assessment was developed and consulted with examination officials from provincial education departments. A service delivery framework for CET colleges was developed and approved. Colleges are expected to make use of the framework to develop and implement institutional service delivery plans. The Monitoring and Evaluation Policy for CET colleges that provides indicators for monitoring and supporting teaching and learning in centres through the assistance of regional offices utilising a standardised monitoring tool, was developed and approved. Partnerships have been entered into with PSET institutions, non-profit organisations, government departments and industry to address the coordination of education and training provisioning for out-of-school youth and adults. A monitoring report on classroom observation and monitoring visits to 567 centres in the nine colleges reveals that progress have been made on the improvement of teaching and learning, lesson planning, assessment and examinations, learner and teacher support material provision and the development of improvement plans at centre level. Systemic challenges related to appropriate support and resources for centres, student absenteeism and a lack of focus on lower levels were identified. The teaching and learning monitoring tool was reviewed to ensure the monitoring of programme diversification. Guidelines that covers the analysis of results at CLC level, the identification of factors leading to poor performance and the development of intervention strategies to mitigate these factors, for the development of performance improvement plans were developed. Standard operating procedures providing guidance to the functioning of Academic Boards was developed. All Academic Boards received training on the roles and responsibilities of Academic Boards of colleges. Furthermore, a Curriculum Coordination Committee was established to support the delivery of teaching and learning in CET colleges.

The Department embarked on the reconfiguration of the institutional landscape through rationalisation of the 3 276 CLCs as gazetted in 2015 to 200 CLCs and 1 610 Satellite Centres. This have been supported by the College Councils and the new landscape will be gazetted in due course.

In strengthening programme delivery, a protocol document between the Department and the Department of Basic Education for collaboration on the Second Chance Matric Programme and the donation of all surplus Kha Ri Gude material has been developed. All CET colleges received their allocated share of the Kha Ri Gude materials.

CET college councils received training in the following areas: Introduction to Internal Audit and Risk Management; Internal Audit; Compilation of Annual Financial Statements and Generally Recognized Accounting Practices; Financial Management System; and an overview of 29 governance policies with emphasis on Supply Chain Management.

Measures for reporting on compliance with the Policy on Learning and Teaching Support Materials by CET colleges have been established.

Spending trends

The under-expenditure of R227.256 million (R200.335 million during 2018/19) on the Department's programmes, measured against the allocations after virement, is as follows, in R'000:

		2018/19		2019/20	
		Under-expenditure	Percentage	Under-expenditure	Percentage
1.	Administration	12 098	2.74%	25 674	5.74%
2.	Planning, Policy and Strategy	7 853	9.83%	5 611	7.08%
3.	University Education	18 421	0.03%	20 690	0.03%
4.	Technical and Vocational Education and Training	19 033	0.18%	74 300	0.60%
5.	Skills Development	2 914	1.11%	4 245	1.44%
6.	Community Education and Training	140 016	5.97%	96 736	4.09%
TOTAL		**200 335**	**0.27%**	**227 256**	**0.26%**

The under-expenditure did not impact negatively on the Department's programmes and service delivery. Factors that contributed to under-expenditure included unspent funds related to vacant posts in the Department, posts on the staff establishment of the Department that was not filled on time as projected and the concomitant underspending on administrative items. Furthermore, the Department did not receive claims for Community Education and Training remuneration as well as examiners and moderators in respect of the February/March 2020 examinations as projected. Funds set aside for the feasibility study for a new Head Office building was not claimed as projected and operational cost of regional offices was less than projected. The Development Bank of South Africa did not claim the earmarked allocation for the management fees regarding the Student Housing Infrastructure Programme in full. A favourable Rand/Euro exchange rate was applicable when payments were made to the Commonwealth of Learning. In addition, cost containment measures were in place to ensure that the Department would not overspend its budget.

Expenditure was monitored on a regular basis and the Minister received monthly reports in line with the provisions of the Public Finance Management Act on the spending levels. A reprioritisation of activities within the objectives of the Department was also performed where required.

The Notes to the Appropriation Statement provide additional information on the under-expenditure of the Department.

Virement

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

Virement applied from	Virement applied to	Amount
3: University Education	1: Administration	2 520
4: Technical and Vocational Education and Training	1: Administration	3 609
6: Community Education and Training	1: Administration	2 820
6: Community Education and Training	2: Planning, Policy and Strategy	1 000
6: Community Education and Training	5: Skills Development	14 531

The need for the virement to Programme 1: Administration were mainly required to finance excess expenditure on Office Accommodation. Virement to Programme 2: Planning, Policy and Strategy was mainly to fund a budget shortfall on leave gratuity payments while virement to Programme 5: Skills Development was mainly to fund a budget shortfall for claims in respect of Special Projects not paid by the National Skills Fund. Funds that were shifted were mainly realised on vacant posts on the staff establishment that could not be filled as projected and the concomitant savings that resulted from this, savings on the operational costs for Examinations and Administration function and the Community Education and Training function.

Treasury approvals on transfer payments were received for the following:

- To shift funds from Compensation of Employees to Transfers and Subsidies: Households for the payment of leave gratuities (Reference number 9/4/4/4/12 dated 10 March 2020); and
- To shift funds from Transfers to Public Entities (Education and Training Development Programme Sector Education and Training Authority) to Community Education and Training Colleges for capacity development of Community Education and Training lecturing staff and support staff (Reference number 9/4/5/4/12 dated10 February 2020).

The final virement that was performed by the Department was approved by the Accounting Officer in terms of Section 43 of the Public Finance Management Act and reported to the Minister and National Treasury.

2. Services rendered by the Department

2.1 Services rendered

The Department was in the main responsible for the development and support of a quality higher and vocational education and training sector as well as to promote access to higher education, vocational education, and skills development training opportunities. Revenue collected was for services rendered in respect of TVET college examinations and certificates, the registration of private HEIs as well as trade tests, boarding and rental fees charged by INDLELA. The total revenue collected by the Department for the period under review amounted to R5.707 million (R4.313 million during 2018/19). All revenue received is paid over to the National Revenue Fund and is not retained by the Department.

2.2 Tariff policy

National Technical Examinations

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

		Tariff in R
Examination fees (Fee Category)		
a)	Enrolment fees per subject/instructional offering	20.00
b)	Enrolment fees per instructional offering Report 191 (N4 – N6)	27.00
c)	Concessions, amanuenses and additional time per subject/instructional offering	51.00
d)	Remarking per subject/instructional offering	81.00
e)	Rechecking per subject/instructional offering	14.50
f)	Reissuing of/changes to/amendments of statement results	19.00
g)	National Senior Certificate (Technical), National Certificate (Vocational), National N3 Certificate and Subject Certificate	90.00
h)	Applications for the reissuing of the National Senior Certificate (Technical), National Certificate (Vocational), National N3 Certificate and Subject Certificate	90.00
i)	Confirmation document issued prior to the certificate (system-generated document)	15.00
j)	Letter to embassies (work/study abroad)	20.00
k)	Teacher certificates	30.00
l)	Statements for teacher qualifications	15.00
m)	Transfer of examination entries	25.00
n)	Exemption for, or recognition of subjects passed with other examining bodies	50.00

		Tariff in R
o)	Postage	
	▪ Africa	117.00
	▪ Overseas (diplomatic bag)	140.00
	▪ Overseas via the Post Office	200.00
p)	Verification of qualifications prior to 1992 for government organisations	15.00
q)	Verification of qualifications prior to 1992 for non-government organisations	35.00
r)	Late entry or amendments penalty	21.00
s)	Syllabuses (only applicable to examining bodies that supplied syllabuses to other examining bodies)	1.00

Private Technical and Vocational Education and Training (TVET) Colleges

The tariffs for the services rendered in respect of private TVET colleges were as follows:

	Fee Category	Tariff in R
a)	Application for registration	500.00
b)	Amendments	500.00

Private Higher Education Institutions

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

	Fee Category	Tariff in R
a)	Application for registration	500.00
b)	Amendments	500.00
c)	Conversions	500.00

Trade test tariffs

The tariffs for the services rendered in respect of trade test fees were as follows:

	Fee Category	Tariff in R
a)	Trade tests	500.00
b)	Artisan Recognition and Prior Learning	250.00
c)	Gap training (cost per day up to a maximum of 20 days)	125.00
d)	Accommodation (cost per day per person)	200.00

2.3 Free services

None.

2.4 Inventories

The inventories on hand at year-end amounted to R311 562 as at 31 March 2020 (R378 059 on 31 March 2019).

3. Capacity constraints

The Department is currently experiencing various capacity constraints. Many of these are linked to delays in implementing the current approved staff establishment and the filling of funded vacant positions across the Department. The key delivery branches (University Education, TVET, Skills Development and CET) have difficulty in ensuring the delivery of all critical services. In addition, the limited administrative baseline funding of the Department places a burden on the effective delivery of some services and the performance of critical tasks. A number of functions rely on NSF funding support such as CDS and the NAMB. Key constraints in the following areas serving as examples:

- Insufficient capacity to manage the risk management plans/ activities: The monitoring of risks is conducted only once a year. Risk assessments for regional offices can only be conducted in quarter 2 resulting in late advice provided of risks with a possible negative impact on operations.
- Staff shortages in Fraud Prevention unit: A number of cases pile up, leaving the staff overloaded and burdened. The unit is barely managing as they try to close cases, new ones emerge that require them to shift focus to these new cases. The unit is unable to fully perform its duties and therefore some planned activities are partially completed.
- Shortage of manpower in Labour Relations results in the unit not being able to finalised misconduct cases within 90 days. Grievances are also not resolved within 30 days as stipulated by Resolution 14 of 2002.
- The Call Centre and Client Services serves as the contact point between the Department and the public. This therefore requires constant compliance with the Batho Pele principles and the service delivery charter. The shortage of dedicated staff for the front line desk compromises the quality of service (delegated duties to the front line staff by Branches) and the continuous usage of the temporary staff compromises the professionalisation of the reception area.
- Overtime are used by many Directorates in the Corporate Services and the Office of the Chief Financial Officer to ensure that the extraordinary work load due to legislated activities as well as staff shortages are met.
- Insufficient capacity to deal with data quality issues for each PSET sector results in the Department not being able to undertake all the necessary data management processes to improve the quality of data in the Department.
- The University Education Branch has experienced capacity constraints over the past few years and this continued in 2019/20. A major problem is the slow process for advertising and filling posts. A key vacant post, the Chief Directorate: University Planning and Institutional Funding have been vacant since July

2017 and must still be filled. This Chief Directorate also had a vacant Director for Institutional Funding, however the post was filled in May 2019 which has provided some relief. The Director: Academic Planning, Monitoring and Evaluation was booked off for a prolonged period and resigned at the end of the 3rd quarter. From November 2019 the Director HEMIS has been carrying the work of two Directors and the Chief Director which is not sustainable, does not allow for a conducive working environment and results in delayed delivery on some activities. The Director Infrastructure, which is also in this Chief Directorate, is on contract through the Sector Monitoring and Evaluation Programme. All other funded senior management posts are filled. In the Branch as a whole there are a large number of vacancies against the approved interim organogram. Advertisements were developed in March 2019, however these were not advertised and the posts remain vacant. In the meantime a number of staff resigned at Deputy Director and Assistant Director levels, leaving many of the Directorates severely understaffed. There are currently 34 funded vacancies in the Branch. There are some sections which have large workloads and are under enormous strain leading to low morale and burn out. The situation is unsustainable. The Directorates: Governance Support; Student Support and Sector Engagement; University Capacity Development; International Scholarships; Teacher Qualifications and Programmes; and Academic Planning, Monitoring and Evaluation are under particular strain. In addition to the issue of posts, there have also been continuous challenges with IT and access to the network drives which hamper the work of the Branch.

- The insufficient staff compliment in the TVET Branch hampers effective and efficient service delivery. Some Directorates are relying on fix term contract employees, which creates instability, which makes it difficult to manage and to achieve strategic objectives.
- Within the area of national examinations and assessments, staff shortage challenges leading to limited number of TVET colleges being monitored for examinations in and outside the country are experienced. IT system problems also contribute to the certification backlog.
- The CET Branch operated under constrained financial and human resource capacity to deliver on its mandate. The finalisation and implementation of the PPN model and the organisational structure for colleges is very critical for the gradual evolution of the CET college system.

4. Utilisation of donor funds

The Department received new donations totalling R85.813 million in cash from foreign donors during the 2019/20 financial year. Total donations held in the Reconstruction and Development Programme (RDP) for 2019/20 amounts to R200.015 million. Expenditure of R48.535 million was incurred against funds held in the RDP Fund. The balance of the funds available to the Department in the RDP fund, as at 31 March 2020, was R151.480 million.

Donor funds were mainly used as follows:

European Union

- The Teaching and Learning Capacity Improvement Programme is a sector budget support programme being implemented through support from the European Union. The focus of the Programme is to strengthen teacher education at universities in four key areas: early childhood education, schoolteacher

education, inclusive education and TVET and CET college lecturer education. 52 projects are currently being implemented across the four areas and are progressing well. During 2019/20, the required structures for the TVETMIS improvement project as indicated in the business plan have been established.

Of the total allocation of R200 million, R36.654 million was spent on this project during 2019/20.

- The National Open Learning System (NOLS) for PSET project was approved on 7 April 2016 for an amount of R51.860 million. The outcomes of the project are: 1) Piloting an open learning system and the development of open learning materials for one skills programme; four subjects for the National Senior Certificate for Adults; two NC(V) subjects; and a Career Development Practitioner's programme; 2) Developing case studies on the application of open learning; and 3) promoting Open Educational Resources. To date much attention has been given to advocate and communicate open learning to PSET institutions. The NOLS has been conceptualised and once it is operational, online learners will be able to undertake online self-assessments and receive achievement badges for the successful completion of modules courses. The NOLS will support the process of connecting learners to registered institutions, colleges and universities, enabling them to migrate to formal assessments, and to continue their studies where possible in the formal system. During 2019/20, the annual report on the implementation of Open Learning in PSET was approved. Major projects undertaken ensured that the following education and training materials are available on the NOLS: 1) **Electrician**: three pilot studies have been completed to test the ease of navigation of the electrician content developed. All content has been developed by NBA. Multi-media content is being developed by EPIUSE and managed by NBA. Three electrician courses are available and 72 digital resources uploaded on the NOLS. Materials development is 80% completed; 2) **NASCA**: Student and lecturer guides were developed for all five subjects. Workshops were conducted on the content developed on 28 June 2019 and 28 September 2019. 31 Content resources and two courses (Biodiversity/Nature of Science) were developed and uploaded to NOLS. Materials development is 95% completed; 3) **NC(V):** A service provider has been appointed and draft marketing materials were developed. A Project Advisory Team was established. The development of the materials is in progress. A MOOC was developed, uploaded to the NOLS and training was during February 2020 for the capacitation of the lecturers. Materials development has been initiated; and 4) Advanced Diploma in Technical and Vocational Teaching: The Director-General and the University of the Free State signed a memorandum of agreement on 6 May 2019. Education and training materials are in development. One course was uploaded to the NOLS on 20 March 2020. Materials development is 30% completed.

The University of Cape Town is in process to develop a cadre of researchers in open learning of which 18 case studies commenced.

Capacity building in open learning took place over a period of 2 years to develop the capacity of officials from the Department, TVET college lecturers and material writers.

A total amount of R11.881 million was spent on this project during the 2019/20 financial year.

- A further General Budget Support Programme for a National Artisan Moderation Body Automated Artisan Trade Test System is in process. The State Information Technology Agency was appointed to develop the National Artisan Moderation Body Automated Artisan Trade Test System for the Department. Work commenced during 2018/19 and the project is progressing well.

Of the total allocation of R48.530 million, R0.617 million was spent on this project during 2019/20.

Open Educational Resources (OER) Africa

- The Department received in-kind contributions from OER Africa for technical assistance in developing the open learning policy.

Collaboration between the Department and KfW- Stuttgart University TRAINME project

- The Department is collaborating with the KfW, a German Banking Organisation to establish an engineering training institution for lecturers at the Ekurhuleni East TVET College. While awaiting the finalisation of the collaborative agreement and contract, the KfW appointed the University of Stuttgart to conduct some research and determine a baseline for the lecturer training institution. Simultaneously, a pilot training, called TRAINME project, was conducted for mechanical and electrical engineering lecturers from May 2019 to November 2019. 24 Lecturers were initially enrolled but 19 graduated at the end of November 2019 from the training. The Department is now embarking on training about eight master trainers from the first cohort of lecturers trained through the project. A second cohort of 40 lecturers will be enrolled for 2020/21.

Collaboration between the Department, GIZ, University of Pretoria- University of Munich and the ETDP SETA on PG DIP Educational Leadership for TVET Managers

- The collaboration between the Department and GIZ spans a longer period by now. The German organisation supports the Department with capacitating lecturers; training students and bringing the Department and industry into collaborative partnerships largely around the dual system approach of learning and training students and mostly in the engineering related fields. The GIZ and the Department conducted a survey in management capacity development needs and agreed to approach the University of Pretoria (UP) to adapt their already approved Postgraduate Diploma programme into a PG Dip Educational Leadership programme, specifically for TVET college management on how to manage the dual system approach, and establishing and maintaining partnerships with industry. The University of Munich (TUM) was approached to partner with UP, particularly to enhance work integrated learning (WIL) whereby the students could visit German industries for one week to observe and learn how the dual system approach works in Germany. The ETDP SETA was approached to fund 60 TVET managers for the PG Dip TVET Educational Leadership programme to a tune of R5 million. 30 students were enrolled by UP in February 2020 but one deregistered due to ill health. The qualification was officially launched at UP, Groenkloof Campus on 24 February 2020. For 2021, it is envisaged that about 60 managers will be enrolled. In kind funding for this purpose has already being committed by the ETDP SETA.

Participation of the Department in the 2019 Community Colleges Administrator Programme funded by the US State Department of Education and Cultural Affairs

- The Department was invited to participate in the Community College Administrator Programme (CCAP) and attended two events in May 2019 for a five-day alumni seminar in Washington DC, USA and a six-week executive dialogue and seminar in October to November 2019. Six managers from the Department attended a five-day executive dialogue while nine TVET college managers and six CET college managers attended the dialogue and four weeks of the seminar. The CCAP is funded by the US State Department

of Education and Cultural Affairs and run by officials from the Florida State University and the Santa Fe Community College. It exposed managers to how the US community colleges run their programmes, collaborate with industry, management, governance and other key aspects relating to vocational education and training. Plans are that the sixth week of the CCAP will be conducted in South Africa during the 2020/21 financial year.

5. Public entities

As at 31 March 2020, 26 public entities reported to the Minister of Higher Education and Training, namely:

5.1 Council on Higher Education (CHE)

The CHE is an independent statutory body, established in terms of the Higher Education Act, 1997 to advise the Minister, monitor trends in the higher education system and assure as well as to promote the quality of higher education. The CHE also has the mandate to audit higher education institutions, accredit programmes offered, develop a higher education qualifications framework and set sector standards.

An amount of R53.210 million was transferred to the CHE during the 2019/20 financial year.

During 2019/20 the following strategic objectives were executed by the CHE:

- To manage the development and implementation of the Higher Education Qualifications Sub-Framework policies, qualification standards and data
- To develop and implement a new Integrated Quality Assurance Framework for effective and efficient internal quality assurance and external quality assurance for the sector
- To revitalise and strengthen the research, monitoring, evaluation and advice capabilities of the CHE
- To set the broad strategic direction, policy and tone for good governance, statutory compliance and risk management of the organisation to support the discharge of the core functions of the CHE
- To design and implement an organisational architecture, business processes, capabilities and infrastructure to realise the strategy of the CHE

5.2 National Student Financial Aid Scheme (NSFAS)

NSFAS was established in terms of the National Student Financial Aid Scheme Act, 1999. It is responsible for administering loans and bursaries and allocating these to eligible students, developing criteria and conditions for the granting of loans and bursaries to eligible students in consultation with the Minister, raising funds, recovering loans, maintaining and analysing a database, undertaking research aimed at better utilisation of financial resources as well as advising the Minister on matters relating to student financial aid.

An amount of R30 822.466 million was transferred to NSFAS during 2019/20.

Other sources of revenue are donor funds, money repayable on study loans and interest on investments.

Due to various operational challenges within the entity, NSFAS was placed under administration. The first phase of the administration was completed successfully with significant improvements noted at NSFAS. However, a

second phase of administration as per the Government Gazette Vol 650 No 42662 dated 22 August 2019 is critical to consolidate work done at the entity and to ensure a smooth transition towards a new executive management team and Board. A review of NSFAS business processes is to be completed by a MTT to advise the Minister on the future development of the entity.

NSFAS will continue to deliver on its mandate and vision of providing an efficient and effective delivery model to meet the provision of financial aid to qualifying students. The following areas of focus in improving delivery will be: delivery to students in line with the mandate, improve ICT and human resources to enable delivery, ensure compliance to legislative and policy imperatives and improvement of the legislation that guides the implementation of the financial aid program.

Key strategic outcome statements

- To implement governance, risk and compliance processes such that external audit outcomes are improved
- To provide relevant insights and thought leadership to the Minister and the Department to assist in developing policy impacting on financial aid
- To provide effective support services that enable NSFAS to deliver on its mandate
- To manage the funding application process, funding decision process and disbursement and payment processes efficiently and effectively

5.3 South African Qualifications Authority (SAQA)

SAQA is a statutory body, established in terms of the South African Qualifications Act, 1995. As from 1 April 2009, SAQA operated in terms of the NQF Act, 2008, which replaced the South African Qualifications Act. In terms of the new NQF Act, SAQA continued to focus on upholding the principles of the NQF, including ensuring access, quality, redress and development for all learners through an integrated national framework of learning achievements.

The Department transferred an amount of R69.893 million to SAQA during the 2019/20 financial year.

During the 2019/20 financial year SAQA dealt with the following:

- Continue to ensure systemic alignment of what simplification of the NQF means by considering ways in which to reduce the proliferation of qualifications, especially in the Higher Education Sub-Framework. Ideally, SAQA would like to register one national qualification together with its different specialisation options and record institutional learning programmes against this qualification. This move will significantly reduce the number of qualifications on the Higher Education Sub-Framework and promote Articulation across institutions.
- Continue to generate self-funding to ensure the sustainability of SAQA. The Verifications Project and Foreign Qualifications and Advisory Services directorate are the main sources of income that complement the government grant. SAQA also introduced an annual fee for non-statutory professional bodies and is working on setting up paid-for services for statutory bodies. SAQA also took over the issuing of "Verification Letters" to confirm the verification of qualifications of South Africans wishing to work abroad in December 2019. The Department moved this service to SAQA with a three-month backlog. As a result,

there are teething problems with trying to determine what resources are required to provide this service satisfactorily. Only then, will SAQA be able to charge an appropriate fee to recover its costs.

- Oversee and facilitate the implementation of NQF policies in a coherent, simple and integrated manner across education, training, development and work
- Continue to monitor, evaluate and align NQF policies to enhance the mobility of national and international lifelong learners and to recognise their learning and experience

Key strategic outcome statements

- A dynamic NQF that is responsive, adapts to and supports the changing needs of life-long learning
- Visionary and influential leadership that drives a clear evidence-based NQF agenda
- Well-articulated quality-assured qualifications and relevant professional designations that instill trust and meet needs of people
- A competent and capable team, dedicated and resourced to develop and maintain the NQF
- Stakeholders and role-players who are aligned to deliver on the NQF
- To meet the PSET system requirements of expanded access, improved efficiency and improved quality

5.4 The National Skills Fund (NSF)

The National Skills Fund was established during 1999 in terms of section 27 of the Skills Development Act, 1998 (Act No. 97 of 1998).The main revenue sources for the National Skills Fund consist of 20 percent of the skills development levies contemplated in the Skills Development Levies Act, 1999 as collected by the South African Revenue Service; interest earned on investments held at the Public Investment Corporation; and uncommitted surpluses from the SETAs that have been transferred to the NSF in terms of SETA grant regulations. The money in the fund may be used for the primary objectives defined by the Skills Development Act, namely to fund projects identified in the National Skills Development Strategy (NSDS) as national priorities; to fund projects related to the achievement of the purposes of the Skills Development Act as the Director-General determines and to administer the Fund within the prescribed limit. Regulations to prescribe the limit for the administration of the Fund at 10% of revenue was published in Government Gazette No. 33740 dated 8 November 2010.

The Department transferred an amount of R3 656.769 million from direct charges to the NSF during 2019/20.

During the 2019/20 financial year NSF dealt with the following:

- Skills Development Funded: 305 000 NSF Funded learners for education and training over the five-year strategic period
- 90% Completed NSF funded projects aimed at PSET system improvement and increased access that have achieved more than 60% of the envisaged outputs
- Increased target by 27% for NSF Funded number of learners as well as alignment to key strategic areas such as occupations in high demand, rural (inclusive of district and community skills development), SMME and Cooperative development and worker education
- Increased and focus on PSET infrastructure, research, innovation and capacity building

- Improved internal business excellence and service delivery

5.5 Sector Education and Training Authorities (SETAs)

During 2019/20, there were 21 SETAs mandated by Chapter 3 of the Skills Development Act, 1998 to provide skills development across various economic sectors. Their main objectives are to implement sector skills plans aimed at developing the appropriate skills, to develop and register learning programmes and to distribute skills development levy funds. SETAs meet the NSDS targets by means of a legislated service level agreement with the Department. All SETAs are expected to implement learning programmes in terms of their service level agreements. These annual agreements are determined by the NSDS five-year targets, which are calculated in annual terms.

In addressing their mandate, SETAs implemented the NSDS III goals and outcomes. As a result, SETAs developed their Strategic Plans, Annual Performance Plans and Sector Skills Plans within the framework of the NSDS and other key government strategies. This was intended to ensure that skills shortages are addressed through disbursement of skills levies in a form of mandatory and discretionary grants allocated to implement various learning programmes such as learnerships, internships, bursaries, work integrated learning and graduate placements.

The Department transferred an amount of R14 627.075 million from direct charges to SETAs during the 2019/20 financial year.

The overall performance of SETAs across all outcomes based on the year under review is satisfactory.

There has been fluctuation in terms of meeting artisan targets, linked with the struggling South African economy. The set target for 2019/20 has been met with just above 24 000 artisans, setting a good path towards the National Development Plan artisan target of 30 000 by the year 2030.

5.6 The Quality Council for Trades and Occupations (QCTO)

The QCTO was established in terms of the Skills Development Act, 1998 and became operational in 2010. The primary functions of the QCTO are to design and develop occupational standards and qualifications and to submit these to SAQA for registration on the NQF, establish and maintain occupational standards and qualifications, ensure the quality of occupational standards and qualifications and learning in and for the workplace, promote the objectives of the NQF, liaise with the National Skills Authority on the suitability and adequacy of occupational standards and qualifications, and on the quality of learning in and for the workplace.

The Department transferred an amount of R26.056 million to the QCTO during the 2019/20 financial year.

The major achievements of QCTO for the 2019/20 financial year are detailed below:

- QCTO Business Case (QCTO Plan for Revoking Quality Assurance Functions Delegated to SETAs): The QCTO developed its business case that presents an argument for additional funding for the QCTO to assume its mandated quality assurance functions, in particular those quality assurance functions delegated to the SETAs and professional bodies and fulfil its central role in the PSET system.
- QCTO attended a briefing session on 16 October 2019 with the Portfolio Committee on Higher Education, Science and Technology on the 2018/19 Annual Report. The Council Deputy Chairperson, CEO and CFO attended the session. Concerns noted by the Portfolio Committee were with regards to under expenditure and under achievement of performance targets. QCTO Council and management has put the necessary interventions in place to ensure improved expenditure and improved performance.
- With regards to trade testing in dual training approaches, the Dual System Pilot Project being conducted at the four different SDPs (two in Gauteng and two in the Eastern Cape), is in its final phase. The first cohort of Electrician candidates from this project took their EISA between July and August 2019.
- For the Centres of Specialisation Project, the QCTO has accredited all 26 TVET college campuses that are offering 13 trades. The project has been progressing well; however, there have been a number of challenges with the recruitment of learners, ensuring adequately qualified trainers and securing work placements.
- The Council approved eight prioritised occupational qualifications (two full and six part) for recommendation to SAQA for registration (Indicator 2.1.1). This progress is on track in achieving the final expected output for this indicator.
- The Quality Assurance Policy Framework is being reviewed with respect to including all qualifications registered on the OQSF and the envisaged transitioning of the delegated quality assurance functions from SETAs as per the Revoking Plan.

The QCTO Council approved the following strategic risks on 26 August 2019:

- MIS not operational
- Loss of knowledge and information
- Inadequate funding to achieve mandate
- Lack of awareness of QCTO among stakeholders
- Non-timely replacement of non-occupational qualifications and recorded trades before teach out period expires
- Non learner uptake of occupational qualifications
- Insufficient number of accredited providers to offer registered qualifications and turnaround time of processing applications
- Failure to achieve the Vision 2020 Revoking Strategy

6. Other organisations that receive transfer payments from the Department

6.1 Higher Education Institutions (HEIs)

Funds were transferred in order to support public higher education institutions (HEIs) and enable them to efficiently and effectively perform their core functions of lecturing and research. This is linked to the broader policy goals and objectives outlined in the National Plan for Higher Education, underpinned by the need to ensure the sustainability, affordability and responsiveness of the higher education system and enable it to contribute to the social and economic development of South Africa.

A total amount of R42 358.941 million was transferred to HEIs during the 2019/20 financial year.

6.2 Education and Training Development Practices Sector Education and Training Authority (ETDP SETA)

An amount of R16.914 million was transferred to ETDP SETA for skills development in the TVET and CET college sectors from voted funds.

6.3 TVET colleges

Funds were transferred in order to support the TVET colleges and to enable them to perform their core functions. A total amount of R5 204.965 million (including R1.1 billion for infrastructure and R36.3 million to King Hintsa TVET College for the Student Housing Infrastructure Project) was transferred to the 50 TVET colleges.

6.4 CET colleges

Transfers to CET colleges support the CET colleges and enable them to perform their core functions. A total amount of R150.835 million was transferred for this purpose.

6.5 Other transfers

- **Commonwealth of Learning**

  An amount of R2.866 million was transferred to the Commonwealth of Learning, being the membership fee for South Africa.

- **Higher Health**

  An amount of R18.781 million was transferred to Higher Health for the Higher Education HIV and Aids programme.

- **Public Service Sector Education and Training Authority**

  An amount of R112.304 million was transferred to the Public Service Sector Education and Training Authority for skills development in the public sector.

- **National Institute for Humanities and Social Sciences**

  An amount of R36.196 million was transferred to the National Institute for Humanities and Social Sciences to advance and coordinate scholarship, research and ethical practice in the fields of the Humanities and the Social Sciences within and through the existing public universities.

6.6 Conditional grants to Provincial Education Departments (PEDs)

None.

7. Public-Private Partnerships (PPPs)

None.

8. Corporate governance arrangements

8.1 The Department's Risk Assessment and Fraud Prevention Plan

8.1.1 The Establishment of the Directorate: Ethics, Integrity, Anti-Corruption, Fraud Prevention and Risk Management

In 2018, the Department established a Directorate that is now responsible for the management of ethics, integrity, anti-corruption, fraud prevention and risk management. Prior to the establishment of the Directorate all these activities were carried out in the different sections of the Department. The establishment of the Directorate, has not only seen all the activities being centralised under one Directorate, but also capacity around the prevention, detection and investigation of corruption, fraud, unethical conduct and lack of integrity among staff, and the management of risk, at all levels being strengthened.

8.1.2 Risk Management

As required by the Public Finance Management Act, the Department developed and implemented its own Risk Management Policy, and subsequently, the Risk Management Strategy to ensure technical support. Both the Risk Management Policy and the Strategy were developed in line with the Public Sector Risk Management Framework that provides important guiding principles for the implementation of measures that contribute to the effective and efficient management of risk throughout government and which is clearly articulated.

Risk management addresses issues of risk appetite in the Department (appropriate levels of risk within an organisation), and the Risk Management Policy which ensures the development of a comprehensive risk register. The risk register are continuously reviewed to ensure the strict monitoring and management of high levels of risk as well as to ensure that the Department's policies are up-to-date and consistent with new developments such as the outbreak of COVID-19.

Reviews of risk management and the Risk Management Policy enable the Department to respond proactively and effectively to challenges around risk, are subject to approval by the Accounting Officer and his executive team.

The Department regularly assesses risk for the identification, analysis and evaluation of new and emerging risk that might affect negatively on the Department's ability to deliver services and realisation of its strategic objectives. In the end, the process of risk assessment enables the Department to come up with the risk mitigation plan for the treatment of risk, consultation and communication of risk with affected areas, reporting and the monitoring and review of risk.

The Department has a fully functioning Risk Management Committee, which assists the Accounting Officer in performing an oversight role over risk management in the formulation, promotion and review of the Department's ERM objectives, strategy and policy and the overall monitoring of risk at strategic, management and operational levels. The Department has also initiated a process to appoint an external Chairperson for the Committee. However, the process encountered a number of challenges that the Department is currently working towards resolving. Nonetheless, it is also through the Committee, that the Department is able to embed the culture of risk management. As part of embedding the culture of risk management, the Department has incorporated the management of risks into the performance agreements of senior managers and to monitor the overall management of risk through the Performance Management and Development System (PMDS) of the Department.

8.1.3 Fraud and Corruption

The Department follows a zero tolerance approach to corruption, fraud, unethical conduct and lack of integrity.

The Department developed a Fraud Prevention Strategy in response to the requirements of the National Fraud Strategy; the Protected Disclosures Act of 2000, [No. 26 of 2000] (the PDA); and the Prevention and Combating of Corrupt Activities Act of 2004, [Act 12 of 2004], to combat the scourge of corruption and fraud in the public service. As part of its Fraud Prevention Strategy, the Department has developed and implemented a Whistle Blowing Policy.

The purpose of the Whistle Blowing Policy is to encourage the creation of a culture that promotes a corruption and fraud free environment and a zero tolerance attitude towards unethical conduct and lack of integrity among all its employees and stakeholders. In its efforts to comply with the requirements of the amendments of the *Protected Disclosures Act of 2000*, [No. 26 of 2000], the Department has implemented the Fraud Prevention Strategy and Whistle Blowing Policy. Subsequent to that, the Department was able to implement a channel for the staff as well as the public to report suspected incidents of corruption, unethical conduct and fraud.

8.1.4 Ethics and Integrity Management

The Department established an Ethics and Integrity Management Committee in line with the provisions of the Public Service Regulations, 2016, chaired by the Deputy Director-General: Corporate Services. The Committee was launched during the 2018/19 financial year where the Ethics and Integrity Management Policy as well as the strategy were adopted for implementation across the Department and its institutions. Subsequent to that, the Institutional Ethics and Integrity Management Committees were established and launched for effective implementation of the Ethics and Integrity Management Policy and Strategy. Training of the Committee members were provided and awareness on ethics and integrity management was created.

8.2 Internal Audit Unit

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

The internal audit function operates with skilled personnel and functions as required by the Treasury Regulations and the Public Finance Management Act (PFMA). Internal audit functions based on a risk based audit plan as approved by the Audit Committee. During the year under review, internal audit engagements were performed in accordance with the audit plan. Due to a lack of staff and specialised skills to execute the work on the audit plan, the Department utilises consultants in providing co-sourcing functions to assist with the audits.

8.3 The Audit Committee

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

The main activities are:

- Consider the effectiveness of the internal control systems
- Understand the scope of internal and external auditor's reviews of internal control regarding financial reporting, and obtain reports on significant findings and recommendations together with management's responses
- Assessing whether the Department assets have been properly safeguarded and used
- Reviewing the Department's risk profile on an annual basis and ensure management is effectively managing the risks
- Reviewing the effectiveness of the system for monitoring compliance with laws and regulations
- Reviewing the adequacy, reliability and accuracy of the financial information provided to management and other users of such information and annually review the Annual Financial Statements and recommend its approval to the Director-General

The Audit Committee is in place and functions effectively as required by the Treasury Regulations and PFMA. The Audit Committee held four meetings during the period under review.

8.4 Management processes for minimising conflict of interest

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

8.5 Implementation of a Code of Conduct

The Code of Conduct for Public Servants, developed by the Public Service Commission to promote a high standard of professional ethics in the public service, was implemented in the Department and managers ensure that all staff members adhere to it. The Departmental code of conduct is fully in line with that adopted for the public service. Where there is a breach of the code of conduct, the matter is investigated and disciplinary action is taken if necessary.

8.6 Safety, health and environmental issues facing the Department

A new electronic access control system have been installed with minor infrastructure changes. The system enables security screening upon entering and exiting the building including the parking area.

A new access control measure requiring visitors to register and produce proof of identification will be introduced once the electronic access control is fully operational. Security Services is currently awaiting approval to start stop and searches in complying with the Access to Public Premises and Vehicles Act (Act No 53 of 1985).

8.7 Other governance structures

- **Bid Committees**
  - **Bid Specification Committee (BSC)**

    A minimum of three members recommended by the relevant Branch Head and appointed by the Chief Financial Officer, constitute the BSC. Representatives from Legal and Legislative Services, and Supply Chain Management Directorate: Demand, Acquisition and Contract Management, form part of the Committee in an advisory capacity. The role of the Committee is to draft specifications or terms of reference for the acquisition of goods or services that are above the threshold of R500 000 and not available on any departmental or transversal contract. The draft specification/ terms of reference reflect among others the scope of work, technical requirements, evaluation criteria and special conditions. The specifications/terms of reference drafted by the Committee must promote open market competition. Specifications/terms of reference are submitted to the Accounting Officer for approval via the BAC (referred to below) prior to advertisement in the Government Tender Bulletin (GTB), on the National Treasury e-tender portal, and the website of the Department. In respect of bids for construction, advertisements are also published on the Construction Industry Development Board (CIDB).

  - **Bid Evaluation Committee (BEC)**

    A minimum of three members recommended by the relevant Branch Head and appointed by the Chief Financial Officer constitute the BEC. Representatives from the Legal and Legislative Services and Supply Chain Management Directorate: Demand, Acquisition and Contract Management, forms part of the Committee in an advisory capacity. The Committee is responsible for the evaluation of bids received on or before the closing date and time in accordance with the published evaluation criteria. The BEC makes recommendations to the Bid Adjudication Committee for consideration.

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

The BAC is appointed by the Accounting Officer and is constituted by senior officials from various Branches within the Department. Supply Chain Management and Legal Services provide advisory and secretarial services to the BAC. The Accounting Officer also appoints alternate members to ensure continuity of scheduled meetings and may co-opt members if deemed necessary.

The responsibilities of the BAC include, the review of specifications of the BSC to consider requests or recommendations for the advertising of bids, deviations to the bidding process, extensions of contracts, the appointment of service providers and the cancellation of contracts. The BAC makes final recommendations to the Accounting Officer for cancellations, deviations or awarding of bids. The main purpose of the BAC is to adjudicate whether the bidding processes were fair, equitable, transparent, competitive and cost-effective while ensuring that these processes comply with the Preferential Procurement Policy Framework Act (PPPFA) and its regulations, Treasury regulations and other relevant and applicable legislation. The Committee is scheduled to meet at least twice a month, but *ad hoc* meetings are arranged, if necessary.

The Bid Committees are properly constituted if at least 60% of its members are present. The members of the Committee sign a register of attendance, declaration of interest and undertaking of confidentiality at each meeting.

Bid meetings comply with the general rules for committees and segregation of responsibility is upheld to ensure fairness, equitability and transparency.

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

The purpose of the ITSC, which meets on a quarterly basis, is to review, monitor and prioritise ICT projects from a cross-functional perspective. The primary activity of the ITSC is to assist the office of the Government Information Technology Officer (GITO) in ensuring that operational ICT activities support the strategic objectives of the Department in a cost effective manner. Furthermore, the ITSC provides input into ICT policies and procedures, which in turn assists the ICT Strategy Committee in decision-making. The ITSC plays a key role in the implementation of corporate governance of the ICT Policy Framework.

9. Discontinued activities/activities to be discontinued

None.

10. New/proposed activities

None.

11. Asset management

The Department has managed all assets in line with the Public Finance Management Act, minimum requirements and financial guidelines from the National Treasury. All assets, including those newly acquired, are currently reflected on the Department's asset register, which comply with the minimum requirements. A reconciliation is performed on a monthly basis between the asset register and the basic accounting system to address any discrepancies as the assets on the asset register are recorded according to component accounting, while the recording of payments for assets on the financial system is treated as a unit.

12. Events after the reporting date

The COVID-19 pandemic resulted in the announcement of a levy payment relief for employees and companies that pay the skills development levies. This will affect the budgeted amount for the statutory appropriation of 2020/21.

13. Information on predetermined objectives

The Department was responsible for the development and support of a quality higher and vocational education sector and to promote access to higher education, vocational education, and skills development training opportunities. The information on pre-determined objectives is incorporated in Part B: Performance Information of this report.

14. Standing Committee on Public Accounts (SCOPA) resolutions

None.

15. Prior modifications to audit reports

None.

16. Exemptions and deviations received from the National Treasury

None.

17. Interim Financial Statements

Interim Financial Statements were compiled according to the guidelines issued by National Treasury and submitted to National Treasury during the 2019/20 financial year.

18. Other

None.

19. Approval

The Annual Financial Statements, set out on pages 219 to 316, were approved by the Accounting Officer.

Mr GF Qonde
Director-General
Date: 31 July 2020

REPORT OF THE AUDIT COMMITTEE

for the year ended 31 March 2020

We are pleased to present our report for the financial year ended 31 March 2020.

Audit Committee Responsibility

The Audit Committee accordingly reports that it has complied with its responsibilities arising from Section 38(1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 3.1. The Audit Committee has also adopted an appropriate formal Terms of Reference in relation to its Charter, conducted its affairs in compliance with this Charter and has discharged all its requisite responsibilities as emulated therein.

The Effectiveness of Internal Control

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

Through the reports from both Internal Audit and the AGSA it was identified that the system of internal control was not entirely effective. Several instances of non-compliance regarding internal controls were still reported. This was specifically on the reporting of performance information. Some of the agreed actions were still not sufficient in addressing the previously reported internal control deficiencies. Action plans were not effectively implemented, nor on a timely basis during the year, as recurring findings were identified. The Audit Committee will continue to monitor progress against the corrective action plans implemented by management.

The quality of in-year management and monthly / quarterly reports submitted in terms of the PFMA

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

The performance information-reporting environment still requires further improvements to ensure that the reported achievements are fully supported by accurate, valid and complete evidence

The reporting of performance information against set objectives in Programme 4 continues to be a cause for concern.

Evaluation of Financial Statements

The Audit Committee has:

- reviewed and discussed the audited financial statements to be included in the Annual Report with the AGSA and the Accounting Officer;
- reviewed the AGSA's management report and management's response thereto;
- reviewed changes in accounting policies and practices;
- reviewed the Departments compliance with legal and regulatory provisions;
- reviewed significant adjustments resulting from the audit; and
- reviewed information on predetermined objectives to be included in the 2019/20 Annual Report.

The Audit Committee concurs with and accepts the AGSA's conclusions in respect of the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted with the report of the AGSA.

Internal Audit

The Audit Committee is satisfied that the internal audit function is operating effectively and that it has addressed the pertinent risks to the Department identified during its audits. Additional capacity has been secured for Internal Audit and staff were able to complete the audits in terms of the approved coverage plan by the Audit Committee. This was supported by the rating of the Auditor-General.

Risk Management

A Risk Management Strategy as well as a Risk Management Committee is in place. There should be an improvement in monitoring of risks and identification of emerging new risks within the Department.

Auditor-General South Africa

The Audit Committee has met with the Auditor-General South Africa to ensure that there are no unresolved issues. The Audit Committee wishes to express its appreciation to the Office of the Auditor-General for its contribution as assurance provider.

Conclusion

The Audit Committee congratulates the Department on again achieving an unqualified audit report for the year under review. The Audit Committee will on an ongoing basis monitor the improvements made by management in addressing control deficiencies as identified by external and internal audits functions.

Prof DP van der Nest
Chairperson of the Audit Committee
Department of Higher Education and Training
Date: 30 September 2020

Report of the Auditor-General to Parliament on Vote No. 15: Department of Higher Education and Training

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Higher Education and Training (DHET), set out on pages 219 to 293, which comprise the appropriation statement, statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets and cash flow statement 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 DHET as at 31 March 2020, and its financial performance and cash flows for the year then ended, in accordance with Modified Cash Standard (MCS) prescribed by the National Treasury 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 department 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.

Responsibilities of the accounting officer for the financial statements

6. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, the accounting officer is responsible for assessing the department'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 department or to cease operations, or has no realistic alternative but to do so.

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

8. 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.

9. 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

10. 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 programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

11. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department 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.

12. 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 programme presented in the annual performance report of the department for the year ended 31 March 2020:

Programme	Pages in the annual performance report
Programme 4: Technical and Vocational Education and Training	66-103

13. 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.

14. The material finding in respect of the usefulness and reliability of the selected programme is as follows:

Programme 4: technical and vocational education and training

Qualifying technical and vocational education and training (TVET) students obtaining NSFAS financial assistance

15. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the target. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievement of 307 409 qualifying TVET students obtaining NSFAS financial assistance as reported in the annual performance report.

Other matters

16. I draw attention to the matters below.

Achievement of planned targets

17. Refer to the annual performance report on pages 68 to 70, 74 to 78, 82 to 89, 94 to 103, 106 to 110 and 112 to 114 for information on the achievement of planned targets for the year and explanations provided for the under and overachievement of a significant number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 15 of this report.

Adjustment of material misstatements

18. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of programme 4: technical and vocational education and training. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

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 department'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 officer 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 programmes 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 programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

24. If 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. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

26. Leadership did not exercise adequate oversight, specifically regarding reporting the predetermined objectives of the department as well as the related controls, resulting in material misstatements identified through the audit.

27. The department did not have a proper records management system to maintain information that supported the reported achievement in the annual performance report. This included information that related to the collection, collation, verification, storage and reporting of actual performance information.

28. The department did not perform adequate review over the reporting of predetermined objectives prior to submission for audit. This is evident from the material misstatements identified through the audit process.

Auditor-General

Pretoria

Date: 30 September 2020

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

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 the selected programmes and on the department'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 department's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
- conclude on the appropriateness of the accounting officer'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 DHET 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 department 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 officer 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 officer 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.

APPROPRIATION STATEMENT

for the year ended 31 March 2020

APPROPRIATION PER PROGRAMME

Voted funds and Direct charges	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. Administration	438 296	-	8 949	447 245	421 571	25 674	94.3%	441 780	429 682
2. Planning, Policy and Strategy	78 274	-	1 000	79 274	73 663	5 611	92.9%	79 904	72 051
3. University Education	73 460 806	-	(2 520)	73 458 286	73 437 596	20 690	100.0%	59 248 337	59 229 916
4. Technical and Vocational Education and Training	12 396 571	-	(3 609)	12 392 962	12 318 662	74 300	99.4%	10 744 473	10 725 440
5. Skills Development	280 881	-	14 531	295 412	291 167	4 245	98.6%	262 606	259 692
6. Community Education and Training	2 384 882	-	(18 351)	2 366 531	2 269 795	96 736	95.9%	2 346 973	2 206 957
PROGRAMME SUB TOTAL	**89 039 710**	**-**	**-**	**89 039 710**	**88 812 454**	**227 256**	**99.7%**	**73 124 073**	**72 923 738**
Statutory Appropriation	**18 283 844**	**-**	**-**	**18 283 844**	**18 283 844**	**-**	**100.0%**	**17 479 896**	**17 479 896**
Skills Levy and Sector Education and Training Authorities	18 283 844	-	-	18 283 844	18 283 844	-	100.0%	17 479 896	17 479 896
TOTAL	**107 323 554**	**-**	**-**	**107 323 554**	**107 096 298**	**227 256**	**99.8%**	**90 603 969**	**90 403 634**
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				22 759				27 674	
Aid assistance				52 999				108 072	
Actual amounts per Statement of Financial Performance (Total Revenue)				**107 399 312**				**90 739 715**	
Add: Aid assistance					48 535				64 582
Actual amounts per Statement of Financial Performance (Total Expenditure)					**107 144 833**				**90 468 216**

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
VOTE 15

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Appropriation per economic classification									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	**10 138 944**	**(12 738)**	**(472)**	**10 125 734**	**9 909 400**	**216 334**	**97.9%**	**9 373 861**	**9 180 312**
Compensation of employees	9 480 308	(11 050)	-	9 469 258	9 367 405	101 853	98.9%	8 946 114	8 753 103
Salaries and wages	8 446 518	(60 908)	(1 960)	8 383 650	8 288 124	95 526	98.9%	7 978 139	7 793 413
Social contributions	1 033 790	49 858	1 960	1 085 608	1 079 281	6 327	99.4%	967 975	959 690
Goods and services	658 636	(1 688)	(472)	656 476	541 995	114 481	82.6%	427 747	427 209
Administrative fees	1 344	(117)	-	1 227	1 098	129	89.5%	1 103	1 104
Advertising	1 341	(988)	-	353	210	143	59.5%	1 837	1 834
Minor assets	2 648	(1 096)	-	1 552	976	576	62.9%	2 231	2 218
Audit costs: External	12 899	(837)	-	12 062	11 580	482	96.0%	10 613	10 612
Bursaries: Employees	699	(294)	-	405	404	1	99.8%	423	423
Catering: Departmental activities	10 600	1 635	-	12 235	8 576	3 659	70.1%	5 661	5 642
Communication (G&S)	9 276	782	-	10 058	9 044	1 014	89.9%	8 822	8 785
Computer services	121 977	(15 141)	-	106 836	95 791	11 045	89.7%	78 267	78 241
Consultants: Business and advisory services	43 529	(8 829)	2 478	37 178	21 816	15 362	58.7%	10 922	10 920
Legal services	4 782	(328)	(1 000)	3 454	1 511	1 943	43.7%	4 979	4 979
Contractors	661	(558)	-	103	49	54	47.6%	230	227
Agency and support / outsourced services	2 415	1 524	1 480	5 419	5 405	14	99.7%	3 669	3 668
Entertainment	119	-	-	119	4	115	3.4%	28	16

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Appropriation per economic classification

	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Fleet services (including government motor transport)	3 382	98	-	3 480	3 129	351	89.9%	3 037	3 037
Inventory: Clothing material and accessories	557	(557)	-	-	-	-	-	421	421
Inventory: Fuel, oil and gas	700	(626)	-	74	73	1	98.6%	72	72
Inventory: Material and supplies	3 705	(422)	-	3 283	3 057	226	93.1%	3 748	3 745
Consumable supplies	2 587	(292)	-	2 295	1 932	363	84.2%	2 852	2 823
Consumable: Stationery, printing and office supplies	83 637	(23 569)	-	60 068	50 901	9 167	84.7%	33 594	33 530
Operating leases	60 107	21 197	6 485	87 789	74 585	13 204	85.0%	67 602	67 587
Property payments	24 287	(5 560)	-	18 727	17 836	891	95.2%	21 747	21 748
Transport provided: Departmental activity	3 625	5 173	-	8 798	8 723	75	99.1%	5 696	5 689
Travel and subsistence	150 748	8 543	1 024	160 315	126 024	34 291	78.6%	118 848	118 615
Training and development	42 985	745	-	43 730	36 807	6 923	84.2%	4 918	4 918
Operating payments	22 058	20 343	128	42 529	37 198	5 331	87.5%	13 643	13 577
Venues and facilities	47 703	(2 409)	(11 067)	34 227	25 134	9 093	73.4%	22 633	22 628
Rental and hiring	265	(105)	-	160	132	28	82.5%	151	150

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
VOTE 15

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Appropriation per economic classification	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	**97 170 369**	**11 050**	**-**	**97 181 419**	**97 177 311**	**4 108**	**100.0%**	**81 214 848**	**81 209 907**
Departmental agencies and accounts	49 386 730	(2 043)	-	49 384 687	49 385 269	(582)	100.0%	39 845 277	39 845 557
Departmental agencies (non-business entities)	49 386 730	(2 043)	-	49 384 687	49 385 269	(582)	100.0%	39 845 277	39 845 557
Higher education institutions	42 359 022	-	-	42 359 022	42 358 941	81	100.0%	36 900 812	36 896 878
Foreign governments and international organisations	3 898	-	-	3 898	2 866	1 032	73.5%	3 691	2 770
Non-profit institutions	5 408 734	2 043	-	5 410 777	5 410 777	-	100.0%	4 454 218	4 454 217
Households	11 985	11 050	-	23 035	19 458	3 577	84.5%	10 850	10 485
Social benefits	9 611	9 189	-	18 800	16 236	2 564	86.4%	10 318	9 952
Other transfers to households	2 374	1 861	-	4 235	3 222	1 013	76.1%	532	533
Payments for capital assets	**14 241**	**-**	**-**	**14 241**	**7 926**	**6 315**	**55.7%**	**13 862**	**12 022**
Building and other fixed structures	-	-	-	-	-	-	-	2 204	2 204
Buildings	-	-	-	-	-	-	-	2 204	2 204
Machinery and equipment	13 128	(143)	-	12 985	6 696	6 289	51.6%	10 659	8 818
Transport equipment	1 130	177	-	1 307	640	667	49.0%	2 139	1 642
Other machinery and equipment	11 998	(320)	-	11 678	6 056	5 622	51.9%	8 520	7 176
Software and intangible assets	1 113	143	-	1 256	1 230	26	97.9%	999	1 000
Payments for financial assets	**-**	**1 688**	**472**	**2 160**	**1 661**	**499**	**76.9%**	**1 398**	**1 393**
TOTAL	**107 323 554**	**-**	**-**	**107 323 554**	**107 096 298**	**227 256**	**99.8%**	**90 603 969**	**90 403 634**

Detail per programme 1 - Administration

for the year ended 31 March 2020

	2019/20							2018/19	
Details per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Ministry	26 128	3 317	-	29 445	28 906	539	98.2%	59 722	57 394
2. Department Management	49 566	3 667	-	53 233	51 457	1 776	96.7%	52 439	45 770
3. Corporate Services	186 998	(23 993)	1 924	164 929	159 420	5 509	96.7%	168 244	167 027
4. Office of the Chief Financial Officer	92 545	(981)	540	92 104	86 526	5 578	93.9%	82 411	81 042
5. Internal Audit	11 388	1 345	-	12 733	12 549	184	98.6%	8 062	7 547
6. Office Accommodation	71 671	16 645	6 485	94 801	82 713	12 088	87.2%	70 902	70 902
TOTAL	**438 296**	**-**	**8 949**	**447 245**	**421 571**	**25 674**	**94.3%**	**441 780**	**429 682**

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
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APPROPRIATION STATEMENT

Detail per programme 1 - Administration

for the year ended 31 March 2020

Programme 1 per economic classification	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	**432 281**	**(1 764)**	**8 949**	**439 466**	**414 189**	**25 277**	**94.2%**	**435 157**	**424 736**
Compensation of employees	237 810	(864)	2 464	239 410	234 553	4 857	98.0%	247 166	236 926
Salaries and wages	208 417	(520)	1 261	209 158	205 084	4 074	98.1%	218 964	209 635
Social contributions	29 393	(344)	1 203	30 252	29 469	783	97.4%	28 202	27 291
Goods and services	194 471	(900)	6 485	200 056	179 636	20 420	89.8%	187 991	187 810
Administrative fees	1 337	(112)	-	1 225	1 097	128	89.6%	1 078	1 079
Advertising	981	(877)	-	104	92	12	88.5%	1 349	1 348
Minor assets	691	(56)	-	635	289	346	45.5%	924	915
Audit costs: External	12 899	(837)	-	12 062	11 580	482	96.0%	9 950	9 950
Bursaries: Employees	347	58	-	405	404	1	99.8%	423	423
Catering: Departmental activities	493	(31)	-	462	452	10	97.8%	1 842	1 838
Communication (G&S)	4 359	519	-	4 878	4 402	476	90.2%	3 894	3 880
Computer services	33 882	(14 258)	-	19 624	19 195	429	97.8%	31 081	31 077
Consultants: Business and advisory services	22 483	(9 309)	-	13 174	11 418	1 756	86.7%	7 174	7 173
Legal services	116	117	-	233	233	-	100.0%	1 049	1 048
Contractors	53	(20)	-	33	20	13	60.6%	17	16
Agency and support / outsourced services	2 415	1 298	-	3 713	3 713	-	100.0%	3 669	3 668

Detail per programme 1 - Administration

for the year ended 31 March 2020

Programme 1 per economic classification	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Entertainment	119	-	-	119	4	115	3.4%	28	16
Fleet services (including government motor transport)	2 076	1 152	-	3 228	2 889	339	89.5%	2 680	2 680
Inventory: Clothing material and accessories	57	(57)	-	-	-	-	-	-	-
Inventory: Materials and supplies	30	2		32	13	19	40.6%	28	25
Consumable supplies	1 055	67	-	1 122	961	161	85.7%	1 187	1 178
Consumable: Stationary, printing and office supplies	4 697	(932)	-	3 765	3 127	638	83.1%	4 944	4 920
Operating leases	52 276	21 716	6 485	80 477	68 298	12 179	84.9%	57 626	57 615
Property payments	22 726	(5 175)	-	17 551	16 783	768	95.6%	15 537	15 537
Transport provided: Departmental activity	1 890	3 597	-	5 487	5 458	29	99.5%	3 199	3 198
Travel and subsistence	17 157	2 952	-	20 109	18 749	1 360	93.2%	20 412	20 363
Training and development	3 912	(297)	-	3 615	3 432	183	94.9%	4 755	4 754
Operating payments	4 308	(1 331)	-	2 977	2 004	973	67.3%	2 521	2 485
Venues and facilities	4 075	951	-	5 026	5 023	3	99.9%	12 570	12 570
Rental and hiring	37	(37)	-	-	-	-	-	54	54

APPROPRIATION STATEMENT

Detail per programme 1 - Administration

for the year ended 31 March 2020

Programme 1 per economic classification	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	**1 459**	**864**	**-**	**2 323**	**2 114**	**209**	**91.0%**	**684**	**683**
Departmental agencies and accounts	-	-	-	-	429	(429)	-	30	109
Departmental agencies (non-business entities)	-	-	-	-	429	(429)	-	30	109
Households	1 459	864	-	2 323	1 685	638	72.5%	654	574
Social benefits	1 459	367	-	1 826	1 685	141	92.3%	654	574
Other transfers to households	-	497	-	497	-	497	-	-	-
Payments for capital assets	**4 556**	**-**	**-**	**4 556**	**4 338**	**218**	**95.2%**	**5 888**	**4 212**
Machinery and equipment	3 467	(143)	-	3 324	3 108	216	93.5%	4 961	3 285
Transport equipment	-	-	-	-	-	-	-	1 755	1 258
Other machinery and equipment	3 467	(143)	-	3 324	3 108	216	93.5%	3 206	2 027
Software and intangible assets	1 089	143	-	1 232	1 230	2	99.8%	927	927
Payments for financial assets	**-**	**900**	**-**	**900**	**930**	**(30)**	**103.3%**	**51**	**51**
TOTAL	**438 296**	**-**	**8 949**	**447 245**	**421 571**	**25 674**	**94.3%**	**441 780**	**429 682**

APPROPRIATION STATEMENT

Detail per programme 2 - Planning, Policy and Strategy

for the year ended 31 March 2020

	2019/20							2018/19	
Details per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Programme Management: Planning, Policy and Strategy	2 181	(600)	-	1 581	1 466	115	92.7%	2 584	1 431
2. Human Resource Development, Strategic Planning and Coordination	18 997	(374)	-	18 623	18 320	303	98.4%	20 745	18 351
3. Planning, Information, Monitoring and Evaluation Coordination	20 181	519	-	20 700	20 046	654	96.8%	16 507	15 449
4. International Relations	12 044	1 716	1 970	15 730	14 333	1 397	91.1%	15 708	14 397
5. Legal and Legislative Services	17 069	(1 127)	(970)	14 972	12 104	2 868	80.8%	16 568	15 503
6. Social Inclusion in Education	7 802	(134)	-	7 668	7 394	274	96.4%	7 792	6 920
TOTAL	**78 274**	**-**	**1 000**	**79 274**	**73 663**	**5 611**	**92.9%**	**79 904**	**72 051**

APPROPRIATION STATEMENT

Detail per programme 2 - Planning, Policy and Strategy

for the year ended 31 March 2020

Programme 2 per economic classification	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	**73 690**	**(1 270)**	**1 000**	**73 420**	**69 605**	**3 815**	**94.8%**	**75 730**	**68 836**
Compensation of employees	62 075	(1 170)	1 970	62 875	62 457	418	99.3%	65 841	58 982
Salaries and wages	54 658	(1 586)	1 970	55 042	54 724	318	99.4%	58 472	52 441
Social contributions	7 417	416	-	7 833	7 733	100	98.7%	7 369	6 541
Goods and services	11 615	(100)	(970)	10 545	7 148	3 397	67.8%	9 889	9 854
Administrative fees	-	1	-	1	-	1	-	25	25
Advertising	-	-	-	-	-	-	-	1	1
Minor assets	72	(17)	-	55	30	25	54.5%	172	170
Catering: Departmental activities	46	(18)	-	28	12	16	42.9%	61	57
Communication (G&S)	659	412	-	1 071	916	155	85.5%	433	432
Computer services	443	3	-	446	443	3	99.3%	415	415
Consultants: Business and advisory services	338	22	-	360	359	1	99.7%	7	6
Legal services	4 666	(445)	(1 000)	3 221	1 278	1 943	39.7%	3 930	3 931
Contractors	51	(46)	-	5	5	-	100.0%	1	1
Fleet services (including government motor transport)	-	1	-	1	-	1	-	-	-
Inventory: Materials and supplies	7	(2)	-	5	2	3	40.0%	-	1
Consumable supplies	55	(15)	-	40	23	17	57.5%	27	25
Consumable: Stationery, printing and office supplies	833	(241)	-	592	479	113	80.9%	511	509

Detail per programme 2 - Planning, Policy and Strategy

for the year ended 31 March 2020

Programme 2 per economic classification	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating leases	119	9	-	128	118	10	92.2%	57	57
Property payments	-	-	-	-	-	-	-	6	6
Transport provided: Departmental activity	20	77	-	97	92	5	94.8%	82	81
Travel and subsistence	3 549	80	-	3 629	2 747	882	75.7%	3 904	3 881
Training and development	150	(64)	-	86	36	50	41.9%	12	12
Operating payments	336	149	30	515	348	167	67.6%	126	125
Venues and facilities	271	(6)	-	265	260	5	98.1%	118	118
Rental and hiring	-	-	-	-	-	-	-	1	1
Transfers and subsidies	**4 017**	**1 170**	**-**	**5 187**	**3 794**	**1 393**	**73.1%**	**3 707**	**2 785**
Departmental agencies and accounts	-	-	-	-	7	(7)	-	8	7
Departmental agencies (non-business entities)	-	-	-	-	7	(7)	-	8	7
Foreign governments and international organisations	3 898	-	-	3 898	2 866	1 032	73.5%	3 691	2 770
Households	119	1 170	-	1 289	921	368	71.5%	8	8
Social benefits	119	373	-	492	489	3	99.4%	8	8
Other transfers to households	-	797	-	797	432	365	54.2%	-	-
Payments for capital assets	**567**	**-**	**-**	**567**	**259**	**308**	**45.7%**	**461**	**424**
Machinery and equipment	567	-	-	567	259	308	45.7%	461	424
Other machinery and equipment	567	-	-	567	259	308	45.7%	461	424
Payments for financial assets	**-**	**100**	**-**	**100**	**5**	**95**	**5.0%**	**6**	**6**
TOTAL	**78 274**	**-**	**1 000**	**79 274**	**73 663**	**5 611**	**92.9%**	**79 904**	**72 051**

APPROPRIATION STATEMENT

Detail per programme 3 - University Education

for the year ended 31 March 2020

Details per sub-programme	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Programme Management: University Education	4 595	30	-	4 625	4 559	66	98.6%	5 406	4 174
2. University Planning and Institutional Funding	35 764	(1 499)	(1 290)	32 975	16 770	16 205	50.9%	16 180	13 195
3. Institutional Governance and Management Support	31 003 048	1 854	70	31 004 972	31 003 518	1 454	100.0%	22 270 816	22 266 410
4. Higher Education Policy Development and Research	35 699	177	(400)	35 476	34 484	992	97.2%	32 802	30 603
5. Teaching and Learning Development	22 678	(562)	(900)	21 216	19 324	1 892	91.1%	22 321	18 656
6. University Subsidies	42 359 022	-	-	42 359 022	42 358 941	81	100.0%	36 900 812	36 896 878
TOTAL	**73 460 806**	**-**	**(2 520)**	**73 458 286**	**73 437 596**	**20 690**	**100.0%**	**59 248 337**	**59 229 916**

Detail per programme 3 - University Education

for the year ended 31 March 2020

Programme 3 per economic classification	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	**100 402**	**(260)**	**(2 520)**	**97 622**	**77 310**	**20 312**	**79.2%**	**76 528**	**62 111**
Compensation of employees	75 120	(250)	(4 000)	70 870	64 439	6 431	90.9%	71 848	57 543
Salaries and wages	67 002	(272)	(4 000)	62 730	57 294	5 436	91.3%	63 987	51 292
Social contributions	8 118	22	-	8 140	7 145	995	87.8%	7 861	6 251
Goods and services	25 282	(10)	1 480	26 752	12 871	13 881	48.1%	4 680	4 568
Advertising	42	(24)	-	18	16	2	88.9%	112	113
Minor assets	79	(35)	-	44	42	2	95.5%	69	70
Catering: Departmental activities	266	(146)	-	120	116	4	96.7%	29	28
Communication (G&S)	391	(31)	-	360	328	32	91.1%	342	332
Computer services	831	(620)	-	211	168	43	79.6%	298	291
Consultants: Business and advisory services	17 479	749	-	18 228	4 765	13 463	26.1%	17	17
Contractors	63	(60)	-	3	3	-	100.0%	2	-
Agency and support / outsourced services	-	226	1 480	1 706	1 692	14	99.2%	-	-
Inventory: Materials and Supplies	1	3	-	4	2	2	50.0%	1	1
Consumable supplies	17	12	-	29	18	11	62.1%	17	17
Consumable: Stationery, printing and office supplies	472	(98)	-	374	336	38	89.8%	294	290
Operating leases	152	(11)	-	141	131	10	92.9%	131	130
Property payments	131	(131)	-	-	-	-	-	26	25
Transport provided: Departmental activity	45	537	-	582	575	7	98.8%	72	69

APPROPRIATION STATEMENT

Detail per programme 3 - University Education

for the year ended 31 March 2020

Programme 3 per economic classification	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Travel and subsistence	4 085	398	-	4 483	4 274	209	95.3%	2 893	2 821
Training and development	229	(229)	-	-	-	-	-	-	-
Operating payments	601	(247)	-	354	311	43	87.9%	231	219
Venues and facilities	390	(299)	-	91	91	-	100.0%	142	141
Rental and hiring	8	(4)	-	4	3	1	75.0%	4	4
Transfers and subsidies	**73 359 568**	**250**	**-**	**73 359 818**	**73 359 636**	**182**	**100.0%**	**59 171 345**	**59 167 361**
Departmental agencies and accounts	30 945 569	-	-	30 945 569	30 945 582	(13)	100.0%	22 213 484	22 213 484
Departmental agencies (non-business entities)	30 945 569	-	-	30 945 569	30 945 582	(13)	100.0%	22 213 484	22 213 484
Higher education institutions	42 359 022	-	-	42 359 022	42 358 941	81	100.0%	36 900 812	36 896 878
Non-profit institutions	54 977	-	-	54 977	54 977	-	100.0%	56 756	56 756
Households	-	250	-	250	136	114	54.4%	293	243
Social benefits	-	237	-	237	136	101	57.4%	293	243
Other transfers to households	-	13	-	13	-	13	-	-	-
Payments for capital assets	**836**	**-**	**-**	**836**	**646**	**190**	**77.3%**	**456**	**440**
Machinery and equipment	836	-	-	836	646	190	77.3%	456	440
Other machinery and equipment	836	-	-	836	646	190	77.3%	456	440
Payments for financial assets	**-**	**10**	**-**	**10**	**4**	**6**	**40.0%**	**8**	**4**
TOTAL	**73 460 806**	**-**	**(2 520)**	**73 458 286**	**73 437 596**	**20 690**	**100.0%**	**59 248 337**	**59 229 916**

Detail per programme 4 - Technical and Vocational Education and Training

for the year ended 31 March 2020

Details per sub-programme	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Programme Management: Technical and Vocational Education and Training	3 850	110	-	3 960	3 742	218	94.5%	4 298	3 915
2. Technical and Vocational Education and Training System Planning and Institutional Support	11 668 925	(17 699)	-	11 651 226	11 637 949	13 277	99.9%	10 219 369	10 218 611
3. Programmes and Qualifications	16 897	-	-	16 897	16 374	523	96.9%	16 356	16 015
4. National Examination and Assessment	694 305	17 589	(3 609)	708 285	648 737	59 548	91.6%	492 687	475 338
5. Financial Planning	12 594	-	-	12 594	11 860	734	94.2%	11 763	11 561
TOTAL	**12 396 571**	**-**	**(3 609)**	**12 392 962**	**12 318 662**	**74 300**	**99.4%**	**10 744 473**	**10 725 440**

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
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APPROPRIATION STATEMENT

Detail per programme 4 - Technical and Vocational Education and Training

for the year ended 31 March 2020

Programme 4 per economic classification	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	**7 165 097**	**(5 136)**	**(3 609)**	**7 156 352**	**7 085 015**	**71 337**	**99.0%**	**6 433 947**	**6 414 917**
Compensation of employees	6 783 380	(4 536)	7 536	6 786 380	6 784 549	1 831	100.0%	6 270 903	6 251 969
Salaries and wages	5 879 762	(47 217)	6 910	5 839 455	5 838 056	1 399	100.0%	5 432 414	5 413 796
Social contributions	903 618	42 681	626	946 925	946 493	432	100.0%	838 489	838 173
Goods and services	381 717	(600)	(11 145)	369 972	300 466	69 506	81.2%	163 044	162 948
Administrative fees	-	1	-	1	1	-	100.0%	-	-
Advertising	-	3	-	3	2	1	66.7%	55	54
Minor assets	777	(486)	-	291	118	173	40.5%	97	95
Bursaries: Employees	352	(352)	-	-	-	-	-	-	-
Catering: Departmental activities	8 196	1 491	-	9 687	6 706	2 981	69.2%	2 572	2 568
Communication (G&S)	2 228	(278)	-	1 950	1 728	222	88.6%	2 136	2 134
Computer services	86 821	(266)	-	86 555	75 985	10 570	87.8%	46 401	46 386
Consultants: Business and advisory services	1 124	(685)	-	439	316	123	72.0%	179	178
Contractors	42	10	-	52	11	41	21.2%	5	5
Fleet services (including government motor transport)	656	(598)	-	58	56	2	96.6%	48	47
Inventory: Materials and supplies	-	4	-	4	2	2	50.0%	4	4
Consumable supplies	350	(209)	-	141	50	91	35.5%	585	581

Detail per programme 4 - Technical and Vocational Education and Training

for the year ended 31 March 2020

Programme 4 per economic classification	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable: Stationery, printing and office supplies	73 432	(21 538)	-	51 894	44 380	7 514	85.5%	22 858	22 844
Operating leases	2 328	(280)	-	2 048	1 675	373	81.8%	2 215	2 209
Property payments	238	(105)	-	133	133	-	100.0%	3 064	3 065
Transport provided: Departmental activity	1 022	(118)	-	904	888	16	98.2%	942	939
Travel and subsistence	111 526	2 527	-	114 053	84 433	29 620	74.0%	65 967	65 931
Training and development	37 352	1 759	-	39 111	33 118	5 993	84.7%	77	79
Operating payments	14 927	21 417	-	36 344	33 439	2 905	92.0%	8 779	8 771
Venues and facilities	40 226	(2 847)	(11 145)	26 234	17 363	8 871	66.2%	7 048	7 046
Rental and hiring	120	(50)	-	70	62	8	88.6%	12	12
Transfers and subsidies	**5 229 290**	**4 536**	**-**	**5 233 826**	**5 232 257**	**1 569**	**100.0%**	**4 308 230**	**4 308 230**
Departmental agencies and accounts	16 039	-	-	16 039	16 142	(103)	100.6%	15 195	15 389
Departmental agencies (non-business entities)	16 039	-	-	16 039	16 142	(103)	100.6%	15 195	15 389
Non-profit institutions	5 204 965	-	-	5 204 965	5 204 965	-	100.0%	4 287 538	4 287 538
Households	8 286	4 536	-	12 822	11 150	1 672	87.0%	5 497	5 303
Social benefits	5 943	4 014	-	9 957	8 391	1 566	84.3%	5 161	4 967
Other transfers to households	2 343	522	-	2 865	2 759	106	96.3%	336	336

APPROPRIATION STATEMENT

Detail per programme 4 - Technical and Vocational Education and Training

for the year ended 31 March 2020

Programme 4 per economic classification	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	**2 184**	**-**	**-**	**2 184**	**987**	**1 197**	**45.2%**	**1 331**	**1 328**
Machinery and equipment	2 160	-	-	2 160	987	1 173	45.7%	1 259	1 255
Transport equipment	-	177	-	177	177	-	100.0%	-	-
Other machinery and equipment	2 160	(177)	-	1 983	810	1 173	40.8%	1 259	1 255
Software and other intangible assets	24	-	-	24	-	24	-	72	73
Payments for financial assets	**-**	**600**	**-**	**600**	**403**	**197**	**67.2%**	**965**	**965**
TOTAL	**12 396 571**	**-**	**(3 609)**	**12 392 962**	**12 318 662**	**74 300**	**99.4%**	**10 744 473**	**10 725 440**

Detail per programme 5 - Skills Development

for the year ended 31 March 2020

Details per sub-programme	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Programme Management: Skills Development	3 515	3 864	14 509	21 888	21 696	192	99.1%	3 297	2 824
2. SETA Coordination	238 086	(4 224)	-	233 862	231 185	2 677	98.9%	220 191	219 242
3. National Skills Development Services	13 224	359	-	13 583	12 208	1 375	89.9%	11 738	10 246
4. Quality Development and Promotion	26 056	1	22	26 079	26 078	1	100.0%	27 380	27 380
TOTAL	**280 881**	**-**	**14 531**	**295 412**	**291 167**	**4 245**	**98.6%**	**262 606**	**259 692**

APPROPRIATION STATEMENT

Detail per programme 5 - Skills Development

for the year ended 31 March 2020

Programme 5 per economic classification	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	**140 766**	**(309)**	**14 509**	**154 966**	**152 002**	**2 964**	**98.1%**	**127 377**	**124 568**
Compensation of employees	124 521	(231)	12 031	136 321	134 142	2 179	98.4%	113 612	110 825
Salaries and wages	106 613	(537)	11 900	117 976	116 184	1 792	98.5%	97 417	94 977
Social contributions	17 908	306	131	18 345	17 958	387	97.9%	16 195	15 848
Goods and services	16 245	(78)	2 478	18 645	17 860	785	95.8%	13 765	13 743
Administrative fees	7	(7)	-	-	-	-	-	-	-
Advertising	15	84	-	99	97	2	98.0%	-	-
Minor assets	947	(689)	-	258	244	14	94.6%	412	412
Catering: Departmental activities	78	511	-	589	588	1	99.8%	81	80
Communication (G&S)	1 260	301	-	1 561	1 527	34	97.8%	1 758	1 753
Computer services	-	-	-	-	-	-	-	1	1
Consultants: Business and advisory services	1 036	394	2 478	3 908	3 890	18	99.5%	701	701
Contractors	450	(442)	-	8	8	-	100.0%	143	143
Fleet services (including government motor transport)	420	(240)	-	180	176	4	97.8%	212	213
Inventory: Clothing material and accessories	500	(500)	-	-	-	-	-	421	421
Inventory: Fuel, oil and gas	700	(626)	-	74	73	1	98.6%	72	72

Detail per programme 5 - Skills Development

for the year ended 31 March 2020

Programme 5 per economic classification	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Materials and supplies	3 660	(448)	-	3 212	3 018	194	94.0%	3 704	3 705
Consumable supplies	980	(96)	-	884	843	41	95.4%	918	914
Consumable: Stationery, printing and office supplies	1 048	(392)	-	656	596	60	90.9%	682	679
Operating leases	770	(242)	-	528	494	34	93.6%	318	319
Property payments	385	(128)	-	257	247	10	96.1%	1 469	1 469
Transport provided: Departmental activity	362	1 257	-	1 619	1 605	14	99.1%	288	287
Travel and subsistence	2 871	1 115	-	3 986	3 830	156	96.1%	2 171	2 160
Training and development	20	(20)	-	-	-	-	-	20	20
Operating payments	582	40	-	622	440	182	70.7%	283	283
Venues and facilities	54	64	-	118	117	1	99.2%	40	40
Rental and hiring	100	(14)	-	86	67	19	77.9%	71	71

APPROPRIATION STATEMENT

Detail per programme 5 - Skills Development

for the year ended 31 March 2020

Programme 5 per economic classification	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	**138 368**	**231**	**-**	**138 599**	**138 499**	**100**	**99.9%**	**134 222**	**134 221**
Departmental agencies and accounts	138 360	-	-	138 360	138 372	(12)	100.0%	133 877	133 885
Departmental agencies (non-business entities)	138 360	-	-	138 360	138 372	(12)	100.0%	133 877	133 885
Households	8	231	-	239	127	112	53.1%	345	336
Social benefits	8	217	-	225	127	98	56.4%	229	219
Other transfers to households	-	14	-	14	-	14	-	116	117
Payments for capital assets	**1 747**	**-**	**-**	**1 747**	**621**	**1 126**	**35.5%**	**1 005**	**902**
Machinery and equipment	1 747	-	-	1 747	621	1 126	35.5%	1 005	902
Transport equipment	-	-	-	-	-	-	-	101	101
Other machinery and equipment	1 747	-	-	1 747	621	1 126	35.5%	904	801
Payments for financial assets	**-**	**78**	**22**	**100**	**45**	**55**	**45.0%**	**2**	**1**
TOTAL	**280 881**	**-**	**14 531**	**295 412**	**291 167**	**4 245**	**98.6%**	**262 606**	**259 692**

Detail per programme 6 - Community Education and Training

for the year ended 31 March 2020

	2019/20							2018/19	
Details per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Programme Management: Community Education and Training	1 790	-	110	1 900	1 108	792	58.3%	2 891	1 174
2. Community Education and Training Colleges Systems Planning, Institutional Development and Support	2 185 106	(18)	(19 835)	2 165 253	2 080 098	85 155	96.1%	2 161 395	2 034 704
3. Financial Planning	186 553	18	1 334	187 905	178 105	9 800	94.8%	166 739	165 532
4. Education and Training and Development Support	11 433	-	40	11 473	10 484	989	91.4%	15 948	5 547
TOTAL	**2 384 882**	**-**	**(18 351)**	**2 366 531**	**2 269 795**	**96 736**	**95.9%**	**2 346 973**	**2 206 957**

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
VOTE 15

APPROPRIATION STATEMENT

Detail per programme 6 - Community Education and Training

for the year ended 31 March 2020

Programme 6 per economic classification	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	**2 226 708**	**(3 999)**	**(18 801)**	**2 203 908**	**2 111 279**	**92 629**	**95.8%**	**2 225 122**	**2 085 144**
Compensation of employees	2 197 402	(3 999)	(20 001)	2 173 402	2 087 265	86 137	96.0%	2 176 744	2 036 858
Salaries and wages	2 130 066	(10 776)	(20 001)	2 099 289	2 016 782	82 507	96.1%	2 106 885	1 971 272
Social contributions	67 336	6 777	-	74 113	70 483	3 630	95.1%	69 859	65 586
Goods and services	29 306	-	1 200	30 506	24 014	6 492	78.7%	48 378	48 286
Advertising	303	(174)	-	129	3	126	2.3%	320	318
Minor assets	82	187	-	269	253	16	94.1%	557	556
Audit costs: External	-	-	-	-	-	-	-	663	662
Catering: Departmental activities	1 521	(172)	-	1 349	702	647	52.0%	1 076	1 071
Communication (G&S)	379	(141)	-	238	143	95	60.1%	259	254
Computer services	-	-	-	-	-	-	-	71	71
Consultants: Business and advisory services	1 069	-	-	1 069	1 068	1	99.9%	2 844	2 845
Contractors	2	-	-	2	2	-	100.0%	62	62
Fleet services (including government motor transport)	230	(217)	-	13	8	5	61.5%	97	97
Inventory: Materials and supplies	7	19	-	26	20	6	76.9%	11	9
Consumable supplies	130	(51)	-	79	37	42	46.8%	118	108
Consumable: Stationery, printing and office supplies	3 155	(368)	-	2 787	1 983	804	71.2%	4 305	4 288

Detail per programme 6 - Community Education and Training

for the year ended 31 March 2020

Programme 6 per economic classification	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating leases	4 462	5	-	4 467	3 869	598	86.6%	7 255	7 257
Property payments	807	(21)	-	786	673	113	85.6%	1 645	1 646
Transport provided: Departmental activity	286	(177)	-	109	105	4	96.3%	1 113	1 115
Travel and subsistence	11 560	1 471	1 024	14 055	11 991	2 064	85.3%	23 501	23 459
Training and development	1 322	(404)	-	918	221	697	24.1%	54	53
Operating payments	1 304	315	98	1 717	656	1 061	38.2%	1 703	1 694
Venues and facilities	2 687	(272)	78	2 493	2 280	213	91.5%	2 715	2 713
Rental and hiring	-	-	-	-	-	-	-	9	8
Transfers and subsidies	**153 823**	**3 999**	**-**	**157 822**	**157 167**	**655**	**99.6%**	**116 764**	**116 731**
Departmental agencies and accounts	2 918	(2 043)	-	875	893	(18)	102.1%	2 787	2 787
Departmental agencies (non-business entities)	2 918	(2 043)	-	875	893	(18)	102.1%	2 787	2 787
Non-profit institutions	148 792	2 043	-	150 835	150 835	-	100.0%	109 924	109 923
Households	2 113	3 999	-	6 112	5 439	673	89.0%	4 053	4 021
Social benefits	2 082	3 981	-	6 063	5 408	655	89.2%	3 973	3 941
Other transfers to households	31	18	-	49	31	18	63.3%	80	80

APPROPRIATION STATEMENT

Detail per programme 6 - Community Education and Training

for the year ended 31 March 2020

Programme 6 per economic classification	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	**4 351**	**-**	**-**	**4 351**	**1 075**	**3 276**	**24.7%**	**4 721**	**4 716**
Buildings and other fixed structures	-	-	-	-	-	-	-	2 204	2 204
Buildings	-	-	-	-	-	-	-	2 204	2 204
Machinery and equipment	4 351	-	-	4 351	1 075	3 276	24.7%	2 517	2 512
Transport equipment	1 130	-	-	1 130	463	667	41.0%	283	283
Other machinery and equipment	3 221	-	-	3 221	612	2 609	19.0%	2 234	2 229
Payments for financial assets	**-**	**-**	**450**	**450**	**274**	**176**	**60.9%**	**366**	**366**
TOTAL	**2 384 882**	**-**	**(18 351)**	**2 366 531**	**2 269 795**	**96 736**	**95.9%**	**2 346 973**	**2 206 957**

Details for Direct Charges against the National Revenue Fund

for the year ended 31 March 2020

STATUTORY APPROPRIATION									
Direct charges	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Sector Education and Training Authorities	14 627 075	-	-	14 627 075	14 627 075	-	100.0%	13 983 917	13 983 917
2. National Skills Fund	3 656 769	-	-	3 656 769	3 656 769	-	100.0%	3 495 979	3 495 979
TOTAL	**18 283 844**	**-**	**-**	**18 283 844**	**18 283 844**	**-**	**100.0%**	**17 479 896**	**17 479 896**

STATUTORY APPROPRIATION PER ECONOMIC CLASSIFICATION									
Economic classification	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	**18 283 844**	**-**	**-**	**18 283 844**	**18 283 844**	**-**	**100.0%**	**17 479 896**	**17 479 896**
Departmental agencies and accounts	18 283 844	-	-	18 283 844	18 283 844	-	100.0%	17 479 896	17 479 896
Departmental agencies (non-business entities)	18 283 844	-	-	18 283 844	18 283 844	-	100.0%	17 479 896	17 479 896
TOTAL	**18 283 844**	**-**	**-**	**18 283 844**	**18 283 844**	**-**	**100.0%**	**17 479 896**	**17 479 896**

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2020

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

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

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

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

3. Detail on payments for financial assets:

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

4. Explanations of material variances from Amounts Voted (after virement):

4.1 Per programme:

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Administration	447 245	421 571	25 674	5.74

The under-spending is due mainly to attrition posts that became vacant during the year that could not be filled as projected and concomitant savings on administrative expenditure as well as funds set aside for the feasibility study for a new Head Office building that was not claimed as projected.

Planning, Policy and Strategy	79 274	73 663	5 611	7.08

The under-spending is due mainly to delays in finalisation of litigation matters which often are protracted, delays by councel who are briefed to file their invoices with the State Attorney offices, dormant litigation matters wherein applicants or plaintiffs seem to have lost interest on matters, due to a saving on the transfer to the India-Brazil-South Africa Trilateral Commission as no invoices were received for services rendered during the financial year and the favourable Rand/Euro Exchange rate that was applicable when payments were made to the Commonwealth of Learning.

University Education	73 458 286	73 437 596	20 690	0.03

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%

The under-spending is due mainly to posts on the staff establishment that was not filled as projected and management fees for the Student Housing Infrastructure project that was not claimed as projected.

Technical and Vocational Education and Training	12 392 962	12 318 662	74 300	0.60

The under-spending is due mainly to vacant attrition posts that was not filled as projected and due to projected claims for examiners and moderators in respect of the February/March 2020 examination that were not received as planned as well as savings on operational costs for Examination and Administration Services.

Skills Development	295 412	291 167	4 245	1.44

The under-spending is due mainly to attrition posts that became vacant during the year that could not be filled as projected and the concomitant savings on administrative costs as well as invoices not received and paid as projected during March 2020.

Community Education and Training	2 366 531	2 269 795	96 736	4.09

The under-spending is due mainly to posts on the staff establishment of the Department that was not filled as projected, CET lecturer claims not received as projected and concomitant savings on goods and services.

4.2 Per economic classification:

	Final Appropriation	Actual Expenditure	Variance	Variance as a %of Final Appropriation
	R'000	R'000	R'000	%
Current expenditure				
Compensation of employees	9 469 258	9 367 405	101 853	1.08
Goods and services	656 476	541 995	114 481	17.44
Transfers and subsidies				
Departmental agencies and accounts	49 384 687	49 385 269	(582)	-
Higher education institutions	42 359 022	42 358 941	81	-
Foreign governments and international organisations	3 898	2 866	1 032	26.48
Non-profit institutions	5 410 777	5 410 777	-	-
Households	23 035	19 458	3 577	15.53
Payments for capital assets				
Machinery and equipment	12 985	6 696	6 289	48.43
Software and other intangible assets	1 256	1 230	26	2.07
Payments for financial assets	**2 160**	**1 661**	**499**	**23.10**

Compensation of Employees

The under-spending is due mainly to: 1) posts on the staff establishment that were not filled as projected; 2) attrition posts that became vacant during the year that could not be filled as projected; 3) projected claims for examiners and moderators in respect of the February/March 2020 examinations that were not received as planned; and 4) claims in respect of Community Education and Training lectures that were not received as projected.

Goods and services

The under-spending is due mainly to funds set aside for the feasibility study of the Head Office Building that was not claimed as projected, delays in finalisation of litigation matters which often are protracted, delays by counsel who are briefed to file their invoices with the State Attorney offices, dormant litigation matters wherein applicants or plaintiffs seem to have lost interest on matters, management fees for the student Housing Infrastructure project that was not claimed as projected, travel and subsistence claims for February/ March 2020 examinations not received as projected, invoices not received and paid as projected and savings on the examination and administrative services.

Foreign governments and international organisations

The under-spending is due to a saving on the transfer to the India-Brazil-South Africa Trilateral Commission as no invoices were received for services rendered during the financial year.

Households

The under-spending is due to the planned claims for leave gratuity that was not finalised as projected.

Payments for capital assets

The under-spending is due mainly to cost saving measures put in place with regards to the replacement of computer equipment.

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2020

	NOTE	2019/20 R'000	2018/19 R'000
REVENUE			
Annual appropriation	*1*	89 039 710	73 124 073
Statutory appropriation	*2*	18 283 844	17 479 896
Departmental revenue	*3*	22 759	27 674
Aid assistance	*4*	52 999	108 072
TOTAL REVENUE		**107 399 312**	**90 739 715**
EXPENDITURE			
Current expenditure			
Compensation of employees	*5*	9 367 405	8 753 103
Goods and services	*6*	541 995	427 209
Aid assistance	*4*	20 442	22 023
TOTAL CURRENT EXPENDITURE		**9 929 842**	**9 202 335**
Transfers and subsidies			
Transfers and subsidies	*8*	97 177 311	81 209 907
Aid assistance	*4*	27 850	42 243
TOTAL TRANSFERS AND SUBSIDIES		**97 205 161**	**81 252 150**
Expenditure for capital assets			
Tangible assets	*9*	6 939	11 284
Software and other intangible assets	*9*	1 230	1 054
TOTAL EXPENDITURE FOR CAPITAL ASSETS		**8 169**	**12 338**
Payments for financial assets	*7*	1 661	1 393
TOTAL EXPENDITURE		**107 144 833**	**90 468 216**
SURPLUS FOR THE YEAR		**254 479**	**271 499**
Reconciliation of Net Surplus for the year			
Voted Funds		227 256	200 335
Annual appropriation		227 256	200 335
Departmental revenue and NRF receipts	*15*	22 759	27 674
Aid assistance	*4*	4 464	43 490
SURPLUS FOR THE YEAR		**254 479**	**271 499**

STATEMENT OF FINANCIAL POSITION

as at 31 March 2020

	NOTE	2019/20 R'000	2018/19 R'000
ASSETS			
Current Assets		**489 137**	**673 910**
Cash and cash equivalents	*10*	44	265
Prepayments and advances	*11*	14 489	21 638
Receivables	*12*	471 404	648 907
Loans	*13*	3 200	3 100
Non-Current Assets		**14 773**	**20 381**
Receivables	*12*	9 746	12 156
Loans	*13*	5 027	8 225
TOTAL ASSETS		**503 910**	**694 291**
LIABILITIES			
Current Liabilities		**488 201**	**678 966**
Voted funds to be surrendered to the Revenue Fund	*14*	227 256	200 335
Departmental revenue to be surrendered to the Revenue Fund	*15*	869	988
Bank overdraft	*16*	100 863	358 858
Payables	*17*	154 749	88 214
Aid assistance repayable	*4*	4 464	30 571
TOTAL LIABILITIES		**488 201**	**678 966**
NET ASSETS		**15 709**	**15 325**
Represented by:			
Capitalisation reserve		8 227	11 325
Recoverable revenue		7 482	4 000
TOTAL		**15 709**	**15 325**

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2020

	NOTE	2019/20 R'000	2018/19 R'000
Capitalisation Reserves			
Opening balance		11 325	14 298
Transfers:			
Other movements		(3 098)	(2 973)
Closing balance		**8 227**	**11 325**
Recoverable revenue			
Opening balance		4 000	2 612
Transfers:		**3 482**	**1 388**
Irrecoverable amounts written off	*7.1*	(1 536)	(1 371)
Debt revised		(240)	(336)
Debts recovered (included in departmental receipts)		(10 072)	(13 834)
Debts raised		15 330	16 929
Closing balance		**7 482**	**4 000**
TOTAL		**15 709**	**15 325**

CASH FLOW STATEMENT

for the year ended 31 March 2020

	NOTE	2019/20 R'000	2018/19 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**107 398 883**	**90 739 715**
Annual appropriated funds received	*1.1*	89 039 710	73 124 073
Statutory appropriated funds received	*2*	18 283 844	17 479 896
Departmental revenue received	*3*	20 323	25 654
Interest received	*3.2*	2 007	2 020
Aid assistance received	*4*	52 999	108 072
Net (increase)/ decrease in working capital		251 187	(638 041)
Surrendered to Revenue Fund		(223 213)	(39 523)
Surrendered to RDP Fund/Donor		(30 571)	(648)
Current payments		(9 929 842)	(9 202 335)
Payments for financial assets		(1 661)	(1 393)
Transfers and subsidies paid		(97 205 161)	(81 252 150)
Net cash flow available from operating activities	*18*	**259 622**	**(394 375)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	*9*	(8 169)	(12 338)
Proceeds from sale of capital assets	*3.3*	429	-
(Increase)/ decrease in loans		3 098	2 973
(Increase)/decrease in non-current receivables		2 410	-
Net cash flows from investing activities		**(2 232)**	**(9 365)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		384	(1 585)
Net cash flows from financing activities		**384**	**(1 585)**
Net increase/ (decrease) in cash and cash equivalents		257 774	(405 325)
Cash and cash equivalents at beginning of period		(358 593)	46 732
Cash and cash equivalents at end of period	*19*	**(100 819)**	**(358 593)**

Summary of significant accounting policies

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual Financial Statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1. Basis of preparation

The Financial Statements have been prepared in accordance with the Modified Cash Standard.

2. Going concern

The Financial Statements have been prepared on a going concern basis.

3. Presentation currency

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

4. Rounding

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

5. Foreign currency translation

Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.

6. Comparative information

6.1 Prior period comparative information

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

6.2 Current year comparison with budget

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the Appropriation Statement.

7. Revenue

7.1 Appropriated funds

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

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

The net amount of any appropriated funds due to / from the National Revenue Fund at the reporting date is recognised as a payable / receivable in the Statement of Financial Position.

7.2 Departmental revenue

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

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

7.3 Accrued departmental revenue

Accruals in respect of Departmental revenue (excluding tax revenue) are recorded in the notes to the Financial Statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.

Write-offs are made according to the Department's loss and disposal policy as well as any relevant legislative requirements.

8. Expenditure

8.1 Compensation of employees

8.1.1 Salaries and wages

Salaries and wages are recognised in the Statement of Financial Performance on the date of payment.

8.1.2 Social contributions

Social contributions made by the Department in respect of current employees are recognised in the Statement of Financial Performance on the date of payment.

Social contributions made by the Department in respect of ex-employees are classified as transfers to households in the Statement of Financial Performance on the date of payment.

8.2 Other expenditure

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the Statement of Financial Performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

8.3 Accruals and payables not recognised

Accruals and payables not recognised are recorded in the notes to the Financial Statements at cost at the reporting date.

8.4 Leases

8.4.1 Operating leases

Operating lease payments made during the reporting period are recognised as current expenditure in the Statement of Financial Performance on the date of payment.

The operating lease commitments are recorded in the notes to the Financial Statements.

8.4.2 Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the Statement of Financial Performance on the date of payment.

The finance lease commitments are recorded in the notes to the Financial Statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- cost, being the fair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

9. Aid Assistance

9.1 Aid assistance received

Aid assistance received in cash is recognised in the Statement of Financial Performance when received. In-kind aid assistance is recorded in the annexure to the Financial Statements on the date of receipt and is measured at fair value.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the Statement of Financial Position.

9.2 Aid assistance paid

Aid assistance paid is recognised in the Statement of Financial Performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the Statement of Financial Position.

10. Cash and cash equivalents

Cash and cash equivalents are stated at cost in the Statement of Financial Position.

Bank overdrafts are shown separately on the face of the Statement of Financial Position as a current liability.

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

11. Prepayments and advances

Prepayments and advances are recognised in the Statement of Financial Position when the Department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

Prepayments are expensed when invoices or claims for services rendered or goods received are provided.

12. Loans and receivables

Loans and receivables are recognised in the Statement of Financial Position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the Department's loss and disposal policy as well as any relevant legislative requirements.

13. Financial assets

13.1 Financial assets

A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At the reporting date, the Department measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

13.2 Impairment of financial assets

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the Financial Statements.

14. Payables

Payables recognised in the Statement of Financial Position are recognised at cost.

15. Capital Assets

15.1 Immovable capital assets

Immovable capital assets reflected in the asset register of the Department are recorded in the notes to the Financial Statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable capital assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

Additional information on immovable assets not reflected in the asset register is provided in the notes to the Financial Statements.

15.2 Movable capital assets

Movable capital assets are initially recorded in the notes to the Financial Statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

15.3 Intangible assets

Intangible assets are initially recorded in the notes to the Financial Statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the Financial Statements when the Department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

16. Provisions and Contingents

16.1 Provisions

Provisions are recorded in the notes to the Financial Statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

16.2 Contingent liabilities

Contingent liabilities are recorded in the notes to the Financial Statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

16.3 Contingent assets

Contingent assets are recorded in the notes to the Financial Statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department.

16.4 Capital commitments

Capital commitments are recorded at cost in the notes to the financial statements.

17. Unauthorised expenditure

Unauthorised expenditure is recognised in the Statement of Financial Position until such time as the expenditure is either:

- approved by Parliament with funding and the related funds are received; or
- approved by Parliament without funding and is written-off against the appropriation in the Statement of Financial Performance; or
- transferred to receivables for recovery.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

18. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the Financial Statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the Financial Statements when it is resolved or transferred to receivables or written off.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

19. Irregular expenditure

Irregular expenditure is recorded in the notes to the Financial Statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and removed or written-off.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

20. Changes in accounting policies, accounting estimates and errors

Changes in accounting estimates are applied prospectively in accordance with Modified Cash Standard requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with Modified Cash Standard requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the Department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

21. Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the Financial Statements.

22. Principal-Agent-arrangements

The Department is party to a principal-agent arrangement for the Technical and Vocational Education and Training College infrastructure project. In terms of the arrangement the Department is the agent. The Department has been appointed by the National Skills Fund to project manage the Technical and Vocational Education and Training College infrastructure development funded by the National Skills Fund and relevant Sector Education and Training Authorities. The beneficiaries of the project will be the respective Technical and Vocational Education and Training Colleges who will receive the new or improved Technical and Vocational Education and Training College campus sites once the construction has been completed. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Any unspent funds will be returned to the National Skills Fund. Principal-Agent arrangements have been accounted for in the notes to the Financial Statements where appropriate. Additional disclosures have been provided in the notes to the Financial Statements where appropriate.

23. Departures from Modified Cash Standard requirements

Management has concluded that the Financial Statements present fairly the Department's primary and secondary information. The Department complied with the Modified Cash Standard requirements.

24. Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National Revenue Fund when recovered or are transferred to the Statement of Financial Performance when written-off.

25. Related party transactions

Related party transactions within the Minister's portfolio are recorded in the notes to the Financial Statements when the transaction is not at arm's length.

The number of individuals and the full compensation of key management personel is recorded in the notes to the Financial Statements.

26. Inventories

At the date of acquisition, inventories are recognised at cost price in the Statement of Financial Performance.

Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.

Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.

The cost of inventories is assigned by using the weighted average cost basis.

27. Employee benefits

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.

28. Transfer of functions

Transfer of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.

Transfer of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.

29. Mergers

Mergers are accounted for by the combined department by recognizing or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger.

Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.

1. Annual Appropriation

1.1 Annual Appropriation

	2019/20			2018/19	
	Final Appropriation	Actual Funds Received	Funds not requested/not received	Final Appropriation	Appropriation Received
Programmes	R'000	R'000	R'000	R'000	R'000
Administration	447 245	447 245	-	441 780	441 780
Planning, Policy and Strategy	79 274	79 274	-	79 904	79 904
University Education	73 458 286	73 458 286	-	59 248 337	59 248 337
Technical and Vocational Education and Training	12 392 962	12 392 962	-	10 744 473	10 744 473
Skills Development	295 412	295 412	-	262 606	262 606
Community Education and Training	2 366 531	2 366 531	-	2 346 973	2 346 973
TOTAL	**89 039 710**	**89 039 710**	**-**	**73 124 073**	**73 124 073**

The Department had no specifically and exclusively appropriated amounts voted for.

	NOTE	2019/20 R'000	2018/19 R'000
2. Statutory Appropriation			
Skills levy and sector education and training authorities		18 283 844	17 479 896
TOTAL		**18 283 844**	**17 479 896**
Actual statutory appropriation received		**18 283 844**	**17 479 896**
3. Departmental Revenue			
Sales of goods and services other than capital assets	*3.1*	12 192	10 453
Interest, dividends and rent on land	*3.2*	2 007	2 020
Sales of capital assets	*3.3*	429	-
Transactions in financial assets and liabilities	*3.4*	8 131	15 201
Total revenue collected		22 759	27 674
Departmental revenue collected		**22 759**	**27 674**

		NOTE	2019/20 R'000	2018/19 R'000
3.1	**Sales of goods and services other than capital assets**	*3*		
	Sales of goods and services produced by the department		**12 186**	**10 391**
	Sales by market establishment		519	516
	Administrative fees		2 875	1 999
	Other sales		8 792	7 876
	Sales of scrap, waste and other used current goods		6	62
	TOTAL		**12 192**	**10 453**
3.2	**Interest, dividends and rent on land**	*3*		
	Interest		2 007	2 020
	TOTAL		**2 007**	**2 020**
3.3	**Sales of capital assets**	*3*		
	Tangible assets			
	Machinery and equipment		429	-
	TOTAL		**429**	**-**
3.4	**Transactions in financial assets and liabilities**	*3*		
	Other receipts including recoverable revenue		8 131	15 201
	TOTAL		**8 131**	**15 201**
4.	**Aid Assistance**			
	Opening Balance		30 571	(12 271)
	Transferred from statement of financial performance		4 464	43 490
	Paid during the year		(30 571)	(648)
	Closing Balance		**4 464**	**30 571**
4.1	**Analysis of balance by source**	*4*		
	Aid assistance from RDP		4 464	30 571
	Closing Balance		**4 464**	**30 571**
4.2	**Analysis of balance**	*4*		
	Aid assistance repayable		4 464	30 571
	Closing balance		**4 464**	**30 571**

	NOTE	2019/20 R'000	2018/19 R'000
4.3 Aid assistance expenditure per economic classification	*4*		
Current		20 442	22 023
Capital		243	316
Transfers and subsidies		27 850	42 243
Total aid assistance expenditure		**48 535**	**64 582**
4.4 Reconciliation of closing balance	*4*		
Revenue		52 999	108 072
Expenditure		48 535	64 582
Closing balance		**4 464**	**43 490**

5. Compensation of employees

5.1 Salaries and wages

	2019/20 R'000	2018/19 R'000
Basic salary	6 129 470	5 832 940
Performance award	52 173	52 834
Service based	4 571	3 919
Compensative/circumstantial	1 211 339	1 057 188
Periodic payments	70	216
Other non-pensionable allowances	890 501	846 316
Total	**8 288 124**	**7 793 413**

Other non-pensionable allowances include payments made in respect of housing allowances, service bonus and payments made to Community Education and Training Lecturers paid through stipends and claims.

	NOTE	2019/20 R'000	2018/19 R'000
5.2 Social contributions			
Employer contributions			
Pension		707 462	625 999
Medical		369 115	331 044
UIF		38	78
Bargaining council		1 381	1 314
Official unions and associations		1 220	1 255
Insurance		65	-
TOTAL		**1 079 281**	**959 690**
Total compensation of employees		**9 367 405**	**8 753 103**
Average number of employees		26 137	26 826

The increase in pension is due to the payment of R43.951 million to the Government Employees Pension Fund for staff members who opted for the early retirement package announced by Government that were made in the 2019/20 financial year.

	NOTE	2019/20 R'000	2018/19 R'000
6. Goods and services			
Administrative fees		1 098	1 104
Advertising		210	1 834
Minor assets	*6.1*	976	2 218
Bursaries (employees)		404	423
Catering		8 576	5 642
Communication		9 044	8 785
Computer services	*6.2*	95 791	78 241
Consultants: Business and advisory services		21 816	10 920
Legal services		1 511	4 979
Contractors		49	227
Agency and support / outsourced services		5 405	3 668
Entertainment		4	16
Audit cost – external	*6.3*	11 580	10 612
Fleet services		3 129	3 037
Inventory	*6.4*	3 130	4 238
Consumables	*6.5*	52 833	36 353
Operating leases		74 585	67 587
Property payments	*6.6*	17 836	21 748
Rental and hiring		132	150
Transport provided as part of the departmental activities		8 723	5 689
Travel and subsistence	*6.7*	126 024	118 615
Venues and facilities		25 134	22 628
Training and development		36 807	4 918
Other operating expenditure	*6.8*	37 198	13 577
Total		**541 995**	**427 209**

The large increase in Goods and Services is mainly due to the additional allocation received for Examination and Administrative related services which were previously underfunded and co-funded by NSF had to be utilised to fund the function in the Department.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

		NOTE	2019/20 R'000	2018/19 R'000
6.1	**Minor assets**	*6*		
	Tangible assets		**828**	**1 711**
	Machinery and equipment		828	1 711
	Intangible assets		**148**	**507**
	Software		111	494
	Patents, licences, copyright, brand names, trademarks		37	13
	TOTAL		**976**	**2 218**
6.2	**Computer Services**	*6*		
	SITA computer services		93 825	74 926
	External computer service providers		1 966	3 315
	TOTAL		**95 791**	**78 241**
6.3	**Audit cost –external**	*6*		
	Regularity audits		9 804	7 238
	Computer audits		1 776	3 374
	TOTAL		**11 580**	**10 612**
6.4	**Inventory**	*6*		
	Clothing material and accessories		-	421
	Fuel, oil and gas		73	72
	Materials and supplies		3 057	3 745
	TOTAL		**3 130**	**4 238**

		NOTE	2019/20 R'000	2018/19 R'000
6.5	**Consumables**	*6*		
	Consumables supplies		1 932	2 823
	Uniform and clothing		314	358
	Household supplies		1 381	2 249
	Building, material, and supplies		1	-
	Communication accessories		2	14
	IT consumables		95	128
	Other consumables		139	74
	Stationery, printing and office supplies		50 901	33 530
	TOTAL		**52 833**	**36 353**
6.6	**Property payments**	*6*		
	Municipal services		15 101	14 242
	Property management fees		791	708
	Property maintenance and repairs		172	1 491
	Other		1 772	5 307
	TOTAL		**17 836**	**21 748**
6.7	**Travel and subsistence**	*6*		
	Local		121 550	114 363
	Foreign		4 474	4 252
	TOTAL		**126 024**	**118 615**
6.8	**Other operating expenditure**	*6*		
	Professional bodies, membership and subscription fees		20	8
	Resettlement costs		1 150	1 544
	Other		36 028	12 025
	TOTAL		**37 198**	**13 577**

Other includes courier and delivery services, printing and publications and insurance payments.

	NOTE	2019/20 R'000	2018/19 R'000
7. Payments for financial assets			
Debts written off	*7.1*	1 661	1 393
TOTAL		**1 661**	**1 393**
7.1 Debts written off			
Nature of debts written off			
Other debt written off			
Other		77	34
Salary Overpayment Debt		986	1 186
Salary Tax Debt		535	146
No show		63	-
Salary: Medical Aid Debt		-	17
Acting Allowance Debt Waived		-	10
TOTAL		**1 661**	**1 393**
TOTAL DEBT WRITTEN OFF		**1 661**	**1 393**
8. Transfers and subsidies			
Departmental agencies and accounts	*Annex 1A*	49 385 269	39 845 557
Higher education institutions	*Annex 1B*	42 358 941	36 896 878
Foreign governments and international organisations	*Annex 1C*	2 866	2 770
Non-profit institutions	*Annex 1D*	5 410 777	4 454 217
Households	*Annex 1E*	19 458	10 485
TOTAL		**97 177 311**	**81 209 907**
9. Expenditure for capital assets			
Tangible assets		**6 939**	**11 284**
Buildings and other fixed structures	*33*	-	2 204
Machinery and equipment	*31*	6 939	9 080
Intangible assets		**1 230**	**1 054**
Software	*32*	1 230	1 054
TOTAL		**8 169**	**12 338**

9.1 Analysis of funds utilised to acquire capital assets – 2019/20

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	**6 696**	**243**	**6 939**
Machinery and equipment	6 696	243	6 939
Intangible assets	**1 230**	**-**	**1 230**
Software	1 230	-	1 230
TOTAL	**7 926**	**243**	**8 169**

9.2 Analysis of funds utilised to acquire capital assets – 2018/19

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	**11 022**	**262**	**11 284**
Buildings and other fixed structures	2 204	-	2 204
Machinery and equipment	8 818	262	9 080
Intangible assets	**1 000**	**54**	**1 054**
Software	430	54	484
Patents, licences, copyright, brand names, trademarks	570	-	570
TOTAL	**12 022**	**316**	**12 338**

10. Cash and cash equivalents

	NOTE	2019/20	2018/19
		R'000	R'000
Disbursements		(1)	(1)
Cash on hand		45	45
Investments (Domestic)		-	221
TOTAL		**44**	**265**

There is no amounts included in Cash and Cash Equivalents of undrawn borrowings, facilities that may be available for future operating activities and to settle capital commitments.

11. Prepayments and advances

	NOTE	2019/20 R'000	2018/19 R'000
Travel and subsistence		54	117
Prepayments	*11.2*	352	-
Advances paid	*11.1*	14 083	21 521
TOTAL		**14 489**	**21 638**

11.1 Advances paid (not expensed)

	Note	Balance as at 1 April 2019	Less: Amount expensed in current year	Add: Current year advances	Balance as at 31 March 2020
		R'000	R'000	R'000	R'000
Advances paid (not expensed)	*11*				
National departments		8 198	(12 654)	10 613	6 157
Public entities		13 323	(10 397)	-	2 926
Other institutions		-	-	5 000	5 000
TOTAL		**21 521**	**(23 051)**	**15 613**	**14 083**

The prepayments to public entities is in respect of the advance payment to the National Student Financial Aid Scheme for TRC student related funds that are cleared when qualifying students are registered at institutions and confirmed with the Department of Justice and Constitutional Development.

	Note	Balance as at 1 April 2018	Less: Amount expensed in current year	Add: Current year advances	Balance as at 31 March 2019
		R'000	R'000	R'000	R'000
Advances paid (not expensed)	*11*				
National departments		17 680	(19 044)	9 562	8 198
Public entities		19 822	(6 499)	-	13 323
TOTAL		**37 502**	**(25 543)**	**9 562**	**21 521**

11.2 Prepayments (Not expensed)

	Note	Balance as at 1 April 2019	Less: Amount expensed in current year	Add: Current Year prepayments	Balance as at 31 March 2020
		R'000	R'000	R'000	R'000
Prepayments (Not expensed)	*11*				
Goods and services		-	(9 648)	10 000	352
TOTAL		**-**	**(9 648)**	**10 000**	**352**

The prepayments are mainly in respect of payments made to a service provider for which the final invoice for services rendered was not received at year-end.

	Note	Balance as at 1 April 2018	Less: Amount expensed in current year	Add: Current Year prepayments	Balance as at 31 March 2019
		R'000	R'000	R'000	R'000
Prepayments (Not expensed)	*11*				
Goods and services		289	(289)	-	-
TOTAL		**289**	**(289)**	**-**	**-**

The prepayments are mainly in respect of payments made to a service provider for which there was a dispute that still needs to be resolved.

12. Receivables

		2019/20			2018/19		
		Current	Non-current	Total	Current	Non-current	Total
	Note	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	*12.1 Annex 3*	412 580	-	412 580	598 995	-	598 995
Recoverable expenditure	*12.2*	26 526	-	26 526	29 190	-	29 190
Staff debt	*12.3*	2 864	2 029	4 893	1 496	3 626	5 122
Fruitless and wasteful expenditure	*12.5*	934	7 681	8 615	680	6 212	6 892
Other receivables	*12.4*	28 500	36	28 536	18 546	2 318	20 864
TOTAL		**471 404**	**9 746**	**481 150**	**648 907**	**12 156**	**661 063**

Claims Recoverable includes claims for March 2020 for services rendered on behalf of the National Skills Fund, claims in respect of NSF Growth Project and the NSF and the NSF Infrastructure projects. Claims in respect of March 2020 were issued during 2020/21.

		NOTE	2019/20 R'000	2018/19 R'000
12.1	**Claims recoverable**	*12*		
	National departments		970	182
	Provincial departments		571	1 201
	Public entities		407 753	494 569
	Private enterprises		2 550	3 001
	Higher education institutions		40	100 042
	Households and non-profit institutions		696	-
	TOTAL		**412 580**	**598 995**

Claims Recoverable includes claims for March 2020 for services rendered on behalf of the National Skills Fund, claims in respect of NSF Growth Project and the NSF and the NSF Infrastructure projects. Claims in respect of March 2020 were issued during 2020/21.

12.2	**Recoverable expenditure (disallowance accounts)**	*12*		
	Salaries		25 983	27 685
	No Shows		244	276
	Miscellaneous		299	1 229
	TOTAL		**26 526**	**29 190**

12.3	**Staff debt**	*12*		
	Motor accidents		604	840
	Other		48	107
	Pension Fund		4 090	289
	Salary overpayment debt		151	2 952
	Salary tax debt		-	164
	Salary Income Tax debt		-	770
	TOTAL		**4 893**	**5 122**

12.4	**Other debtors**	*12*		
	Tax Debt		36	80
	Other debtors		28 500	20 784
	TOTAL		**28 536**	**20 864**

Increase in other debtors includes salary overpayments in respect of staff who left the service.

	NOTE	2019/20 R'000	2018/19 R'000
12.5 Fruitless and wasteful expenditure	*12*		
Opening balance		6 892	-
Less amount recovered		(687)	-
Transfers from note 26 Fruitless and Wasteful expenditure		2 363	6 892
Interest		47	-
TOTAL		**8 615**	**6 892**

The Fruitless and Wasteful Expenditure is in respect of fraudulent salary overpayments discovered in 2018/19 in respect of payments made in the latter part of 2017/18 and beginning of 2018/19. The matter is currently under investigation and steps have commenced with recovery of debt. Cases transferred from note 32 are cases which the Department only managed to take-on in the Debt Account of the Department during 2019/20.

12.6 Impairment of receivables

Estimate of impairment of receivables	21 848	11 306
TOTAL	**21 848**	**11 306**

Items older than three years were impaired. The majority of debt cases are in respect of salary over-payments for deceased cases.

13. Loans

Higher education institutions	8 227	11 325
TOTAL	**8 227**	**11 325**
Analysis of balance		
Opening balance	11 325	14 298
Repayments	(3 098)	(2 973)
Closing balance	**8 227**	**11 325**
Cape Peninsula University of Technology	622	1 154
Durban University of Technology	2 627	3 492
Nelson Mandela University	84	98
Tshwane University of Technology	2 617	3 476
Vaal University of Technology	872	1 072
University of Johannesburg	1 405	2 033
	8 227	**11 325**
Current portion of loans	3 200	3 100

	NOTE	2019/20 R'000	2018/19 R'000
14. Voted funds to be surrendered to the Revenue Fund			
Opening balance		200 335	12 019
Transfer from Statement of Financial Performance		227 256	200 335
Paid during the year		(200 335)	(12 019)
Closing balance		**227 256**	**200 335**
15. Departmental revenue and NRF receipts to be surrendered to the Revenue Fund			
Opening balance		988	818
Transfer from Statement of Financial Performance		22 759	27 674
Paid during the year		(22 878)	(27 504)
Closing balance		**869**	**988**
16. Bank overdraft			
Consolidated Paymaster-General Account		100 863	358 858
TOTAL		**100 863**	**358 858**

The Bank Overdraft is due mainly to claims issued to the National Skills Fund that were not paid by 31 March 2020. The decrease is attributable to increased payments for outstanding claims by the National Skills Fund as well as incorrect payment made during 2018/19 to Sefako Makgato University that were cleared during 2019/20.

17. Payables - current			
Advances received	*17.1*	144 572	83 004
Clearing accounts	*17.2*	67	210
Other payables	*17.3*	10 110	5 000
TOTAL		**154 749**	**88 214**

The increase is due mainly to additional funds received from the National Skills Fund for the International Scholarship Grant.

17.1 Advances received	*17*		
National departments	*Annex 5B*	6 250	-
Public entities	*Annex 5B*	138 322	83 004
TOTAL		**144 572**	**83 004**

The increase is due mainly to additional funds received from the National Skills Fund for the International Scholarship Grant.

		NOTE	2019/20 R'000	2018/19 R'000
17.2	**Clearing accounts**	*17*		
	Salary Claims: Limpopo and Mpumalanga		29	29
	Other		38	181
	TOTAL		**67**	**210**
17.3	**Other payables**	*17*		
	Unidentified deposits		440	755
	Other payables		3 770	2 408
	Salary Income Tax		3 820	-
	Salary: Money Back		109	502
	Salary: GEHS Refund		1 971	1 335
	TOTAL		**10 110**	**5 000**

18. Net cash flow available from operating activities

Net surplus/(deficit) as per Statement of Financial Performance	254 479	271 499
Add back non cash/cash movements not deemed operating activities	5 143	(665 874)
(Increase)/decrease in receivables – current	177 503	(72 965)
(Increase)/decrease in prepayments and advances	7 149	16 206
Increase/(decrease) in payables – current	66 535	(581 282)
Proceeds from sale of capital assets	(429)	-
Expenditure on capital assets	8 169	12 338
Surrenders to Revenue Fund	(223 213)	(39 523)
Surrenders to RDP Fund/Donor	(30 571)	(648)
Net cash flow generated by operating activities	**259 622**	**(394 375)**

19. Reconciliation of cash and cash equivalents for cash flow purposes

Consolidated Paymaster-General account	(100 863)	(358 858)
Disbursements	(1)	(1)
Cash on hand	45	45
Cash with commercial banks (local)	-	221
TOTAL	**(100 819)**	**(358 593)**

	NOTE	2019/20 R'000	2018/19 R'000
20. Contingent liabilities and contingent assets			
20.1 Contingent liabilities			
Liable to			
Claims against the department	*Annex 2A*	5 159 772	150 510
TOTAL		**5 159 772**	**150 510**

There is uncertainties relating to the cases of Vital vs Vista University (R4 million) as this case is dormant and it might not realise.

21. Capital commitments		
Current expenditure		
Machinery and equipment	1 555	596
TOTAL COMMITMENTS	**1 555**	**596**

22. Accruals and payables not recognised

22.1 Accruals

Listed by economic classification	30 days	30+ days	Total	Total
Goods and services	160	22 998	**23 158**	15 912
Capital assets	155	-	**155**	20
Other	-	1 935	**1 935**	11 238
TOTAL	**315**	**24 933**	**25 248**	**27 170**

	NOTE	2019/20 R'000	2018/19 R'000
Listed by programme level			
Programme 1: Administration		10 055	7 887
Programme 2: Planning, Policy and Strategy		2 235	251
Programme 3: University Education		399	477
Programme 4: Technical and Vocational Education and Training		6 386	8 431
Programme 5: Skills Development		3 445	519
Programme 6: Community Education and Training		2 728	9 604
Unallocated		-	1
TOTAL		**25 248**	**27 170**

Reasons for material accruals: Claims in respect of the Rennies account, Community Education and Training lectures as well as examiners and moderators were not received before closure of the financial year. Other accruals include, claims from Community Education and Training lectures as well as examiners and moderators.

22.2 Payables not recognised

Listed by economic classification	30 days	30+ days	Total	Total
Goods and services	8	1 641	1 649	35 783
Other	-	-	-	20 452
TOTAL	**8**	**1 641**	**1 649**	**56 235**

	NOTE	2019/20 R'000	2018/19 R'000
Listed by programme level			
Programme 1: Administration		-	981
Programme 2: Planning, Policy and Strategy		-	175
Programme 3: University Education		4	101
Programme 4: Technical and Vocational Education and Training		-	34 055
Programme 5: Skills Development		-	71
Programme 6: Community Education and Training		1 645	20 852
TOTAL		**1 649**	**56 235**

Reasons for material payables: Claims in respect of the Rennies account, Community Education and Training lectures as well as examiners and moderators were not received before closure of the financial year. Other payables include, claims from Community Education and Training lectures as well as examiners and moderators.

23. Employee benefits

Leave entitlement	160 783	138 960
Service bonus (Thirteenth cheque)	226 714	211 446
Performance awards	97 468	89 576
Capped leave commitments	103 893	106 362
Other	48 437	10 531
TOTAL	**637 295**	**556 875**

At this stage the Department is not able to reliably measure the long-term portion of the long service awards.

Negative leave balances		
Differences in the reporting cycle for leave	760	425

Negative leave balances: Differences in reporting cycle for leave: 2018/19: R0.425 million; 2019/20 R0.760 million. The negative leave balance is due to pro-rata leave granted for the year by end of March.

24. Lease commitments

24.1 Operating leases expenditure

2019/20	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	2 291	5 537	7 828
Later than 1 year and not later than 5 years	14 828	7 530	22 358
Total lease commitments	**17 119**	**13 067**	**30 186**

2018/19	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	2 705	7 264	9 969
Later than 1 year and not later than 5 years	9 069	1 916	10 985
Total lease commitments	**11 774**	**9 180**	**20 954**

The lease agreement with the Department of Public Works includes the office accommodation for Ndinaye House and 123 Francis Baard Street. The Department cannot as yet include the lease amount for Ndinaye House and 123 Francis Baard Street as this agreement have not yet been concluded. The lease agreement for machinery and equipment is mainly in respect of photocopy machines and these contracts are for a period of three to five years and motor vehicles contracts which are mainly for one year.

25. Irregular expenditure

25.1 Reconciliation of irregular expenditure

	NOTE	2019/20 R'000	2018/19 R'000
Opening balance		138 194	149 204
Add: Irregular expenditure – relating to current year		45	18 212
Less: Amounts not condoned and not recoverable		-	(29 222)
Irregular expenditure awaiting condonation		**138 239**	**138 194**
Analysis of awaiting condonation per age classification			
Current year		45	126
Prior years		138 194	138 068
TOTAL		**138 239**	**138 194**

25.2 Details of irregular expenditure – added current year (relating to current and prior years)

		2019/20 R'000
Incident	Disciplinary steps taken/criminal proceedings	
Correct procurement procedures were not followed due to time constraints	Under investigation	45
TOTAL		**45**

26. Fruitless and wasteful expenditure

26.1 Reconciliation of fruitless and wasteful expenditure

	NOTE	2019/20 R'000	2018/19 R'000
Opening balance		11 956	-
Fruitless and wasteful expenditure – relating to prior year		-	8 289
Fruitless and wasteful expenditure – relating to current year		-	16 483
Less: Amounts resolved		-	(5 924)
Less: Amounts transferred to receivables for recovery	*12.5*	(2 363)	(6 892)
Closing balance		**9 593**	**11 956**

	NOTE	2019/20 R'000	2018/19 R'000

27. Related party transactions

In kind goods and services received			
Computer Services: National Skills Fund		5 150	31 689
TOTAL		**5 150**	**31 689**

List related party relationships

Ministerial Portfolio	Departmental Schedule	Public Entity
Higher Education and Training	3A	Council on Higher Education and Training National Student Financial Aid Scheme South African Qualification Authority Quality Council for Trades and Occupations National Skills Fund **Sector Education and Training Authorities (SETAs):** Agriculture SETA; Banking SETA; Chemical Industries Education and Training Authority Construction SETA; Culture, Arts, Tourism, Hospitality and Sports SETA; Education, Training and Development Practices SETA; Energy and Water SETA; Fibre, Processing and Manufacturing SETA; Financial and Accounting Services SETA; Food and Beverages SETA; Health and Welfare SETA; Insurance SETA; Local Government SETA; Manufacturing, Engineering and Related Services SETA; Media, Information and Communication Technologies SETA; Mining Qualifications Authority; Public Services SETA; Safety and Security SETA; Services SETA; Transport Education and Training Authority; Wholesale and Retail SETA **Technical and Vocational Education and Training Colleges** Buffallo City College; East Cape Midlands College; Ikhala College; Ingwe College; King Hintsa College, King Sabata College; Lovedale College; Port Elizabeth College; Flavius Mareka College; Gold Fields College; Maluti College; Motheo College; Central Johannesburg College; Ekurhuleni East College; Ekurhuleni West College; Sedibeng College; South West College; Tshwane North College; Tshwane South College; Western College; Coastal College; Elangeni College; Esayidi College; Majuba College; Mnambithi College; Mthashana College; Thekwini College; Umfolozi College; Umgungundlovu College; Capricon College; Lephalale College; Letaba College; Mopani College; Sekhukhune College; Vhembe College; Waterberg College; Ehlanzeni College; Gert Sibande College; Nkangala College; Rural College; Urban College; Orbit College; Taletso College; Vuselela College; Boland College; Cape Town College; Falsebay College; Northlink College; South Cape College; West Coast College

Ministerial Portfolio	Departmental Schedule	Public Entity
		Community Education and Training Colleges
		KwaZulu Natal Community Education and Training College; Limpopo Community Education and Training College; Mpumalanga Community Education and Training College; Northern Cape Community Education and Training College; North West Community Education and Training College; Western Cape Community Education and Training College
		Department of Science and Innovation
		Schedule 3A entities under ownership control of the Department of Science and Innovation
		Human Sciences Research Council; National Research Foundation; South African National Space Agency; Technology Innovation Agency
		Schedule 3B entities under ownership control of the Department of Science and Innovation
		Council for Scientific and Industrial Research
		Government Departments and other entities in the same sphere of government
		All government departments and public entities in the same sphere of government are related parties to the Department of Higher Education and Training

The Department did not have any transactions with these entities that is required to be disclosed in terms of the Departmental Reporting Framework.

28. Key Management Personnel

	No. of Individuals	2019/20 R'000	2018/19 R'000
Political office bearers	2	2 551	4 245
Officials:			
Level 15 to 16	7	10 120	13 179
Level 14	34	46 943	44 262
Family members of key management personnel	2	1 207	-
TOTAL		**60 821**	**61 686**

Minister's: 2019/20: R0.573 million; 2018/19: R2.267million.
Deputy Minister's: 2019/20: R1.978 million; 2018/19: R1.978 million.

29. Provisions

CET claims	-	8 224
Limpopo CET examinations	4 294	3 645
Examination claims	5 405	259
TOTAL	**9 699**	**12 128**

29.1 Reconciliation of movement in provisions - 2019/20

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	8 224	3 645	259	12 128
Increase in provision	-	4 294	5 405	9 699
Settlement of provision	(8 224)	(3 645)	(259)	(12 128)
Closing balance	**-**	**4 294**	**5 405**	**9 699**

Provision 1: Provision in respect of community education and training centres received in the previous financial year for which necessary appointment documents were not received. The amount included is based on claims received. There is uncertainty whether these claims will be processed and by when these claims will be processed.

Provision 2: Provision in respect of community education and training examination claim received during 2019/20 in respect of the previous financial year for which supporting evidence is not attached. The amount included is based on claims received. There is uncertainty whether these claims will be processed and by when these claims will be processed.

Provision 3: Provision in respect of examination and assessment related claims received during July 2020 in respect of the previous financial year for which supporting evidence is not attached. The amount included is based on claims received. There is uncertainty whether these claims will be processed and by when these claims will be processed.

29.2 Reconciliation of movement in provisions - 2018/19

	Provision 1	Provision 2	Provision 3	Provision 4	Total provisions
	R'000	R'000	R'000	R'000	R'000
Opening balance	1 920	9 468	-	-	11 388
Increase in provision	-	4 894	3 645	259	8 798
Settlement of provision	(1 920)	(6 138)	-	-	(8 058)
Closing balance	**-**	**8 224**	**3 645**	**259**	**12 128**

Provision 1: Provision in respect of Rennies account claim received during May 2018 in respect of the previous financial year for which supporting evidence is not attached. The amount included is based on claims received. There is uncertainty whether these claims will be processed and by when these claims will be processed.

Provision 2: Provision in respect of community education and training centres received in the previous financial year for which necessary appointment documents were not received. The amount included is based on claims received. There is uncertainty whether these claims will be processed and by when these claims will be processed.

Provision 3: Provision in respect of community education and training examination claim received during 2018/19 in respect of the previous financial year for which supporting evidence is not attached. The amount included is based on claims received. There is uncertainty whether these claims will be processed and by when these claims will be processed.

Provision 4: Provision in respect of examination and assessment related claims received during May 2019 in respect of the previous financial year for which supporting evidence is not attached. The amount included is based on claims received. There is uncertainty whether these claims will be processed and by when these claims will be processed.

30. Non-adjusting events after reporting date

	2019/20 R'000
The COVID-19 pandemic resulted in the announcement of a levy payment relief for employees and companies that pay the skills development levies. This will affect the budgeted amount for the statutory appropriation of 2020/21	-

31. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**63 343**	**390**	**9 536**	**4 253**	**69 016**
Transport assets	5 891	-	639	151	6 379
Computer equipment	42 141	267	7 121	3 469	46 060
Furniture and office equipment	10 371	94	1 004	521	10 948
Other machinery and equipment	4 940	29	772	112	5 629
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**63 343**	**390**	**9 536**	**4 253**	**69 016**

The value adjustment is due to assets journalised from the NSF Growth Fund for which NSF did not pay.

Movable Tangible Capital Asset under investigation

	Number	Value
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		R'000
Machinery and equipment	27	333

(1) Some officials whose services terminated did not return their assets to the Department. The Department is still dealing with the recovery of these assets. (2) Some officials did not adhere to the policy and hence made un-authorised movements and these caused the assets to be missing whilst the Department is still investigating/current location of these assets. (3) At times when movements were made some assets got misplaced along the exercise. (4) The nature of business of Regional Offices is that they travel extensively and therefore some officials were not available at the time of asset verification. (5) Some assets at the regional offices could not be verified due to protests. The Department is still investigating the whereabouts of these assets and if not found these will be referred to the Loss and Disposal Committee for a recommendation and investigation at the Regional Offices will only be done when it is permitted to travel across provinces.

Additions

31.1 ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Cash	Non-cash	(Capital work-in-progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**6 939**	**-**	**-**	**2 597**	**9 536**
Transport assets	639	-	-	-	639
Computer equipment	4 848	-	-	2 273	7 121
Furniture and office equipment	914	-	-	90	1 004
Other machinery and equipment	538	-	-	234	772
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	**6 939**	**-**	**-**	**2 597**	**9 536**

Disposals

31.2 DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**151**	**4 102**	**4 253**	**429**
Transport assets	151	-	151	429
Computer equipment		3 469	3 469	-
Furniture and office equipment	-	521	521	-
Other machinery and equipment	-	112	112	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	**151**	**4 102**	**4 253**	**429**

31.3 Movement for 2018/19

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**56 198**	**-**	**8 693**	**1 548**	**63 343**
Transport assets	4 250	-	1 641	-	5 891
Computer equipment	38 739	-	4 644	1 242	42 141
Furniture and office equipment	8 522	-	1 939	90	10 371
Other machinery and equipment	4 687	-	469	216	4 940
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**56 198**	**-**	**8 693**	**1 548**	**63 343**

31.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	1 246	11 394	**12 640**
Additions	146	1 239	**1 385**
Disposals	-	541	**541**
TOTAL MINOR ASSETS	**1 392**	**12 092**	**13 484**

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Number of R1 minor assets	1	23 780	**23 781**
Number of minor assets at cost	567	6 859	**7 426**
TOTAL NUMBER OF MINOR ASSETS	**568**	**30 639**	**31 207**

Minor Capital Assets under investigation

	Number	Value
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		**R'000**
Machinery and equipment	144	77

(1) Some officials whose services terminated did not return their assets to the Department. The Department is still dealing with the recovery of these assets. (2) Some officials did not adhere to the policy and hence made un-authorised movements and these caused the assets to be placed as missing whilst the Department is still investigating/current location of these assets. (3) At times when movements were made some assets got misplaced along the exercise. (4) The nature of business of Regional Offices is that they travel extensively and therefore some officials were not available at the time of asset verification. (5) Some assets at the regional offices could not be verified due to protests. The Department is still investigating the whereabouts of these assets and if not found these will be referred to the Loss and Disposal Committee for a recommendation and investigation at the Regional Offices will only be done when it is permitted to travel across provinces.

Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	739	10 253	**10 992**
Additions	507	1 431	**1 938**
Disposals	-	290	**290**
TOTAL MINOR ASSETS	**1 246**	**11 394**	**12 640**

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Number of R1 minor assets	1	23 166	**23 167**
Number of minor assets at cost	530	6 386	**6 916**
TOTAL NUMBER OF MINOR ASSETS	**531**	**29 552**	**30 083**

31.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2019

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Assets written off	-	290	290
TOTAL MOVABLE ASSETS WRITTEN OFF	**-**	**290**	**290**

32. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	11 561	(39)	519	-	12 041
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	868	-	711	-	1 579
TOTAL INTANGIBLE CAPITAL ASSETS	**12 429**	**(39)**	**1 230**	**-**	**13 620**

Additions

32.1 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Cash	Non-cash	(Development work-in-progress current costs)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	519	-	-	-	519
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	711	-	-	-	711
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	**1 230**	**-**	**-**	**-**	**1 230**

Movement for 2018/19

32.2 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	11 131	-	430	-	11 561
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	245	-	623	-	868
TOTAL INTANGIBLE CAPITAL ASSETS	**11 376**	**-**	**1 053**	**-**	**12 429**

33. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	2 204	-	-	2 204	-
Non-residential buildings	2 204	-	-	2 204	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	**2 204**	**-**	**-**	**2 204**	**-**

Ten mobile classrooms were donated to Community Education and Training Colleges in Gauteng.

Disposals

33.1 DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Sold for cash	Non-cash disposal	Total disposal
	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	2 204	2 204
Non-residential buildings	-	2 204	2 204
TOTAL ADDITIONS TO IMMOVABLE ASSETS	**-**	**2 204**	**2 204**

Ten mobile classrooms were donated to Community Education and Training Colleges in Gauteng.

Movement for 2018/19

33.2 Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	2 204	-	2 204
Non-residential buildings	-	-	2 204	-	2 204
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	**-**	**-**	**2 204**	**-**	**2 204**

Ten mobile classrooms were purchased for Community Education and Training purposes in Gauteng.

34. Principal-agent arrangements

34.1 Department acting as the agent

	2019/20 R'000	2018/19 R'000
34.1.1 Revenue received for agency activities		
National Skills Fund	-	-
	-	**-**

The Department has been appointed by the National Skills Fund to manage the project of the TVET College Infrastructure Development project funded by the NSF and relevant SETAs. The beneficiaries of the project will be the respective TVET colleges who will receive the new or improved TVET College sites once the construction has been completed. Any unspent funds will be returned to the NSF.

34.1.2 Reconciliation of funds and disbursements – 2019/20

Category of revenue/ expenditure per arrangement	Total funds received	Expenditure incurred against funds	Amount remitted to the principal	Variance between amounts received and amounts remitted	Explanation of the variance
	R'000	R'000	R'000	R'000	
National Skills Fund	583 112	568 390	-	14 722	Amounts are claimed back from the NSF as claims recoverable.
TOTAL	**583 112**	**568 390**	**-**	**14 722**	

Reconciliation of funds and disbursements – 2018/19

Category of revenue/ expenditure per arrangement	Total funds received	Expenditure incurred against funds	Amount remitted to the principal	Variance between amounts received and amounts remitted	Explanation of the variance
	R'000	R'000	R'000	R'000	
National Skills Fund	319 200	267 006	-	52 194	Amounts are claimed back from the NSF as claims recoverable.
TOTAL	**319 200**	**267 006**	**-**	**52 194**	

34.1.3 Reconciliation of carrying amount of receivables and payables – 2019/20

Receivable

Name of entity	Opening balance	Revenue principal is entitled to	Less: Write-off/ settlements/ waivers	Cash received on behalf of principal	Closing balance
	R'000	R'000	R'000	R'000	R'000
National Skills Fund	(97 627)	583 112	-	568 390	(82 905)
TOTAL	**(97 627)**	**583 112**	**-**	**568 390**	**(82 905)**

The Department has been appointed by the National Skills Fund to project manage the infrastructure spend for the TVET colleges across 16 sites country wide. Currently, active sites are Thabazimbi Campus for Waterberg TVET College, Nkandla A Campus and Bhambanana Campus for Umfolozi TVET College, Nongoma Campus for Mthashana TVET College, Balfour Campus for Gert Sibande TVET College, Msinga Campus for Umgungundlovu TVET College, Aliwal North Campus for Ikhala TVET College, Mzimkhulu Campus for Esayidi TVET College, Graaff-Reinet Campus for East Cape Midlands TVET College, Ngqungqushe Campus for Ingwe TVET College, Sterkspruit Campus for Ikhala TVET College, Kwagqikazi Campus for Mthashana TVET College, Greytown Campus for Umgungundlovu TVET College. The following amounts have been incurred to date at the campus:

	R'000	
Thabazimbi:	181 645	
Nkandla A:	262 947	*(Includes accrual amount of R14.142 million)*
Bhambanana:	164 361	
Nongoma	95 087	
Balfour	9 903	
Msinga	93 351	
Aliwal North	138 897	*(includes accrual amount of R2.627 million)*
Umzimkhulu	91 002	*(includes accrual amount of R1.555 million)*
Ikhala	2 499	
Graaff-Reinet	78 969	*(includes accrual amount of R1.877 million)*
Ngqungqushe	93 162	
Sterkspruit	85 266	
Kwagqikazi	31 907	
Greytown	18 585	*(includes accrual amount of R3.565 million)*
Project management costs:	201 970	*(includes accrual amount of R1.579 million)*
Municipal services:	3 398	

34.1.4 Reconciliation of carrying amount of receivables and payables – 2018/19
Receivable

Name of entity	Opening balance	Revenue principal is entitled to	Less: Write-off/ settlement/ waivers	Cash received on behalf of principal	Closing balance
	R'000	R'000	R'000	R'000	R'000
National Skills Fund	(149 821)	319 200	-	267 006	(97 627)
TOTAL	**(149 821)**	**319 200**	**-**	**267 006**	**(97 627)**

The Department has been appointed by the National Skills Fund to project manage the infrastructure spend for the TVET colleges across 16 sites country wide. Currently, active sites are Thabazimbi Campus for Waterberg TVET College, Nkandla A Campus and Bhambanana Campus for Umfolozi TVET College, Nongoma Campus for Mthashana TVET College, Balfour Campus for Gert Sibande TVET College, Msinga Campus for Umgungundlovu TVET College, Aliwal North Campus for Ikhala TVET College, Mzimkhulu Campus for Esayidi TVET College, Graaff-Reinet Campus for East Cape Midlands TVET College, Ngqungqushe Campus for Ingwe TVET College, Sterkspruit Campus for Ikhala TVET College, Kwagqikazi Campus for Mthashana TVET College, Greytown Campus for Umgungundlovu TVET College. The following amounts have been incurred to date at the campus:

	R'000	
Thabazimbi:	181 645	
Nkandla A:	240 032	
Bhambanana:	164 950	
Nongoma	29 837	*(Includes accrual amount of R4.979 million)*
Balfour	1 382	
Msinga	56 596	*(Includes accrual amount of R16.133 million)*
Aliwal North	45 788	*(Includes accrual amount of R5.777 million)*
Umzimkhulu	54 261	*(Includes accrual amount of R11.554 million)*
Ikhala	-	
Graaff-Reinet	43 139	*(Includes accrual amount of R4.763 million)*
Ngqungqushe	24 966	*(Includes accrual amount of R5.220 million)*
Sterkspruit	46 574	*(Includes accrual amount of R6.213 million)*
Kwagqikazi	2 465	*(Includes accrual amount of R2.126 million)*
Greytown	6 445	*(Includes accrual amount of R1 026 million)*
Project management costs:	196 215	
Municipal services:	3 398	

PART E

UNAUDITED SUPPLEMENTARY ANNEXURES

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

ANNEXURE 1A

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2018/19
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of Available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Education Training and Development Practices SETA	18 957	-	(2 043)	16 914	16 914	100%	17 949
Council on Higher Education	53 210	-	-	53 210	53 210	100%	50 727
National Student Financial Aid Scheme	30 822 466	-	-	30 822 466	30 822 466	100%	22 096 031
South African Qualifications Authority	69 893	-	-	69 893	69 893	100%	66 719
Direct Charge: Sector Education and Training Authorities	14 861 044	-	-	14 861 044	14 627 075	98%	13 849 729
Direct Charge: National Skills Fund	3 715 261	-	-	3 715 261	3 656 769	98%	3 462 432
Claims against the State	-	-	-	-	582		150
Quality Council for Trades and Occupations	26 056	-	-	26 056	26 056	100%	27 380
Public Services SETA	112 304	-	-	112 304	112 304	100%	106 425
TOTAL	**49 679 191**	**-**	**(2 043)**	**49 677 148**	**49 385 269**		**39 677 542**

The difference between the amount included in the Appropriation Statement and the Adjusted Appropriation amount in this Annexure is the difference between actual funds received for Direct Charges and the provision to the Adjusted Estimates to the amount of R292.461 million.

ANNEXURE 1B

STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION				TRANSFER			2018/19
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	Amount not transferred	% of Available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Cape Peninsula University of Technology	1 363 589	-	210 444	1 574 033	1 574 033	-	100%	1 410 494
Central University of Technology, Free State	652 360	-	37 790	690 150	690 150	-	100%	674 132
Durban University of Technology	1 201 045	-	164 167	1 365 212	1 365 212	-	100%	1 234 530
Mangosuthu University of Technology	453 585	-	110 151	563 736	563 736	-	100%	624 824
Nelson Mandela University	1 210 552	-	173 888	1 384 440	1 384 441	(1)	100%	1 352 394
North West University	2 103 081	-	463 762	2 566 843	2 566 843	-	100%	2 148 988
Rhodes University	523 922	-	248 627	772 549	772 549	-	100%	638 618
Tshwane University of Technology	2 361 413	-	252 246	2 613 659	2 613 579	80	100%	2 097 579
University of Cape Town	1 671 745	-	183 184	1 854 929	1 854 928	1	100%	1 786 486
University of Fort Hare	771 614	-	189 860	961 474	961 474	-	100%	701 866
University of the Free State	1 371 450	-	257 180	1 628 630	1 628 630	-	100%	1 528 561
University of Johannesburg	2 346 507	-	279 567	2 626 074	2 626 074	-	100%	2 185 611
University of KwaZulu-Natal	2 443 461	-	248 875	2 692 336	2 692 336	-	100%	2 374 318
University of Mpumalanga	1 049 644	-	13 945	1 063 589	1 063 589	-	100%	980 345
Sefako Makgatho Health Sciences University	636 616	-	362 322	998 938	998 938	-	100%	743 084
Sol Plaatje University	690 627	-	1 519	692 146	692 146	-	100%	610 164
University of Limpopo	968 241	-	483 308	1 451 549	1 451 549	-	100%	1 015 681
University of Pretoria	2 622 279	-	483 000	3 105 279	3 105 279	-	100%	2 744 116

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

ANNEXURE 1B (CONTINUED)

STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION				TRANSFER			2018/19
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	Amount not transferred	% of Available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
University of South Africa	4 124 989	-	231 787	4 356 776	4 356 776	-	100%	3 758 745
Stellenbosch University	1 835 385	-	250 629	2 086 014	2 086 014	-	100%	1 957 803
University of Venda	764 903	-	126 115	891 018	891 018	-	100%	694 551
University of the Western Cape	1 054 887	-	271 124	1 326 011	1 326 011	-	100%	1 291 328
University of the Witwatersrand	2 091 763	-	328 823	2 420 586	2 420 586	-	100%	1 920 666
University of Zululand	601 537	-	95 613	697 150	697 150	-	100%	620 278
Vaal University of Technology	752 320	-	85 631	837 951	837 950	1	100%	869 492
Walter Sisulu University	956 357	-	181 593	1 137 950	1 137 950	-	100%	932 226
Higher Education Institutions: Other Grants	2 092 815	-	(2 092 815)	-	-	-	-	3 932
Interest and redemption of private and government loans	4 519	-	(4 519)	-	-	-	-	-
University infrastructure projects	2 488 594	-	(2 488 594)	-	-	-	-	-
Student Housing Infrastructure Projects	498 500		498 500					
Academic clinical training grant	650 722	-	(650 722)	-	-	-	-	-
TOTAL	**42 359 022**	**-**	**-**	**42 359 022**	**42 358 941**	**81**		**36 900 812**

The total amount transferred to Universities for the University Infrastructure Projects amounts to R2.489 billion during the 2019/20 financial year and an amount of R498.5 million was transferred to universities for the Student Housing Infrastructure Projects during the 2019/20 financial year.

ANNEXURE 1C

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENTS / INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of Available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Commonwealth of Learning	3 280	-	-	3 280	2 866	87%	3 106
India-Brazil-South Africa Trilateral Commission	618	-	-	618	-	0%	585
TOTAL	**3 898**	**-**	**-**	**3 898**	**2 866**		**3 691**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

ANNEXURE 1D

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of Available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Higher Health (HEAIDS)	18 781	-	-	18 781	18 781	100%	17 919
Community Education and Training Centres: Subsidies	148 792	-	2 043	150 835	150 835	100%	109 924
National Institute for the Humanities and Social Sciences	36 196	-	-	36 196	36 196	100%	38 837
Technical and Vocational Education and Training Colleges: Subsidies							
Buffalo City College	60 291	-	-	60 291	60 291	100%	66 077
East Cape Midlands College	75 333	-	-	75 333	75 333	100%	78 923
Ikhala College	43 965	-	-	43 965	43 965	100%	50 750
Ingwe College	61 693	-	-	61 693	61 693	100%	63 493
King Hintsa College	31 814	-	-	31 814	31 814	100%	52 729
King Sabata College	65 945	-	-	65 945	65 945	100%	63 087
Lovedale College	40 266	-	-	40 266	40 266	100%	53 154
Port Elizabeth College	38 155	-	-	38 155	38 155	100%	91 096
Flavius Mareka College	37 224	-	-	37 224	37 224	100%	45 855
Gold Fields College	37 619	-	-	37 619	37 619	100%	42 770
Maluti College	70 637	-	-	70 637	70 637	100%	52 922
Motheo College	73 831	-	-	73 831	73 831	100%	73 064
Central Johannesburg College	65 032	-	-	65 032	65 032	100%	69 604
Ekurhuleni East College	113 977	-	-	113 977	113 977	100%	85 131
Ekurhuleni West College	147 049	-	-	147 049	147 049	100%	103 918
Sedibeng College	123 781	-	-	123 781	123 781	100%	81 874
South West College	214 105	-	-	214 105	214 105	100%	103 535

ANNEXURE 1D (CONTINUED)
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of Available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Tshwane North College	104 145	-	-	104 145	104 145	100%	83 950
Tshwane South College	72 001	-	-	72 001	72 001	100%	98 079
Western College	101 005	-	-	101 005	101 005	100%	86 564
Coastal College	127 929	-	-	127 929	127 929	100%	109 162
Elangeni College	91 711	-	-	91 711	91 711	100%	87 873
Esayidi College	77 738	-	-	77 738	77 738	100%	76 329
Majuba College	188 145	-	-	188 145	188 145	100%	151 872
Mnambithi College	53 682	-	-	53 682	53 682	100%	59 173
Mthashana College	39 201	-	-	39 201	39 201	100%	54 014
Thekwini College	50 843	-	-	50 843	50 843	100%	60 824
Umfolozi College	64 951	-	-	64 951	64 951	100%	113 040
Umgungundlovu College	45 724	-	-	45 724	45 724	100%	55 078
Capricorn College	140 699	-	-	140 699	140 699	100%	80 306
Lephalale College	6 186	-	-	6 186	6 186	100%	34 199
Letaba College	43 883	-	-	43 883	43 883	100%	46 939
Mopani College	76 274	-	-	76 274	76 274	100%	71 315
Sekhukhune College	33 103	-	-	33 103	33 103	100%	49 181
Vhembe College	100 321	-	-	100 321	100 321	100%	90 813
Waterberg College	36 347	-	-	36 347	36 347	100%	46 973
Ehlanzeni College	123 764	-	-	123 764	123 764	100%	105 329
Gert Sibande College	141 235	-	-	141 235	141 235	100%	163 934
Nkangala College	128 760	-	-	128 760	128 760	100%	116 251
Rural College	41 821	-	-	41 821	41 821	100%	72 429
Urban College	72 769	-	-	72 769	72 769	100%	76 189
Orbit College	71 496	-	-	71 496	71 496	100%	145 942

ANNEXURE 1D (CONTINUED)
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of Available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Taletso College	76 085	-	-	76 085	76 085	100%	75 993
Vuselela College	75 459	-	-	75 459	75 459	100%	80 853
Boland College	65 168	-	-	65 168	65 168	100%	69 499
Cape Town College	75 125	-	-	75 125	75 125	100%	75 477
False Bay College	62 585	-	-	62 585	62 585	100%	451 248
Northlink College	100 159	-	-	100 159	100 159	100%	98 281
South Cape College	19 593	-	-	19 593	19 593	100%	56 160
West Coast College	76 041	-	-	76 041	76 041	100%	66 287
Infrastructure and efficiency grant	1 084 000		-	1 084 000	1 084 000	100%	-
Operationalisation of new campuses	200 000		-	200 000	200 000	100%	-
Student Housing Infrastructure Grant: King Hintsa College	36 300		-	36 300	36 300	100%	-
TOTAL	**5 408 734**	**-**	**2 043**	**5 410 777**	**5 410 777**		**4 454 218**

Treasury approval was obtained to shift funds from Transfers to Public Entities (Education and Training Development Programme Sector Education and Training Authority) to Community Education and Training colleges for capacity development of Community Education and Training lecturing staff and support staff (Reference number 9/4/5/4/12, dated 10 February 2020).

The total amount transferred to the Technical and Vocational Education and Training colleges for the Infrastructure and Efficiency Grant was R1.084 billion during the 2019/20 financial year and an amount of R36.3 million was transferred to King Hintsa TVET college for the Student Housing and Infrastructure Projects during the 2019/20 financial year.

ANNEXURE 1E
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of Available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Employee Social Benefits	9 611	-	9 189	18 800	16 236	86%	10 318
Claims against the State	2 374	-	1 861	4 235	3 222	76%	532
TOTAL	**11 985**	**-**	**11 050**	**23 035**	**19 458**		**10 850**

ANNEXURE 1F

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2019/20 R'000	2018/19 R'000
Received in kind			
African Union	Participating in the Technical Consultations on Continental Teacher Mobility, Motivation and Qualification Frameworks in Addis Ababa, Ethiopia	-	30
Southern African Society for Cooperative Education	Attending the Work Integrated Learning Cooperative Education conference in Nairobi	-	35
Royal Academy of Engineering	Attending the Engineering Education systems	-	36
Teaching and Learning Development Capacity Improvement Programme	Participating in the United States-South African Higher Education workshop in Washington	-	81
Islamic Development Bank	Participating on the Scientific Advisory Board of the Islamic Development Bank in New York	-	38
British Council	Attending the Future of TVET: Disruption and Development seminar in the United Kingdom	-	82
UNESCO	Attending the Continuous Professional Development of Teachers in Lilongwe, Malawi	-	16
UNESCO	Attending the Continuous Professional Development of Teachers in Maputo, Mozambique	-	12
UNESCO	Attending the Capacity Building workshop on quality assurance in Higher Education in SADC in Lusaka, Zambia	-	18
UNESCO	Attending Work Based Learning workshop in Gaborone, Botswana	-	9
UNESCO	Attending TVET Governance and Funding workshop in Durban	-	41
National Skills Fund	Information Technology Services	5 150	31 689
Technical University Munich (TUM)	Participating in the kick-off workshop for the development of the postgraduate Diploma in TVET	56	-
South African Institute for Distance Education (SAIDE)	To provide technical support to the Department of Higher Education and Training in open learning	182	-
Confederation of Indian Industry	Attending the Indian-Africa Education and Skills Development Summit in New Delhi, Republic if India	46	-
United Kingdom	Attending the I-Work International Apprenticeship Workshop	30	-
TOTAL		**5 464**	**32 087**

ANNEXURE 1G

STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	PAID BACK ON/ BY 31 MARCH	CLOSING BALANCE
		R'000	R'000	R'000	R'000	R'000
Received in cash						
Received in cash in the PMG Account						
EU Budget Support	Career Guidance Services Project (EU1)	233	-	-	233	-
EU Budget Support	Career Guidance Services Project (EU2)	476	-	-	476	-
EU Budget Support	Open Learning System for Post-School Education and Training	1 580	13 000	11 881	1 580	1 119
EU Budget Support	Teaching and Learning Development Sector Policy Support Programme	1 918	40 000	36 654	1 918	3 346
USAID	Development of an updated solar energy resource map and database and the African soil micro-organism as a critical resource for Agriculture and Biotechnology	271	-	-	271	-
EU Budget Support	Artisan Trade Test System	26 093	-	-	26 093	-
TOTAL		**30 571**	**53 000**	**48 535**	**30 571**	**4 465**
Received in cash in the RDP Fund						
EU Budget Support	Career Guidance Services Project (EU1)	2 004	-	-	-	2 004
EU Budget Support	Career Guidance Services Project (EU2)	5 665	-	-	-	5 665
EU Budget Support	Open Learning System for Post-School Education and Training	40 484	-	11 881	-	28 603
EU Budget Support	Teaching and Learning Development Sector Policy Support Programme	39 685	68 103	36 654	-	71 134
USAID	Development of an updated solar energy resource map and database and the African soil micro-organism as a critical resource for Agriculture and Biotechnology	271	-	-	-	271
EU Budget Support	Artisan Trade Test System	26 093	17 710	-	-	43 803
TOTAL		**114 202**	**85 813**	**48 535**	**-**	**151 480**

ANNEXURE 1H

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP	2019/20	2018/19
	R'000	R'000
Made in kind		
Gift bought for the State Visit to New Delhi, Republic of India	-	1
Gift bought for the Chinese counterpart during the State Visit and the Forum on China Africa Cooperation	-	1
Gift bought for the Cypriot counterpart	-	1
Gift bought for the Norwegian counterpart during the Nybo visit	-	1
Gift bought for the Japanese counterpart while attending the TOKYO International Conference on African Development (TICAD)	1	-
Gift bought for the US counterpart, the State Secretary for Education	1	-
Gift bought for the International hosts of Minister's from France, Italy and the Czech Republic	5	-
Gift bought for Imbizo event	2	-
Gift bought for the Indian counterparts during the India-Africa Education and Skills Development Summit	1	-
TOTAL	**10**	**4**

ANNEXURE 2A

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2020

Nature of Liability	Opening Balance 1 April 2019	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable	Closing balance 31 March 2020
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Damaged Cars	-	582	582	-	-
Johann Raath vs Minister of Higher Education and Training	1 846	-	-	-	1 846
Vital vs Vista University	4 000	-	-	-	4 000
Business Unity SA vs Minister of Higher Education and Training (Case JR1040/16)	337	-	-	-	337
LM Mapeka (Pilane) vs Department of Higher Education and Training	973	-	-	-	973
Moses Sithole and others vs Mzukisi Dondole and others	200	-	-	-	200
Mxolisi Collin Mashabela vs Minister of Higher Education and Training and others	986	-	-	-	986
Dr Thokozani S Simelane vs Centre for Education Policy Development	778	-	-	-	778
Zakhele AT Zitha vs Minister of Higher Education and Training	35 438	-	-	-	35 438
Thiba Takalani vs Minister of Higher Education and Training	5 194	-	-	-	5 194
P P Gedze vs Nenga River Lodge and others	3 629	-	-	-	3 629
True Harvest (Pty) Ltd vs Minister of Higher Education and Training	50	-	-	-	50
Kamva Trading cc vs MEC for Basic Education and others	339	-	-	-	339
Minister of Higher Education and Training vs Public Protector SA and others	46	-	46	-	-
Matome Maphalle vs Minister of Higher Education and Training and others	4	-	4	-	-
William Resinga Tshabalala vs Minister of Higher Education and Training	55	-	-	-	55
South African Commercial Catering and Allied Workers Union and others vs Minister of Higher Education and Training	1 753	-	1 753	-	-
Motsumi Makgale Makhene vs Department of Higher Education and Training	35	-	-	-	35

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

ANNEXURE 2A (CONTINUED)

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2020

Nature of Liability	Opening Balance 1 April 2019	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable	Closing balance 31 March 2020
	R'000	R'000	R'000	R'000	R'000
Phumzile Felicia Zondi vs Department of Higher Education and Training	42	-	-	-	42
PM Venter (NO) vs ELRC and Lutaakume	170	-	-	-	170
Takalani Desmond Murathi vs Department of Higher Education and Training and the Minister of Higher Education and Training	30	-	30	-	-
South African Democratic Teachers Union vs Minister of Higher Education and Training and others	34	-	-	-	34
Josephine Naicker vs Minister of Higher Education and Training	25	-	-	-	25
Godfrey Mdluli vs Ekurhuleni East TVET College and Minister of Higher Education and Training	5 092	-	-	-	5 092
Nomsa Cecilia Motaung vs Department of Higher Education and Training	50	-	-	-	50
NL Matanda vs MEC for Education (Eastern Cape) and others	50	-	-	-	50
Mr DJ Smith vs Minister of Higher Education and Training and MEC for North West Department of Education and Sport Development	1 703	-	1 553	-	150
EB Habedi, S Mophaki, CCMA vs Department of Higher Education and Training	45	-	-	-	45
Mphaphudi Lorence Mashao vs Department of Higher Education and Training and the Minister of Department of Higher Education Training	178	-	-	-	178
Vishnu Chatturgoon vs Department of Higher Education and Training	70	-	-	-	70
True Harvest TVET College vs Minister of Higher Education and Training and others	80 439	-	-	-	80 439
Nkhensani Salphina Hlungwani vs Department of Higher Education and Training	179	-	-	-	179
Norman William Ngatsheni Mkhabela vs Department of Higher Education and Training	157	-	-	-	157

ANNEXURE 2A (CONTINUED)
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2020

Nature of Liability	Opening Balance 1 April 2019	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable	Closing balance 31 March 2020
	R'000	R'000	R'000	R'000	R'000
Thabo Franscis Lekalakala vs Department of Higher Education and Training	150	-	-	-	150
Vincent Bandile Maimane vs Department of Higher Education and Training	204	-	-	-	204
Derrick Modise Swaratlhe vs Department of Higher Education and Training	139	-	-	-	139
Commisioner Bheki Msiza and others vs Department of Higher Education and Training	223	-	-	-	223
Vuyelwa Runeli vs Minister of Higher Education and Training	130	-	9	-	121
Nombulelo Ntlabathi vs Minister and Director-General of Higher Education and Training	121	-	-	-	121
M R Modiba vs Letaba TVET College	150	-	-	-	150
S G Mkhize vs Department of Higher Education and Training	208	-	-	-	208
Abel Risinga Mnisi vs Department of Higher Education and Ehlanzeni college	711	3	47	-	667
Eric Monyamezeli Shabalala vs Department of Higher Education and Training and others	250	-	-	-	250
EDUSA and International House JHB vs Minister of Home Affairs, Higher Education and Training and five others	45	-	-	-	45
Nomambhelu Gloria Sigamla vs Minister of Higher Education and Training	3 700	-	-	-	3 700
The centre for the fine art, animation and design vs Council on Higher Education and Training and others	77	3	-	-	80
ABM College SA vs Minister of Higher Education and Training and others	55	-	-	-	55
Pule Jonas Malebye vs Minister of Higher Education and Training and others	150	-	-	-	150

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

ANNEXURE 2A (CONTINUED)

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2020

Nature of Liability	Opening Balance 1 April 2019	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable	Closing balance 31 March 2020
	R'000	R'000	R'000	R'000	R'000
Elangeni TVET College vs Minister of Higher Education and Training and others	125	-	-	-	125
EN Masinye vs Minister of Higher Education and Training and others	145				145
Indira Govender vs Department of Higher Education and Training	-	1 504	-	-	1 504
Bolekwa Maseti vs Department of Higher Education and Training	-	280	-	-	280
Collins Luckyboy Maduane vs Minister of Higher Education and Training and others	-	250	44	-	206
Siphiwe Nqayi vs Minister of Higher Education and Training	-	320	-	-	320
Makhaphela KS vs Department of Higher Education and Training and others	-	230	-	-	230
TG Ngoma vs Department of Higher Education and Training and others	-	380	-	-	380
Thobeka Ntombenhle Mkhize vs the University of KZN and the Minister of Higher Education, Science and Technology	-	4 160	-	-	4 160
SADTU vs Minister of Higher Education and Training and others	-	250	-	-	250
MB Khakhu vs Department of Higher Education and Training	-	240	-	-	240
Nolulama Pongolo vs Petros Vuyani Sodo and others	-	15	-	-	15
Faith Mhlungu-Mpanza vs Department of Higher Education and Training	-	300	-	-	300
Stephen Mosia vs Department of Higher Education and Training and others	-	255	-	-	255
Pawusa on behalf of Phahlane vs Northern Cape Urban TVET College and others	-	220	31	-	189
Ikhala TVET College vs Arbitrator W Blunder N.O and others	-	80	-	-	80
Ngwenya S vs Department of Higher Education and Training	-	105	-	-	105
Govender I vs Department of Higher Education and Training	-	432	-	-	432

ANNEXURE 2A (CONTINUED)
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2020

Nature of Liability	Opening Balance 1 April 2019	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable	Closing balance 31 March 2020
	R'000	R'000	R'000	R'000	R'000
Mlambo V vs Department of Higher Education and Training	-	199	-	-	199
De Kock S vs Department of Higher Education and Training	-	237	-	-	237
Capsicum Culinary Studio (PTY) LTD vs the Director-General of Higher Education, Science and Technology	-	80	-	-	80
Citurro E Van Staden vs West Coast TVET College and Minister for Higher Education, Science and Technology	-	480	-	-	480
Thandolwethu MyBoy Ngxola vs the Administrator for NSFAS and Minister for Higher Education, Science and Technology	-	5 001 000	-	-	5 001 000
Thusa Sechaba Development Projects (PTY) LTD vs Minister for Higher Education and Training/Waterberg TVET College vs Selaelo Elizabeth Lekoloane	-	180	-	-	180
NAPTOSA obo A SEWSANCARAN vs Department of Higher Education and Training	-	200	-	-	200
PSA obo Nonyameko Xotyeni vs Department of Higher Education and Training	-	350	-	-	350
South African ABET Educators Union obo MI Pitso vs the Minister for Higher Education and Training	-	276	-	-	276
Dr Adams Gavin vs Department of Higher Education and Training, Teresa Erasmus and others	-	175	-	-	175
Stephen Mothobi Lecheko vs Department of Higher Education and Training	-	190	-	-	190
Virginia Kgabaeng vs Taletso TVET College (Mafikeng)	-	140		-	140
Mbongiseni Thamsanqa Dladla vs Department of Higher Education and Training, its Director-General and Coastal KZN College	-	100	-	-	100
Xolani Ndubela vs Department of Higher Education and Training	-	145	-	-	145
TOTAL	**150 510**	**5 013 361**	**4 099**	**-**	**5 159 772**

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
VOTE 15

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

ANNEXURE 3

CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000
Departments						
Department of Basic Education	-	-	7	7	7	7
Department of Justice	-	-	5	5	5	5
Department of Labour	-	-	51	18	51	18
Gauteng Department of Education	-	-	3	27	3	27
Limpopo Department of Education	-	-	16	166	16	166
Mpumalanga Culture, Sport and Recreation	-	-	37	37	37	37
Eastern Cape Department of Roads and Public Works	-	-	6	6	6	6
Telecommunication and Postal Services	-	-	8	8	8	8
Department of Transport	-	-	-	11	-	11
Gauteng Department of Infrastructure Development	-	-	46	46	46	46
Department of Rural Development and Land Reform	-	-	39	-	39	-
Department of Correctional Services	-	-	-	5	-	5
Free State Department of Education	-	-	10	-	10	-
North West Department of Education	-	-	68	-	68	-
North West Department of Education and Sports Development	-	-	74	68	74	68
Western Cape Department of Education	-	-	-	39	-	39
Government Technical Advisory Centre	-	-	-	25	-	25
Eastern Cape Department of Education	-	-	49	24	49	24
Limpopo Department of Agriculture	-	-	-	33	-	33
Department of Science and Technology	-	-	-	28	-	28
Northern Cape Department of Education	-	-	47	42	47	42
Kwa-Zulu Natal Department of Education	-	-	68	713	68	713
Gauteng Department of Transport	-	-	66	-	66	-

ANNEXURE 3 (CONTINUED)

CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000
Department of International Relations and Cooperation	-	-	823	-	823	-
Mpumalanga Department of Health	-	-	26	-	26	-
Eastern Cape Department of Transport	-	-	37	-	37	-
Gauteng Agriculture and Rural Development	-	-	31	-	31	-
Gauteng Department of Health	-	-	1	-	1	-
Gauteng Department of Cooperative Governance and Traditional Affairs	-	-	18	-	18	-
	-	**-**	**1 536**	**1 308**	**1 536**	**1 308**
OTHER GOVERNMENT ENTITIES						
National Skills Fund	-	-	406 414	493 229	406 414	493 229
Services SETA	-	-	281	281	281	281
SITA	-	-	31	31	31	31
Culture, Art, Tourism, Hospitality and Sports SETA (CATHSSETA)	-	-	1 028	1 028	1 028	1 028
Municipal Infrastructure Support Agency (MISA)	-	-	76	-	76	-
Community Education and Training Colleges	-	-	696	-	696	-
	-	-	408 526	494 569	408 526	494 569
TOTAL	**-**	**-**	**410 062**	**495 877**	**410 062**	**495 877**

The difference between Note 12 and Annexure 3 is due to the fact that amounts included under Annexure 3 only refers to Government entities

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

ANNEXURE 4
INVENTORIES

INVENTORIES FOR THE YEAR ENDED 31 MARCH 2020	Note	Inventory: Materials and supplies	Total
		R'000	R'000
Opening balance		378	378
Add: Additions/Purchases – Cash		2 853	2 853
(Less): Issues		(2 926)	(2 926)
Add: Adjustments		7	7
Closing balance		**312**	**312**

Additions include inventory bought through donor funds, NSF Growth funds and NSF infrastructure funds. The weighted average price variance value for inventory is R7 778.49

INVENTORIES FOR THE YEAR ENDED 31 MARCH 2019	Note	Inventory: Materials and supplies	Total
		R'000	R'000
Opening balance		615	615
Add: Additions/Purchases – Cash		4 231	4 231
(Less): Issues		(4 476)	(4 476)
Add: Adjustments		8	8
Closing balance		**378**	**378**

ANNEXURE 5A
INTER-ENTITY ADVANCES PAID (NOTE 11)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Department of International Relations and Cooperation	-	-	5 725	7 353	5 725	7 353
Government Communications and Information System	-	-	432	845	432	845
SUBTOTAL	**-**	**-**	**6 157**	**8 198**	**6 157**	**8 198**
PUBLIC ENTITIES						
National Student Financial Aid Scheme: TRC Victims Funds	-	-	2 926	13 323	2 926	13 323
SUBTOTAL	**-**	**-**	**2 926**	**13 323**	**2 926**	**13 323**
OTHER INSTITUTIONS						
University of Pretoria: International Scholarship Grant	-	-	5 000	-	5 000	-
SUBTOTAL	**-**	**-**	**5 000**	**-**	**5 000**	**-**
TOTAL	**-**	**-**	**14 083**	**21 521**	**14 083**	**21 521**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

ANNEXURE 5B

INTER-ENTITY ADVANCES RECEIVED (NOTE 17 AND NOTE 18)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Current						
Department of Justice: TRC Fund	-	-	6 250	-	6 250	-
	-	**-**	**6 250**	**-**	**6 250**	**-**
PUBLIC ENTITIES						
Current						
National Skills Fund International Scholarship Grant	-	-	69 314	919	69 314	919
National Skills Fund Fees Must Fall Grant	-	-	69 008	82 085	69 008	82 085
SUBTOTAL	**-**	**-**	**138 322**	**83 004**	**138 322**	**83 004**
TOTAL	**-**	**-**	**144 572**	**83 004**	**144 572**	**83 004**
Current	-	-	144 572	83 004	144 572	83 004

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