



# Annual Report 2016/17



higher education  
& training

Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA

Life and legacy of  
**OR TAMBO.**  
**100 YEARS**







## Annual Report 2016/17

Department of Higher  
Education and Training

Vote 15



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## Part A: General Information

*"The children of any nation are its future.  
A country, a movement, a person that  
does not value its youth and children  
does not deserve its future."  
- Oliver Tambo*

Life and legacy of  
**OR TAMBO.**  
**100 YEARS**



# Part A: General Information

## 1. Department's General Information

The Department of Higher Education and Training

### **PRETORIA OFFICE**

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**Physical Address:**

103 Plein Street, Cape Town, 8001

**Tel:** 021 469 5175

**Fax:** 021 461 4761

**Toll free:** 0800 872 222

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

**Career Advice Helpline:** 086 999 0123

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

**National Fraud Hotline:** 0800 701 701



## 2. General Information of Regional Managers

Provincial Clusters	Acting Regional Managers	E-mail Address	Contact Number	Physical Address
<b>Eastern Cape</b>	Ms N Teka	nombini.teka@edu.ecprov.gov.za	083 252 2979 040 608 4200	Steve Vukile Tshwete Street Eastern Cape Provincial Education Complex Zone 6 Zwelitsha
<b>KwaZulu-Natal</b>	Dr SJ Nzimande	Nozaba1@gmail.com	082 775 6834 033 345 2580/6	Umgungundlovu TVET College – Msunduzi Campus 114 Pietermaritz Street Pietermaritzburg
<b>Limpopo</b>	Ms SR Mantshiu	mantshiusr@edu.limpopo.gov.za	082 881 2237 015 290 7611	Corner 113 Biccard & 24 Excelsior Street Limpopo Provincial Education building
<b>Gauteng and Free State</b>	Mr M Mokaba	mokaba.mokgatl@gauteeng.gov.za	083 310 2081 011 355 0000	111 Commissioner Street Johannesburg Gauteng Provincial Education building
<b>Mpumalanga and North West</b>	Dr E Pedro	pedro.e@dhnet.gov.za	082 808 7351 018 388 2563 018 389 8150	Dr Albert Luthuli Drive Mafikeng North West Provincial Department of Education building Mafikeng
<b>Western Cape and Northern Cape</b>	Mr Z Siyengo	zozo.siyengo@westerncape.gov.za	082 577 6550 021 467 2000/9278	Golden Acre Floor No 18 9 Adderley Street Cape Town

### 3. Abbreviations/Acronyms

#### ABBREVIATIONS/ACRONYMS LIST

<b>AET</b>	Adult Education and Training
<b>AFS</b>	Annual Financial Statement
<b>AG</b>	Office of the Accountant-General
<b>AGSA</b>	Auditor-General South Africa
<b>APP</b>	Annual Performance Plan
<b>ARPL</b>	Artisan Recognition of Prior Learning
<b>BAC</b>	Bid Adjudication Committee
<b>BAS</b>	Basic Accounting System
<b>BEC</b>	Bid Evaluation Committee
<b>BRICS</b>	Brazil, Russia, India, China, South Africa
<b>BNU</b>	BRICS Network University
<b>BSC</b>	Bid Specification Committee
<b>CACH</b>	Central Application Clearing House
<b>CAS</b>	Central Application Service
<b>CD</b>	Chief Director
<b>CDGF</b>	Career Development Government Forum
<b>CDSF</b>	Career Development SETA Forum
<b>CDS</b>	Career Development Services
<b>CET</b>	Community Education and Training
<b>CETA</b>	Construction Education and Training Authority
<b>CHE</b>	Council on Higher Education
<b>CIPC</b>	Companies and Intellectual Property Commission
<b>CLC</b>	Community Learning Centre
<b>COL</b>	Commonwealth of Learning
<b>DDG</b>	Deputy Director-General
<b>DoE</b>	Department of Education
<b>DPME</b>	Department of Performance Monitoring and Evaluation
<b>DST</b>	Department of Science and Technology
<b>ECD</b>	Early Childhood Development
<b>EDHE</b>	Entrepreneurship Development in Higher Education
<b>GENFETQA</b>	General and Further Education and Training Quality Assurance
<b>GETCA</b>	General Education and Training Certificate for Adults



## ABBREVIATIONS/ACRONYMS LIST

<b>GITO</b>	Government Information Technology Office
<b>HE</b>	Higher Education
<b>HEAIDS</b>	Higher Education HIV/Aids Programme
<b>HEI</b>	Higher Education Institutions
<b>HEQC</b>	Higher Education Quality Committee
<b>HEQSF</b>	Higher Education Qualification Sub-Framework
<b>HIV/Aids</b>	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
<b>HR</b>	Human Resource
<b>HRBP</b>	Human Resource Business Partners
<b>HRD</b>	Human Resource Development
<b>HRDC</b>	Human Resource Development Council
<b>HRDCSA</b>	Human Resource Development Council of South Africa
<b>ICT</b>	Information and Communication Technology
<b>INDLELA</b>	Institute for the National Development of Learnerships, Employment Skills and Labour Assessments
<b>IGB</b>	International Governing Board
<b>IIPSA</b>	Integrated Infrastructure Programme of South Africa
<b>ISFAP</b>	Ikusasa Student Financial Aid Programme
<b>IT</b>	Information Technology
<b>ITSC</b>	Information Technology Steering Committee
<b>LMIP</b>	Labour Market Intelligence Partnership
<b>MIPF</b>	Macro-Infrastructure Planning Framework
<b>MTEF</b>	Medium-term Expenditure Framework
<b>MTSF</b>	Medium-term Strategic Framework
<b>NAMB</b>	National Artisan Moderation Body
<b>NATED</b>	National Accredited Technical Diploma
<b>NCAP</b>	National Career Advice Portal
<b>NCDF</b>	National Career Development Forum
<b>NC(V)</b>	National Certificate (Vocational)
<b>NCAP</b>	National Career Advice Portal
<b>NDP</b>	National Development Plan
<b>nGAP</b>	New Generation of Academics Programme
<b>NOLS</b>	National Open Learning System
<b>NQF</b>	National Qualifications Framework

## ABBREVIATIONS/ACRONYMS LIST

<b>NRF</b>	National Research Foundation
<b>NSA</b>	National Skills Authority
<b>NSDS</b>	National Skills Development Strategy
<b>NSF</b>	National Skills Fund
<b>NSFAS</b>	National Student Financial Aid Scheme
<b>OECD</b>	Organisation for Economic Cooperation and Development
<b>OIHD</b>	Occupations in High Demand
<b>OQSF</b>	Occupational Qualifications Sub-Framework
<b>PED</b>	Provincial Education Department
<b>PERSAL</b>	Personnel Salary System
<b>PFMA</b>	Public Finance Management Act
<b>PHEI</b>	Private Higher Education Institutions
<b>PPP</b>	Public Private Partnership
<b>PSET</b>	Post-School Education and Training
<b>QCTO</b>	Quality Council for Trades and Occupations
<b>RDG</b>	Research Development Grant
<b>RDP</b>	Research Development Programme
<b>RPL</b>	Recognition of Prior Learning
<b>SABC</b>	South African Broadcasting Corporation
<b>SADC</b>	Southern African Development Community
<b>SAICA</b>	South African Institute of Chartered Accountants
<b>SAQA</b>	South African Qualifications Authority
<b>SAIVCET</b>	South African Institute for Vocational and Continuing Education and Training
<b>SARS</b>	South African Revenue Service
<b>SDL</b>	Skills Development Levy
<b>SETA</b>	Sector Education and Training Authority
<b>SHIP</b>	Student Housing Infrastructure Programme
<b>SIPS</b>	Strategic Infrastructure Projects
<b>SITA</b>	State Information Technology Agency
<b>SPU</b>	Sol Plaatje University

## ABBREVIATIONS/ACRONYMS LIST

<b>SRC</b>	Student Representative Council
<b>SSAUF</b>	Staffing South Africa Universities Framework
<b>TDG</b>	Teaching Development Grant
<b>TLDCIP</b>	Teaching and Learning Development Capacity Improvement Programme
<b>TOC</b>	Transformation Oversight Committee
<b>TVET</b>	Technical and Vocational Education and Training
<b>UCDG</b>	University Capacity Development Grant
<b>UCDP</b>	University Capacity Development Programme
<b>UMP</b>	University of Mpumalanga
<b>UN</b>	United Nations
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organisation
<b>USAf</b>	Universities South Africa
<b>UNISA</b>	University of South Africa
<b>VCET</b>	Vocational and Continuing Education and Training

## 4. Foreword by the Minister

*“the 2017 academic year registration process was greatly improved alongside increased participation by all stakeholders”*



**Minister: Dr BE Nzimande, MP**

It is my pleasure to present the Annual Report of the Department of Higher Education and Training for the 2016/17 financial year. This report represents our achievements and the audited Annual Financial Statements, as part of the continued efforts to build an expanded Post-School Education and Training system, articulated in the Strategic Plan and 2016/17 Annual

Performance Plan. I am therefore honoured to present the Department's performance outcomes for this reporting period alongside the unqualified audit report.

This report comprises the second since the incorporation of the Technical and Vocational Education and Training (TVET), as well as Community Education and Training functions by the Department, and the first year during which dedicated Branches became operational for these two sectors. Despite the capacity constraints experienced within the Department in managing these functions as reported during 2015/16, various measures have successfully been implemented to ensure effective administration and operational management, including additional responsibilities incorporated by the Department's Corporate Services and the Office of the Chief Financial Officer. Similarly, the ongoing challenges within the University sector have been managed effectively.

Even though 2016/17 proved to be a challenging year for the Post-School Education and Training system, especially with regard to the sufficient funding of the university sector, the 2017 academic year registration process was greatly improved alongside increased participation by all stakeholders, including Student Representative Council

leadership. This culminated in a relatively smooth start to the academic year. The cooperation of all institutions to limit fee adjustments for 2017 to 8%, in relation to 2015 fees, and Government's funding of fee increases for students from households with a family income up to R600 000 by means of a fee adjustment grant, has also assisted in creating a more stable environment. In this regard, I trust that the report of the Presidential Commission and concomitant policy initiatives, as part of the funding framework focused in particular, on students in public universities and Technical and Vocational Education and Training colleges, will ensure vastly improved stability within the system.

A welcome growth has been the performance of universities in postgraduate studies. Despite this growth, an ageing academia and the ongoing challenge in attracting younger, especially black academics, remains an ongoing concern for the university sector. I am confident that our approach towards the development of future generations of academics, as supported by the new Capacity Development Programme, will assist by directing support towards the transformation of teaching, learning and research functions, as well as enhanced quality, success and equity in universities.

As indicated during the 2015/16 financial year, a Student Housing Symposium was convened during the second quarter of the 2016/17 financial year. Ten university and two TVET College student housing projects were initiated as part of the Department's Student Housing Infrastructure Programme. The key objectives of these interventions are aimed at ensuring that sufficient space for an additional 200 000 beds in universities and 100 000 beds in TVET Colleges are provided over the next 10-year period.

The Higher Education and Training HIV and AIDS Programme (HEAIDS), a national programme of the Department aimed at developing and supporting the HIV/TB/STI and General Health and Wellness mitigation initiatives, has now successfully been rolled out at our TVET Colleges in partnership with the South African College Principals Organisation. In an effort to mobilise more students in being tested and taking better care of their health, HEAIDS has also developed a peer education programme that aims to train more than 10 000 students on relevant HIV/TB/STI issues on an annual basis across all universities and TVET Colleges. The 'First Things First' programme is an outstanding example of such an effective public-private partnership and comprehensive wellness programme for South African youth. The inclusion of the TVET Colleges has taken the 'First Things First' programme to the next level, taking the first step to emulating TVET campuses as agents for positive health changes within their communities.

I am grateful for the local and global support that the Department continues to receive, aimed at implementing key programmes to increase access and success within the system. I wish to thank my Director-General, his senior management team, the staff in my office and each official in the Department in realising these achievements and I trust that even greater levels of success will be achieved in the interest of our country, going forward. I also wish to express a special word of gratitude to our former Deputy Minister Mduduzi Manana for his passion and dedication to the work of the Department, and to wish him well for the future.

A special word of thanks is also extended to our institutions, as well as the support provided by labour and employers towards building an integrated and coherent Post-School Education and Training system.

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



.....  
**Dr BE Nzimande, MP**

**Minister of Higher Education and Training**

## 5. Accounting Officer's Overview

*“challenges are addressed in a versatile and creative manner and that South Africans have access to education and training”*



**Director-General: Mr GF Qonde**

The 2016/17 Annual Report marks the seventh report of the Department of Higher Education which reflects on the status of its financial management, as well as the achievements regarding predetermined objectives.

During the reporting period, the Department remained focused on ensuring that challenges are addressed in a versatile and creative manner and that South Africans have access to education and training of the highest quality. An extensive review of our plans during this reporting period has also taken place with greater emphasis being placed on the development and implementation of improved steering mechanisms, as well as teaching and learning support via all delivery programmes. In this regard, special focus was directed towards Technical and Vocational Education and Training in improving qualifications, the examination system, as well as learning assessment services in general.

The Department commenced with the development of an integrated plan for the roll-out of the White Paper for Post-School Education and Training and a draft plan for further deliberation has since been compiled. Various other policy decisions and strategic issues were accordingly endorsed by the Department, including the National Policy on Career Development Services implemented across all spheres of Government, alongside an Articulation policy and the Policy Framework for the Realisation of Social Inclusion.



The review of the Higher Education Act (No 101 of 1997, as amended) was approved by Parliament during the financial year and the Higher Education Amendment Act, 2016 promulgated by the President on 17 January 2017. This has since facilitated a number of improvements within the higher education sector.

Student funding has remained an important matter on the agenda of activities for the Department. A Ministerial Task Team was established to determine and advise on alternative financing and operating models for the subsequent funding of poor and “missing middle” students. Based on the report and recommendations of the Task Team, the Ikusasa Student Financial Aid Programme (ISFAP), pilot project was implemented at seven universities and one TVET College during the 2017 academic year. This intervention aims to test certain aspects of the model in so far as it has relevance to students from the “missing middle” through funding provided by the private sector. This project is implemented independently from the Presidential Commission of Inquiry into Higher Education and Training (The Fees Commission) whose report and recommendations will become key to determining the future higher education and training fee landscape. The work performed by the Department in an effort to address these issues will be adapted and brought in line with policy decisions made by the President and Government subsequent to receipt and consideration of the Commission’s report.

The Department successfully continued its activities within the BRICS environment and was represented in the BRICS Ministerial and Senior Officials meeting in India. The BRICS Network University was formally established through the signing of a Memorandum of Understanding by the relevant Ministers in Moscow during November 2016. The Network promotes university collaboration in selected fields of cooperation. On the international front, the Department was also involved in activities of the Education Policy Committee meeting of the Organisation for Economic Cooperation and Development as well as the International Labour Organisation Conference in Switzerland.

Within the skills training environment, the Department published an updated National List of Occupations in High Demand to support planning within the PSET system, particularly in relation to enrolment planning, resource allocations and career advice, as well as qualifications development. A decision was also taken that the report on skills supply and demand be published on a biennial basis, as skills needs depend on the movements and changes in the economy on a macro-level. The proposal for the New National Skills Development Strategy, and Sector Education and Training Authorities landscape within the context of an integrated and differentiated PSET system was also published for public comment.

I wish to thank the Minister of Higher Education and Training, Dr BE Nzimande, and his staff for their continued support in improving the facilitation of Post-School Education and Training opportunities, especially directed at our youth. The reported progress and achievements would not have been possible if it was not for the dedication and hard work of my Senior Management team and all staff in the Department.

I hereby present the Annual Report for the 2016/17 financial year to the Minister of Higher Education and Training, Dr BE Nzimande, and invite him to table it in Parliament.



**Mr GF Qonde**  
**Director-General**



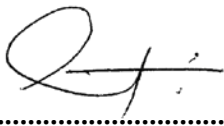
## 6. Statement of Responsibility and Confirmation of the Accuracy of the Annual Report

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 2017.

Yours faithfully



**Mr GF Qonde**  
**Accounting Officer**  
**Date: 31 May 2017**



## 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 an integrated Post-School Education and Training system for improved quality of life of South Africans



### 7.3 Values

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

### 7.4 Strategic outcome-orientated goals

The 2019 Medium-term Strategic Framework is structured around 14 priority outcomes which cover the focus areas identified in the National Development Plan. The Department of Higher Education and Training is responsible for Outcome 5 of the 14 Government outcomes, namely *“A skilled and capable workforce to support an inclusive growth path”*. The following Medium-term Strategic Framework sub-outcomes have been identified for this outcome:

1. 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.

For the realisation of the fore-mentioned sub-outcomes, five strategic outcome-oriented goals have been identified as per the table below:

## Strategic outcome-oriented goals:

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

## 8. Legislative and other mandates

### Constitutional mandates

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

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

## Legislative mandates

Legislation	Principal Minister	Relevant to the Minister of Higher Education and Training
<b>Adult Education and Training Act, 2000 (Act No. 51 of 2000) (AET Act)</b>	Minister of Higher Education and Training	Repealed
<b>Continuing Education and Training Act, 2006 (Act No. 16 of 2006), [Further Education and Training Act, 2006 (Act No. 16 of 2006) was renamed]</b>  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 and Training	Entire Act
<b>General and Further Education and Training Act, 2001 (Act No. 58 of 2001) (GENFETQA Act)</b>  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 in totality assigned to the Minister of Basic Education – except those sections relevant to continuing education and training assigned to the Minister of Higher Education and Training	In as far as public CET and TVET colleges as well as private colleges offering continuing education; Continuing Education and Training Act No. 16 of 2006
<b>Higher Education Act, 1997 (Act No. 101 of 1997), (HE Act)</b>  Provides for a unified and nationally planned system of higher education and for the statutory Council on Higher Education (CHE)	Minister of Higher Education and Training	Entire Act
<b>National Qualifications Framework Act, 2008 (Act No. 67 of 2008) (NQF Act)</b>  Provides for the National Qualifications Framework (NQF), the South African Qualifications Authority (SAQA) and the Quality Councils (CHE, QCTO and UMALUSI), for qualifications and quality assurance of qualifications required on the sub-frameworks of the NQF	Minister of Higher Education and Training	Entire Act
<b>National Student Financial Aid Scheme Act, 1999 (Act No. 56 of 1999) (NSFAS Act)</b>  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 and Training	Entire Act
<b>Skills Development Levies Act, 1999 (Act No. 9 of 1999) (SDL Act)</b>  Provides for the imposition of skills development levies and matters related thereto	Minister of Higher Education and Training	Entire Act

Legislation	Principal Minister	Relevant to the Minister of Higher Education and Training
<b>Skills Development Act, 1998 (Act No. 97 of 1998) (SD Act)</b> Provides for the National Skills Authority, the Quality Council for Trades and Occupations (QCTO), regulates apprenticeships, learnerships and matters related to skills development	Act in totality assigned to the Minister of Higher Education and Training – except those sections relevant to labour matters assigned to the Minister of Labour.	Entire Act, except the following sections relevant 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)

- **Promulgation of the Higher Education Amendment Act, 2016 (Act No. 9 of 2016)**

The Higher Education Amendment Act, 2016 was assented to by the President and promulgated on 17 January 2017 and will become effective from 31 August 2017.

- **Amendment of the National Qualifications Framework Act, 2008 (Act No. 67 of 2008)**

During 2016/17 the Chief Directorate: Legal and Legislative Services commenced with the process of reviewing and amending the NQF Act. The National Qualifications Framework Amendment Bill is currently submitted for approval to be tabled in the Parliamentary Programme.

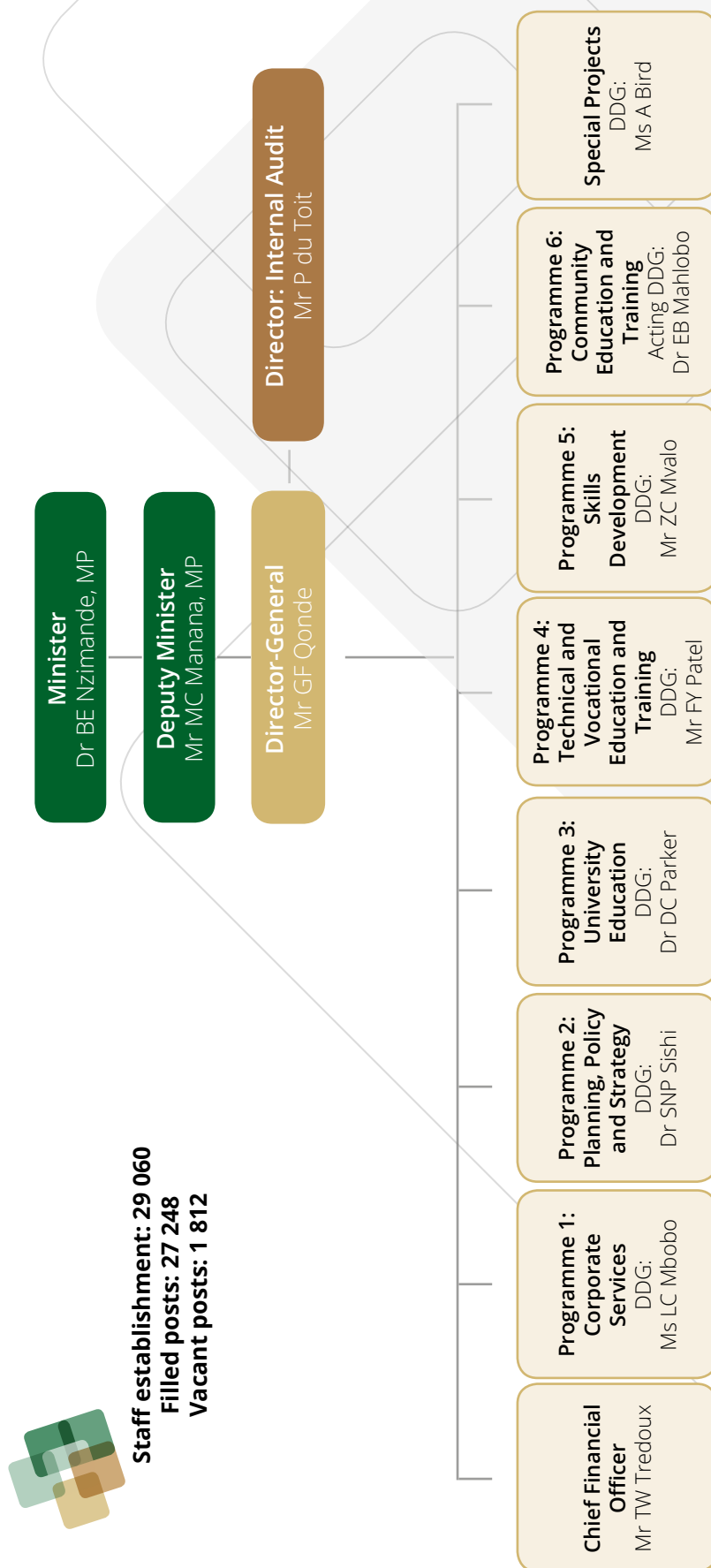
- **Litigation management**

During the 2016/17 financial year, the Chief Directorate: Legal and Legislative Services dealt with a total of 43 litigation matters in which either the Minister and/or the Department were cited as parties. Of the 43 litigation matters, 30 were finalised either as unopposed, struck off the roll or decided in favour of the Minister and/or Department.



University of Cape Town

## 9. High-Level Organisational Structure



## 10. Entities Reporting to the Minister

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

Name of entity	Legislation	Financial Relationship	Nature of Operations
<b>Agriculture Sector Education and Training Authority (AGRISETA)</b>	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
<b>Banking Sector Education and Training Authority (BANKSETA)</b>	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
<b>Chemical Industries Education and Training Authority (CHIETA)</b>	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the chemical industries sector
<b>Construction Sector Education and Training Authority (CETA)</b>	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the construction industry
<b>Council on Higher Education (CHE)</b>	Higher Education Act 101 of 1997	Transfer payments	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, monitors the state of the higher education system and contributes to the development of higher education through intellectual engagement
<b>Culture, Arts, Tourism Hospitality and Sports Sector Education and Training Authority (CATHSSETA)</b>	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
<b>Education, Training and Development Practices Sector Education and Training Authority (ETDP-SETA)</b>	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
<b>Energy and Water Sector Education and Training Authority (EWSETA)</b>	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the energy and water sector
<b>Fibre, Processing and Manufacturing Sector Education and Training Authority (FP&amp;M SETA)</b>	Skills Development Act 97 of 1998	Transfer payments	Facilitate, coordinate and monitor the implementation of the NSDS in the fibre, processing and manufacturing sector
<b>Financial Accounting Services Sector Education and Training Authority (FASSET)</b>	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
<b>Food and Beverages Sector Education and Training Authority (FOODBEV- SETA)</b>	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the food and beverages sector

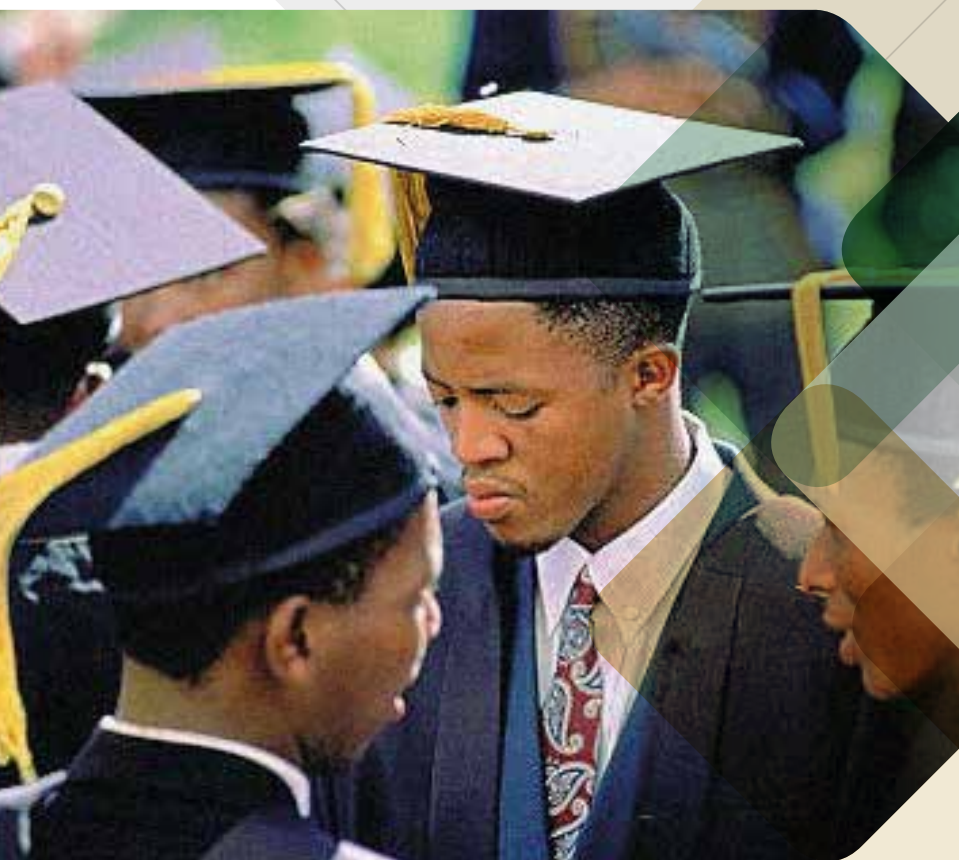


Name of entity	Legislation	Financial Relationship	Nature of Operations
<b>Health and Welfare Sector Education and Training Authority (HWSETA)</b>	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the health and welfare sector
<b>Insurance Sector Education and Training Authority (INSETA)</b>	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the insurance sector
<b>Local Government Sector Education and Training Authority (LGSETA)</b>	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the local government sector
<b>Manufacturing, Engineering and Related Services Sector Education and Training Authority (MERSETA)</b>	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
<b>Media, Information and Communication Technologies Sector Education and Training Authority (MICT-SETA)</b>	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
<b>Mining Qualifications Authority (MQA)</b>	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the mining and minerals sector
<b>National Skills Fund (NSF)</b>	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
<b>National Student Financial Aid Scheme (NSFAS)</b>	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 and Training, 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
<b>Public Services Sector Education and Training Authority (PSETA)</b>	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the public services sector
<b>Quality Council for Trades and Occupations (QCTO)</b>	NQF Act 2008 and Skills Development Act of 2008	Transfer payments	To develop and quality assure occupational qualifications that are responsive to labour market and developmental state initiatives

Name of entity	Legislation	Financial Relationship	Nature of Operations
<b>Safety and Security Sector Education and Training Authority (SASSETA)</b>	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the safety and security sector
<b>Services Sector Education and Training Authority (SERVICES SETA)</b>	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the services sector
<b>South African Qualifications Authority (SAQA)</b>	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, ensuring access, quality, redress and development for all learners, through an integrated national framework of learning achievements
<b>Transport Education and Training Authority (TETA)</b>	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the transport sector
<b>Wholesale and Retail Sector Education and Training Authority (W&amp;RSETA)</b>	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the wholesale and retail sector



The Minister, Dr BE Nkomo, MP during a visit to the National Student Financial Aid Scheme offices



## Part B: Performance Information

*"The fight for freedom must go on until it is won; until our country is free and happy and peaceful as part of the community of man, we cannot rest."*  
- **Oliver Tambo**

Life and legacy of  
**OR TAMBO.**  
**100 YEARS**



# Part B: Performance Information

## 1. Auditor-General's Report: Predetermined Objectives

Refer to the detail 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 2017, the Department of Higher Education and Training (hereafter referred to as the Department) made significant progress towards achieving its strategic goals set out in the 2015/16 to 2019/20 Strategic Plan and the 2016/17 Annual Performance Plan (APP). The attainment of the pre-determined objectives and targets set out in the year under review, were realised through the Department's six programmes, namely: 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.

#### 2.1.2 An overview of the context and environment within which the Department operated during the 2016/17 financial year

##### 2.1.2.1 Labour Market Intelligence

Government has acknowledged that it is important to understand, identify and plan for the skills needs of the country. It has therefore undertaken to establish a credible, institutional mechanism for skills planning, as reflected in its 2014 to 2019 Medium-term Strategic Framework (MTSF).

The Department initiated the Labour Market Intelligence Partnership (LMIP) Project during 2011/12<sup>1</sup> in order to support the achievement of the objective of establishing a mechanism for skills planning. The LMIP, which is a research project, is being undertaken in partnership with the University of the Witwatersrand and the Human Sciences Research Council (HSRC).

The Department, by way of the LMIP project during October 2016, published its first Annual Report on skills supply and demand in South Africa 2016. The report provides a holistic understanding of the current demand for and supply of skills in the country and represents one of the first attempts to analyse how the two processes interact to inform future skills policy in support of an inclusive economic growth path. The report is intended to contribute towards improving the responsiveness of the Post-School Education and Training (PSET) system to the needs of the economy and society, by supporting decision-making on matters pertaining to skills planning, training and development.

Some of the key findings contained in the report support the view that the sectors in which people work and the available job types are continuously changing. Economic growth in post-apartheid South Africa, while modest, has been driven largely by capital-intensive industries such as retail, trade and financial services,

<sup>1</sup> The LMIP Project is scheduled to end on 31 March 2018

rather than productive and labour-intensive sectors such as agriculture and manufacturing. The growing importance of the services sectors, which are more skills-intensive than the primary and secondary sectors, have yielded a strongly skills-based labour demand trajectory, which has impacted negatively on the demand for less skilled workers.

The project has also developed a forecasting model, referred to as the Linked Macro Education Model (LM-EM), aimed at predicting future skills needs and assessing the imbalances between skills supply and demand. The LM-EM provides foresight into the future, through comprehensive and consistent forecasts of economic indicators, a demand for occupations and the demand and supply of educational qualifications. The LM-EM generates the following outputs:

- Projections on macro-economic performance, including employment within 45 sectors;
- Projections on the demand for 11 aggregate occupations;
- Projections on the demand for 7 aggregate educational qualifications;
- Projections on the supply for 7 levels of educational qualifications differentiated by race, gender and province; and
- Projections on workforce skills within alternative education scenarios.

The report on the Projections of Skills Supply and Demand has been published on the departmental website.

The Department's subsequent insights into the dynamics of the labour market environment is constantly improving and deepening as a result of a diverse number of innovations such as the LMIP. The latter project has produced a vast array and a huge volume of research outputs, which include selected investigations and studies in determining reasons for the mismatch between skills supply and demand. More specifically, the LMIP has produced a significant number of deliverables since its establishment, which include:

- 25 research reports;
- 41 research papers;
- 18 journal articles;
- 5 books (draft versions);
- 14 policy briefs;
- 23 LMIP briefings, that showcase cutting-edge research modalities emanating from the LMIP;
- 74 presentations facilitated during events; and
- 3 LMIP updates (newsletters about LMIP activities).

Information on the LMIP and its deliverables can be found on the LMIP website at [www.lmip.org.za](http://www.lmip.org.za).

In better understanding the skills needs of society as well as the economy, the Department is becoming much more responsive to these external drivers by more effectively steering career development services, enrolment planning processes and resource allocations in a manner that is more directed at skills needs.

Furthermore, the Department produces a List of Occupations in High Demand and accordingly, the Department gazetted two lists of occupations in high demand during 2014 and 2016, respectively. Occupations in High Demand (OIHD) are pointers to the skills needs of the country and serve as key signals for skills planning. The OIHD list, which is similar to previous scarce skills lists is used for the following purposes:



- To inform enrolment planning at universities and TVET Colleges;
- To inform funding allocations by the National Skills Fund (NSF), National Student Financial Aid Scheme (NSFAS) and private bursary donors;
- To facilitate the provision of information into the career development system; and
- To inform the development of the Critical Skills List by the Department of Home Affairs in so far as its relevance to immigration matters.

Informal surveys undertaken by the Department reveal that many stakeholders welcome the list of OIHD as it assists with their own planning processes. The Department will produce its 3<sup>rd</sup> list during March 2018.

In recognising the importance of international comparability between skills needs, the Department is working in collaboration with the Organisation for Economic Cooperation and Development (OECD) on a project to identify skills shortages across the OECD member states and other countries. The project will highlight actual skills shortages in the identified country (such as management skills) and guide the PSET system regarding curriculum matters, comparative analysis of the credibility and integrity of its databases and provide a significant measure of South Africa's progress compared to counterparts in the global environment.

### **2.1.2.2 Systems Planning Unit**

The Department is in the process of establishing a Systems Planning Unit (formerly identified as the Skills Planning Unit and now referred to as the PSET Planning Unit), as committed to in the White Paper for PSET. The Unit will be responsible for implementing the National Plan for the PSET system conducted in the systemic, monitoring and evaluation of the system, developing, maintaining and monitoring the implementation of the PSET planning framework and coordinating research pertaining to the skills agenda for the system.

### **2.1.2.3 System Monitoring**

The Department published its Monitoring and Evaluation framework for the PSET system on its website during March 2017. The Monitoring and Evaluation framework aims to enhance and strengthen the Department's current monitoring and evaluation approaches, practices and systems. It seeks to promote a holistic, systemic, thematic and comprehensive approach to the monitoring and evaluation of the PSET system. Among others, it also strives to rationalise data collection processes and reporting requirements by providing a comprehensive indicator framework facilitating the identification of information needs and simplified responses rather than excessive reporting requirements. To this end, the Monitoring and Evaluation framework includes a compendium of indicators which will be used to monitor the performance of the PSET system. Most importantly, the framework draws attention to the importance of using the findings from monitoring and evaluation to improve on current practices and thereby contribute to improving service delivery.

The Monitoring and Evaluation framework clarifies the roles and responsibilities of different units in the Department and in particular, their oversight function in relation to the different entities for which the Department is accountable. It also provides guidance on what monitoring and evaluation plans should ideally include and draws on the links between monitoring and evaluation on the one hand, as well as the management information systems of the Department on the other.

#### **i. Macro-Indicator Report**

The Macro-Indicator report provides an overview of the performance of the PSET system in South Africa. The information contained in the report assists Government in measuring the extent to which the PSET

system has achieved the education goals as stated in the White Paper for Post-School Education and Training and the distribution of resources within the PSET system. The report stimulates and informs debate and discussion on the PSET system by highlighting trends and the analysis of key dimensions within the system. It also facilitates improvements for the design and implementation of educational policies and alerts policy makers to prevailing problems, as well as hints at some causes to problems by providing an analysis of the PSET system path through the compendium of education indicators. The performance of the PSET system is measured against the education goals of access, equity, quality and efficiency. The report also draws a link between the resources that have been put into the system in relation to the system outcomes.

## **ii. Investment Trends in Post-School Education and Training in South Africa**

The adequate financing of the PSET system has become paramount in the country's attempts to redress historical imbalances and creating a knowledge-centred and innovative society as articulated in the National Development Plan (NDP). The policy and outcomes of the PSET system are set out in the NDP and the White Paper for Post-School Education and Training. The main message contained in these documents is that the PSET system must be expanded rapidly in order to meet the country's emerging social and economic needs. The proposed expansion comes on the back of already rapid growth rates in the university and TVET sectors. Recent lessons are important in mapping a way going forward and have implications for the continued sustainability of the PSET system.

The main purpose of the report on Investment Trends in Post-School Education and Training in South Africa, is to draw on the historical analysis of PSET financing, in order to provide policy makers with a clear view of the future resource requirements needed under different implementation assumptions. In a fiscal environment where resources are constrained, the report will assist Government in making the decisions, choices and trade-offs that will be required in realising the intent and objectives of the White Paper. The report creates a baseline for the exploration and assessment of investment within the PSET system, particularly regarding access, equity and redress, by:

- Exploring current budgetary patterns and trends;
- Focusing on the strides that the democratic dispensation has made in terms of dealing with the historical imbalances; and
- Emphasising the need for the improved financing of the PSET system as a vital component of Government's social and economic policies.

## **iii. Statistics Report on PSET**

The Statistics Report on PSET in South Africa for 2015 was published on the departmental website on 31 March 2017. The publication covers statistical information for public and private Higher Education Institutions, private TVET and CET Colleges, as well as workplace-based education and training. The statistical report serves as an important resource for systemic planning, including the allocation of budgetary resources in the PSET sector. It furthermore provides statistics for use in research, policy and decision-making at the different levels of the system. The objective for 2017/18 is to timeously publish the Statistics Report on PSET in South Africa for 2016, so as to allow PSET institutions to update their databases.

### **2.1.2.4 The Research Agenda**

The Department's Research Agenda draws attention to the importance of research and in particular, its role in providing evidence to assist decision-making. The Research Agenda sets out the research requirements of the Department for the period 2017 to 2020. It has been developed to support research planning in the Department and to alert stakeholders to the areas of research that the Department has identified as being important.



More specifically, the Research Agenda has been developed to: (a) inform planning and implementation processes within the Department; (b) inform stakeholders of the Department's research priorities; (c) inform funders and development partners regarding research areas requiring investment; and (d) assist the Department in guiding resource allocations for research. It is hoped that the Research Agenda will be used by researchers, research organisations and post-graduate students to inform their research planning.

The Research Agenda identifies nine focus areas:

- Access and Equity;
- Quality and Efficiency;
- Education and Work;
- Skills Planning;
- Institutional Governance and Management;
- Staffing in Institutions;
- Curricula, Programmes and Qualifications;
- The National Qualifications Framework (NQF) and Quality Councils (QCs); and
- Cross-cutting issues such as funding within the PSET system and transformational issues.

#### **2.1.2.5 International Relations**

A number of scholarships have been offered to students for studies in selected countries abroad. Currently the majority of beneficiaries are studying in China, Ireland, Russia, Australia, Chile, Japan, Sweden, Canada, France and Hungary. The majority of opportunities were made available for post-graduate studies.

The Department has finalised an agreement with Palestine for mutual recognition of qualifications between both countries. The Minister of Higher Education and Training also signed an Implementation Programme on 4 May 2016.

The Department co-hosted the Going Global Conference in cooperation with the British Council in Cape Town. Seventy countries with over 1 000 participants attended the Conference and were afforded an opportunity to understand the challenges and were made aware of opportunities within the South African higher education landscape.

The Department tabled the Addis Convention on the Recognition of Studies, Certificates, Diplomas, Degrees and other academic qualifications pertaining to Higher Education in African States for Cabinet approval and tabling before Parliament with a view to finally close the chapter of isolation that led to non-participation of South Africa defined in terms of the old Arusha Convention, as a result of Apartheid policies prior to 1994. Pursuant to this process, the Department has strengthened the implementation and coherence of the NQF through the amendment of the legislation, operationalisation of the new Articulation Policy, as well as the implementation of the Recognition of Prior Learning (RPL) Coordination policy. Furthermore, the Department has overseen the finalisation of a Regional Qualifications Framework in preparation for the South African Development Community (SADC) and broader region, as well as the Addis Convention, to enhance integration, coherence, quality and integrity.

The Department, in conjunction with the Department of Science and Technology (DST), coordinated preparations for the establishment of a Pan-African University. A joint study visit aimed at benchmarking and comprising representatives of the Department and the DST was undertaken to Algeria, Kenya and Ethiopia.

The Department has hosted delegations from Qatar, China, Palestine and Switzerland to familiarise themselves with the South African Higher Education and Training system, as well as identify possible areas for collaboration and formalised by relevant cooperation agreements within the field of higher education and training.

The following commitments have been made:

- The Minister signed a Memorandum of Understanding between the Republic of South Africa and Hungary. This agreement makes provision for the granting of 100 scholarships to South African students in pursuit of their studies in Hungary. The Minister signed a Declaration of Intent with France with a view of formalising subsequent relationships and cooperation;
- The Minister also signed an action plan with the Chinese Minister of Commerce aimed at the facilitation of 2 000 training opportunities for the period 2015 to 2020. These training opportunities comprise of short courses and seminars ranging from three months to a year and are designed for and focused on various aspects of the South African Public Service. The training opportunities cover a wide range of fields, from manufacturing to issues around national security. More than 300 officials attended training in China during 2016; and
- The Chinese Government has re-committed its support for the refurbishment of TVET Colleges amounting to RMB200 million. The project plans are being developed in cooperation with the Chinese Embassy and National Treasury, with refurbishment activities expected to commence during 2017.

The Minister has undertaken various working visits to the USA, Canada, Germany, Portugal, France, China, Cuba and the United Kingdom in order to review and identify new areas of cooperation. The Deputy Minister has also represented the Department at the Brazil, Russia, India, China and South Africa (BRICS) education meeting in India. This meeting was preceded by a meeting of senior departmental officials and the BRICS Network University.

#### **2.1.2.6 National Qualifications Framework/Recognition of Prior Learning and Articulation**

The Minister of Higher Education and Training has overall executive responsibility and oversight of the National Qualifications Framework (NQF), the South African Qualifications Authority (SAQA) and the three quality councils namely, the Council for Higher Education (CHE), the Council for Trades and Occupations (QCTO) and UMALUSI, the latter in cooperation with the Minister of Basic Education. The Minister is also responsible for policies and Ministerial guidelines which may be published annually and that set out Government's strategies and priorities for the NQF and those of its implementing bodies.

During the 2016/17 financial year, the new Articulation policy accordingly referred to herein was published in the Government Gazette. This policy provides the overarching directives which guide the transformation agenda for improved learner access, mobility, as well as life-long learning and career pathways. A research report on a possible role for an Articulation Ombudsman, as envisioned in Chapter Nine of the White Paper for PSET has also been produced.

RPL policy implementation has progressed during the financial year under review. The Department is currently establishing a RPL Reference Group which will support RPL implementation and has also facilitated a number of capacity building workshops on RPL implementation. It has supported projects with a number of other role-players with a view to implement RPL for access, RPL for the awarding of professional designations and RPL for awarding qualifications or part-time qualifications. The RPL Guideline Manual has been finalised and is aimed at providing support to both service providers and employers.

The Minister, in terms of the NQF Act, is required to ensure coherence and uphold the public integrity and credibility of the NQF. In response to this legislative requirement, the NQF Amendment Bill has been prepared and will be presented during the 2017/18 financial year to Parliament for approval and promulgation. The NQF Amendment Bill strengthens all mechanisms in dealing with the misrepresentation of qualifications and verification by SAQA regarding the qualifications of public servants and board members of public entities. A further mechanism in strengthening quality assurance and credibility of the system has been the publication of Joint Communiqué 1 of 2016 that requires all private colleges and Public Higher Education Institutions (PHEI) offering qualifications and part-qualifications registered on the Occupational Qualifications Sub-Framework (OQSF), to be registered with the Department. They were previously exempted from having to register during the transitional period of setting up the Quality Council for Trades and Occupations. By tightening up this area, the Department can now more effectively deal with illegal institutions and misrepresentations by institutions regarding the status of teaching and learning offered by unscrupulous institutions.

During the 2016/17 financial year, the Ministerial Guidelines focused on the implementation of RPL articulation, improved quality assurance, simplification of NQF systems and the registration of relevant qualifications, which are focused on skills, knowledge and competencies in an effort to enhance employment opportunities, self-employment and life-long learning. NQF implementation is recognised as a robust and active partnership between a number of role-players and stakeholders, all of whom have a role to play in further developing and implementing a system of quality and credible education and training in South Africa.

### **2.1.2.7 Career Development Services**

The Department is making significant progress in coordinating Career Development Services (CDS) in the country. During the 2016/17 financial year, the Department developed the National Policy on Integrated Career Development Services for South Africa. Existence of the interim National Career Development Forum with its sub-structures consisting of the Career Development Government Forum (CDGF) and the Career Development SETA Forum (CDSF) has enabled broad consultation and encouraged inter-departmental collaboration. In addition, the Department hosted the first Annual Career Development Stakeholder Conference during April 2016 which was attended by career development services experts, as well as representatives from the public, private and civil society sectors. The draft, pre-public comments were also consulted as part of the conference itinerary. The CDGF and CDSF considered the comments and Cabinet approved the policy during March 2017.

CDS continues to provide quality career information, advice and counselling services not only to the PSET system, but also to South Africans of all ages. Over 400 000 members of the public have visited and used the departmental career development online platforms. These platforms encourage and support informed career and study decisions. Key among these platforms is the National Career Advice Portal (NCAP), which is a free online self-help tool designed to facilitate and support informed career and study decisions. The NCAP is a one-stop platform providing access to information on careers as well as learning pathways leading to those careers, institutions of higher learning and courses/programmes they offer. The updated NCAP policy will be published during the 2017/18 financial year and thereafter copied onto compact disks for distribution to schools throughout the country.

The Department, in partnership with the South African Broadcasting Corporation (SABC), continues to present the weekly Khetha Radio Programme, which is currently broadcasted on 13 Public Broadcasting Stations, including Lotus FM and XK!FM which is a station dedicated to the promotion of Xhosa and Ndebele languages. The Khetha Radio Programme reaches approximately 3.5 million listeners per week and has also been extended to 52 community radio stations across the country, which includes a number of campus radio stations as well.

The Department has prepared a position paper on online programme and course offerings. The paper includes recommendations on how the Department can support quality online programmes and courses offered within the PSET system. An implementation plan for the position paper has since been developed.

The Minister approved the publication of the Open Learning Policy Framework for public comment on 23 March 2017. Emanating from the policy directives in Chapter 7 of the 2013 White Paper, this policy framework sets out the strategic intent of the Department in steering the PSET system towards increased access and improved, quality and cost-effective open learning. The purpose of this policy framework is aimed at creating an enabling environment for open learning within the PSET system and provides a framework for the implementation, monitoring and evaluation of open learning across the PSET system. A high-level implementation strategy is included and policy instruments as well as steering mechanisms have been formulated.

The National Occupational Certificate: Electrician-Domestic Installation learning module has been developed and uploaded on a prototype National Open Learning System (NOLS) platform in order to be piloted. The Department is preparing to appoint a service provider aimed at managing the development of curriculum content and developing an outline for open learning teaching and learning resources, assessment tasks and learning pathways, while also managing the materials development process for a full Occupational Certificate: Electrician programme. A Diagnostic Test/Interest Questionnaire for TVET Colleges has been developed which the Department has prepared to assist students and prospective students in identifying their areas of interest, particularly within the available study fields at TVET Colleges.

A nine-day study tour to Malaysia took place from 21 November to 1 December 2016, in order to build the institutional capacity of the Department in implementing an open learning system. A delegation of ten officials from the Department, TVET Colleges and one university participated during the tour and attended the 8<sup>th</sup> Pan-Commonwealth Forum on Open Learning in Kuala Lumpur. Participants were provided with a broad understanding regarding the implementation of open learning in an international context, an opportunity to exchange knowledge and experiences and learn about important international trends, innovations, challenges and solutions. The delegation also visited the Wawasan and Malaysian Open universities with a view to afford the Department with an opportunity to gain a better understanding of the implementation of open learning and the use of Massive Open Online Courses as part of the Malaysian Qualifications framework in particular. System readiness for the implementation of the Framework for Open Learning and Distance Education is deepening, with great strides having been made. However, much more work is underway to develop institutional capacity and create a new culture of teaching professionals in pursuit of greater access to learning and removing barriers to quality education.

Cabinet has approved the Report on Disability in the PSET system and the Department has commenced with processes towards the finalisation of a disability framework. The Policy Framework for the Realisation of Social Inclusion within the PSET System was also published in the Government Gazette on 15 December 2016.

In closing, a Policy and Guidelines on Articulation was published in Government Gazette no. 40545 on 13 January 2017.

### 2.1.3 The Human Resource Development Council and the Human Resource Development Strategy for South Africa

The Human Resource Development Council (HRDC) is led by the Deputy President of South Africa and comprises of key Ministers who have a direct interest in ensuring that South Africa produces the resource types and levels of human expertise needed for inclusive growth and development.

The HRDC aims to improve and ensure the alignment of the efforts made by all role players located in human resource development (Government, civil society, business, labour, professional bodies and research communities). More specifically, it seeks to:

- Develop a Human Resource Development (HRD) strategy for South Africa;
- Identify blockages in achieving the objectives of the HRD strategy and intervene to address these challenges;
- Coordinate the efforts of Government departments and social partners regarding the implementation of the HRD strategy;
- Monitor and report on the implementation of the strategy; and
- Evaluate the impact of the strategy against agreed indicators.

The HRDC is uniquely placed, drawing together a wide range of expertise and influence in support of the body of work provided within the education and training system as a whole, including the efforts of the Department and the Departments of Basic Education and Science and Technology. It does this by means of identifying blockages and making recommendations to address challenges, commissioning research, mobilising stakeholder involvement and investment in human resource development initiatives, promoting knowledge management and sharing expertise to improve effectiveness, while providing high-level, system-wide monitoring and evaluation to inform the new HRD strategy.

The HRD Strategy has eight priorities, indicated as follows:

1. To urgently overcome the shortages in the supply of people with the priority skills needed for the successful implementation of current strategies to achieve accelerated economic growth;
2. To increase the number of appropriately skilled people to meet the demands of current and emerging economic and social development priorities;
3. To ensure improved, universal access to quality basic education and schooling (up to Grade 12) that is purposefully focused on (a) achieving a dramatic improvement in education outcomes for the poor; (b) equipping learners with optimal capacity for good citizenship; and (c) the pursuit of Post-School vocational education and training or employment;
4. To urgently implement skills development programmes that are purposefully aimed at equipping recipients/citizens with requisite skills to overcome the related scourges of poverty and unemployment;
5. To ensure that young people have access to education and training that enhances opportunities and increases their chances of success in further vocational training and sustainable employment;
6. To improve the technological and innovative capability and outcomes within the public and private sectors to enhance South Africa's competitiveness in the global economy and meet human development priorities;
7. To ensure that the public sector has adequate capacity to meet the strategic priorities of the South African Developmental State; and

8. To establish effective and efficient planning capabilities in the relevant departments and entities for the successful implementation of the HRD strategy for South Africa.

#### 2.1.4 University Education

The higher education system comprises of the public higher education sector consisting of universities and a National Institute for Higher Education; the private higher education sector consisting of registered PHEIs; as well as the Council on Higher Education (CHE) which implements a system of quality assurance for higher education. The CHE advises the Minister on aspects of higher education and undertakes research to inform the development of the system.

The service delivery environment in respect to universities covers both the public and private sectors, although the public sector is the larger of the two and has greater focus. The higher education sectors both public and private, are governed by the *Higher Education Act 101 of 1997*, as amended.

The public higher education sector consists of 26 universities, (differentiated into eleven general academic universities, nine comprehensive universities and six universities of technology), as well as the National Institute for Humanities and Social Sciences.

In 2016/17 the private higher education sector consisted of 125 registered PHEIs. The number of PHEIs change from time to time, depending on the economy, the accreditation status of programmes and compliance with regulations. The Department monitors the system to ensure compliance on an ongoing basis and publishes an updated Register of Registered Private Higher Education Institutions on a monthly basis on the Department's website, which includes details of the accredited programmes they may legally offer, as well as accredited sites of delivery.

##### **Public higher education context and environment**

Three steering mechanisms underpin and support the development of the public university sector, namely, planning, funding and quality assurance. The Department steers the system through funding and planning oversight, while the CHE has the mandate to quality assure the system. The NSFAS provides funding for financially needy, academically qualifying students in obtaining access to university education.

The audited student headcount enrolment at public higher education institutions (universities) totalled 985 212 students during the 2015 academic year, which includes both full-time and part-time enrolments for contact and distance learning studies. While this represents a 3.2% growth in university headcount enrolments from 953 373 in the 2012 academic year it by contrast, represents a 1.6% increase in the headcount enrolment from 969 154 during the 2014 academic year. This is the second time that the university system has not grown in accordance with targets indicated in the Ministerial Statement on Enrolment Planning negotiated with universities and which had projected that the system would grow to 1 000 100 during the 2015 academic year. The main reason for this decline in the percentage growth was as a result of number of enrolments at the University of South Africa (UNISA), which were significantly less than targeted. While UNISA's headcount enrolments increased from 328 491 during 2014 to 337 944 during 2015, this was still 3 697 fewer enrolments than targeted.

The national aim is to increase the total headcount enrolments in higher education (public and private institutions) to 1.6 million by 2030, as envisaged by the NDP and the White Paper for PSET, 2013. The system remains vulnerable, with funding for institutions and students remaining a critical requirement to enable the growth envisaged in the NDP.



While the headcount enrolments did not increase as anticipated, the total number of university graduates produced per annum has increased to 191 524, which exceeded the expected target of 181 616 for the 2015 academic year by 9 908 graduates. The annual number of graduates increased from 165 995 during the 2012 academic year, a growth of 15.4% between 2012 and 2015. This is laudable and signals that the system is improving its output, since the increase in graduates (15.4%) is far greater than the increase in headcount enrolments (3.3%) for the same reporting period.

Notably, the number of Research Masters and Doctoral (PhD) 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 leaders within knowledge-intensive professions. The number of Research Masters' graduates increased by 20.4% from a total of 6 076 graduates in the 2012 academic year to 7 317 graduates in the 2015 academic year. The number of Doctoral graduates increased by 34.7% from 1 878 to 2 530 over the same period. The system is therefore responding positively to Government's research development priorities set out in the NDP and in line with the Medium-term Strategic Framework (MTSF) targets.

The system also performed well during the 2015 academic year with regard to producing graduates in most of the scarce skills areas, comprising 12 470 engineering graduates (1 870 more graduates than the target), 7 917 natural and physical sciences graduates (1 017 more graduates than the target), 20 698 new teachers (2 398 more graduates than the target) and 9 851 graduates in animal and human health studies (151 more graduates than the target).

In an effort to boost the expansion of the public higher education system and ensure enhanced access to university education in all provinces, the Sol Plaatje University (SPU) and the University of Mpumalanga (UMP) were established in August 2014. SPU and UMP opened their doors to their third intake of students in the 2016 academic year, enrolling 703 students and 1 268 students respectively. This constitutes a significant increase from their initial, relatively modest intakes of 124 students at SPU and 140 students at UMP during 2014. This rapid expansion was made possible by a combined financial investment of R1.6 billion allocated between 2013 and 2016 aimed at constructing substantial new campuses, representing the first phase of the ten to fifteen-year infrastructure development programmes at each institution. The second phase of construction to a combined value of R1.260 billion is currently nearing completion and has enabled a further large increase in enrolments to reach 1 250 at SPU and 2 130 at UMP during the 2017 academic year. Similar infrastructure expansion to make the institutions ready for further expansion in the 2018 academic year is already underway. This expansion is set to occur annually over the foreseeable future, until each university satisfies its growth potentials. An annual investment of approximately R1 billion for the two universities has been set aside to support this growth.

The Sefako Makgatho Health Sciences University, the third new university in the country, successfully incorporated the Medunsa campus of the University of Limpopo and opened its doors in January 2015. It is set to expand student enrolment from an initial 5 000 student headcount to 10 000 students over the next five-to-ten years. During 2017 the anticipated first-time enrolment is set at 1 033 students, up from 926 during 2015. The total enrolment during 2017 is expected to reach 5 765.

The second Higher Education Transformation Summit held in October 2015 highlighted that even though significant progress has been made with regard to undergraduate and post-graduate student success, enhanced research outputs by universities, as well as a student and staff demographic that is becoming more aligned to the profile of the country's population, more needs to be done. In response, the Department continued to strengthen its oversight of the Teaching Development Grants (TDG) and the Research



Development Grants (RDG) during 2016/17, including requiring universities to devise clear targets on success and transformation imperatives for activities supported by the two grants. The New Generation of Academics Programme (nGAP) continued to be implemented, with a further 83 new positions advertised for uptake during 2016/17, bringing the total number of new posts created over the two-year period to 208.

The Report of the Ministerial Committee for the Review of the Funding of Universities submitted during October 2013 proposed that the TDG and RDG be consolidated and replaced by a University Capacity Development Grant (UCDG), which will have the main purpose of further promoting success and transformation in the university system. The Department consulted widely within the university system on the nature of the UCDG and University Capacity Development Programme (UCDP) that it will subsequently support and plans to introduce the new programme during the 2018 academic year.

Going forward and as part of the implementation of the UCDP, the Department plans to intensify its efforts to enter into partnerships that bring added resources to contribute to improved success at universities and more rapid transformation of the university system. This will include the expansion of the International Scholarships Programme.

The Minister established the Transformation Oversight Committee (TOC) during 2013, to monitor the transformation of HEIs. The TOC was not able to carry out its functions as envisaged due to lack of funding and administrative support. During 2015, the Department established a transformation unit within the University Education Branch to support the work of the Committee and assist with monitoring the system. Staff were recruited to the transformation unit and this will enable strengthened oversight pertaining to the transformation of the system, going forward.

Following the Higher Education Transformation Summit in October 2015, institutions were requested to develop institutional transformation plans to implement the Summit resolutions. An analytical report on institutional submissions is currently being prepared and will be used to assist the new TOC in monitoring progress across the system.

The South African Human Rights Commission produced a report on transformation at public universities in South Africa in December 2016. The report found that *“public universities have not sufficiently transformed in the past 20 years and that discrimination remains prevalent in public universities in South Africa, particularly on the grounds of race, gender, disability and socio-economic class. The report also finds that despite the relative gains, transformation in the higher education sector has been relatively slow”*.

The report makes a number of recommendations directed at different stakeholders including the Minister, the Department, the TOC and universities, which are aimed at accelerating substantive transformation in the sector. The recommendations of the Commission together with the Summit resolutions will be integrated into the operational plan of the TOC for the next three years.

The strengthening and expansion of the public higher education system is supported by the Department's Infrastructure and Efficiency Grant (IEG). During 2014/15, a decision was taken to strategically review the process for the allocation of infrastructure and efficiency funds earmarked for the following cycle of infrastructure funding that commenced in 2015/16. Universities were requested to undertake infrastructure, maintenance and disability audits and develop campus master plans spanning the next 15-year period. The Department brought together a team of experts to analyse the plans and develop a Macro-Infrastructure Planning Framework (MIPF) for the university education system. The initial analysis of the various infrastructure audits and plans submitted to the Department revealed that there is a major maintenance backlog across the system. Institutions have been deferring the maintenance of their infrastructure and have been focusing

on operations and the development of new infrastructure supported by the IEG. On the basis of the work effected towards the development of the MIPF, IEG funding to the amount of R7.265 billion was allocated from the 2015/16 to the 2017/18 financial years to support universities in addressing their backlog maintenance requirements, expanding student housing development, as well as financing selected priority projects.

The fifteen-year MIPF is currently being finalised. The framework, together with needs identified by individual universities, will guide the prioritisation of infrastructure projects and the allocation of funds to institutions for the 2018/19 to 2020/21 infrastructure funding cycle and beyond. From the analysis of planned priorities, it is expected that during the next cycle, the focus will mainly be on backlog maintenance, the refurbishment of older infrastructure, as well as improving information technology infrastructure, campus security and the provision of new student housing.

Higher Education fees and the affordability of university education have been in the spotlight with the “#feesmustfall” Campaign and the demand from students for free quality higher education. The current cost sharing model for university funding requires that students must pay fees and this remains in place to ensure the financial sustainability of the public sector.

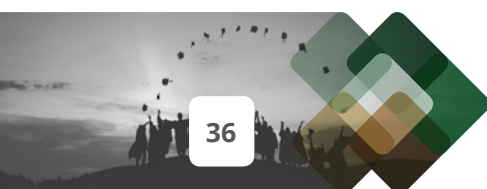
The service delivery environment was severely tested once again in the latter part of the 2016 academic year due to intensified protest actions across the public university sector. From mid-August through to November 2016 the system witnessed intensified protest action across university campuses. This followed the Minister's announcement on a recommendation of a fee adjustment, capped at 8% on the 2015 fees. The Minister made the recommendation after consulting a wide range of stakeholders as well as the Cabinet. Institutions were requested to consider their individual needs and their Councils had to make a decision on the basis of each institution's individual context and circumstances. The Minister, after consultation with National Treasury, undertook to support all students from families with household incomes of R600 000 per annum or less, effectively ensuring that all poor and so called ‘missing middle’ students would experience a 0% fee increase on their 2015 fees. The decision to make this announcement was informed by advice received from the CHE on a regulatory framework for university fees, as well as the recognition that institutional sustainability is at risk if not adjusted in conjunction with inflation.

However, it is noted that while the system experienced severe challenges, all institutions managed to complete the 2016 academic year with many innovations being implemented across the system to ensure that academic programmes were completed.

NSFAS is Government's key institution for supporting poor and working class students to access higher education opportunities. In the 2015 academic year, NSFAS supported 178 961 students at the 26 public universities through loans and bursaries. Due to significant additional funding made available through the fiscus during the 2016 academic year, following on from the recommendations in the Presidential Task Team report on short-term student funding challenges at universities it is expected that the audit reports, which are due in July 2017, will confirm that at least 225 950 university students were supported through the scheme.

NSFAS administers 25 funds that include the Department of Higher Education and Training General Loan Fund, the Department of Basic Education's Funza Lushaka Bursary Scheme (to fund new teachers); the NSF Scarce Skills Bursaries and Post-Graduate Scholarships Funds, certain SETA bursaries and a number of National and provincial Government Departments' bursary funds.

Over the years NSFAS has relied on universities and TVET Colleges to manage the applications process for student loans and bursaries through their financial aid offices. In respect of the 26 universities as well as 50 TVET Colleges with multiple campuses that the funding system services, the application process has



proven to be inefficient and prone to fraud, with disparate rules being applied for the allocation of loans and bursaries at different institutions across the system. NSFAS therefore developed a new student-centred central applications model to combat these inefficiencies and improve its services. NSFAS has tested the implementation of its new model during 2014 through to the 2016 academic year application periods at six universities and 14 TVET Colleges.

With regard to the 2017 academic year applications, NSFAS has rolled out its new student-centred model to all universities and TVET Colleges. NSFAS argued that this would enable the organisation to build a direct relationship with students from the initial application phase to the completion of their studies and will increase efficiencies regarding the administration of loans and bursaries. However, the advent of the 2017 academic year saw many challenges with regard to the implementation of the new system and the Department together with Universities South Africa (USAf) worked closely with NSFAS to mitigate the risks associated with the implementation of the system. Many poor and working class students were negatively affected by these challenges and many complaints and individual cases were reported.

The Department will closely monitor the implementation of the new model and there is an agreement that NSFAS, together with the Department and USAf will undertake a detailed examination of the underlying issues and work towards ensuring that the system is more effectively implemented during the 2018 academic year. The stability of the system is largely dependent on an effective and efficient funding mechanism for poor and working class students in accessing public higher education and succeeding in their studies.

### ***Private higher education context and environment***

Since 2000, the private higher education sector has consolidated itself in the higher education and vocational space offering a range of programmes in diverse fields, from the Higher Certificate to Doctoral Studies through both 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 aligned to industry needs. Unaudited enrolment figures indicate that approximately 147 210 students were enrolled across the 125 PHEIs in 2015. Private higher education therefore accounts for approximately 14.7% of the headcount enrolments in the higher education sector. Currently a major weakness in the system is that enrolments and graduations are not audited and therefore the figures provided could be unreliable. The Department will going forward, require PHEIs to audit their enrolment figures and outputs so as to ensure accurate data on the role of PHEIs in the system.

The effective integration of private higher education into the system as a whole, is linked to the quality assurance system of the Higher Education Quality Committee (HEQC) of the CHE, together with the work of the Department in registering institutions that enable them to legally offer accredited programmes. The CHE and the Department work closely together in ensuring the integrity of the system. A major challenge in this regard is the number of 'bogus' colleges that continue to appear and operate, providing unaccredited programmes to unsuspecting students. Moreover, some registered PHEIs offer unaccredited and unregistered programmes. This warrants close monitoring by the Department.

During 2016/17 the Department intensified its campaign to raise public awareness on the importance of checking the status of private institutions prior to enrolment. The statement of National Senior Certificate results included a warning statement on 'bogus' colleges and provided information on how to verify the credentials of a PHEI since 2016. A public awareness campaign is being implemented. This includes publishing a list of 'bogus' colleges identified through the Department's monitoring processes, alongside the Register of Registered Private Higher Education Institutions. These lists are published and updated monthly

on the Department's website. The Department also engages closely with schools, district offices and foreign embassies to ensure that the correct information is disseminated. Oversight of the system, including site visits to institutions reported to be operating illegally and visible monitoring in partnership with the South African Police Service (SAPS), is being implemented. The Department has also created links with authorities in the United Kingdom and the United States of America and is working closely with the latter to combat the operation of 'bogus' colleges and degree fraud linked to institutions operating in South Africa from these countries.

As at 9 January 2017, 27 illegally operating PHEIs on the list of 'bogus' colleges had been shut down either directly or indirectly. Most of the illegal private institutions still in operation are Theology colleges. Some colleges, when confronted, have refunded student fees already paid over and requested that their names are not published on the 'bogus' colleges list.

In order to improve the oversight processes aimed at ensuring that only legitimate, registered and quality assured private providers operate within the country, it was necessary to improve the legislative and regulatory environment, so that it better supports legitimate providers, while at the same time providing effective regulation of the system with a view to protecting the unsuspecting public from unscrupulous providers. To this end, the Department finalised and published revised regulations for the registration of PHEIs in terms of the *Higher Education Act of 1997*, as amended, on 31 March 2016, in Government Gazette Vol. 609 No. 39880, Notice No. 383. These regulations are now being implemented. In addition, the *Higher Education Amendment Act (2016)*, Act No. 9 of 2016, which was promulgated in January 2017 and will become effective from 31 August 2017 and will lead to improvements in service delivery environment of PHEIs. The Act will enable greater integration of private higher education into the PSET system as a whole, as envisaged by the White Paper for Post-School Education and Training and for the first time, will enable the possibility of PHEIs that meet the requirements, to be called universities.

### ***Significant achievements during the 2016/17 financial year***

The UCDP was finalised and approved by the Minister for implementation during the 2017/18 financial year, supported by a new grant, the UCDG. The UCDP focuses on three areas, namely, student success; staff development; and programme development/curriculum transformation. The UCDP aims to support the transformation of teaching, learning, research leading to enhanced quality, success and equity in universities. The UCDG accordingly replaces the teaching development and research development grants. These two programmes will be phased out over the first three quarters of the financial year, while the new programme will be implemented from the fourth quarter, for commencement from the 2018 academic year.

During the 2016/17 financial year, the Department entered into a number of partnerships with external partners on initiatives to build capacity and promote success and transformation within the university system. These comprise:

- i. The implementation of the Teaching and Learning Development Capacity Improvement Programme (TLDCIP) through a partnership with the European Union. R200 million is being invested up to 2019/20 in an effort to strengthen teacher education at universities in the areas of early childhood development; primary teacher education with a focus on literacy, languages and mathematics teaching; inclusive and special needs education and lecturer education for those teaching in TVET and CET Colleges. The TLDCIP has a strong focus on strengthening the quality of teacher education at universities to complement the huge gains that have already been made in respect of new teacher graduate outputs at universities, which reached a figure of 20 698 in 2015, and addressing the supply-demand gap that has been prevalent in the country for many years.

- ii. The Department embarked on a partnership intervention to the value of R20 million with the Royal Academy of Engineering (RAEng) in the United Kingdom and other United Kingdom institutions on a programme to strengthen engineering education in South Africa.
- iii. During 2016/17, the Department supported a second cohort of 27 emerging university leaders to enroll for a Doctorate in Business Administration in Higher Education Leadership and Management, through a partnership between the Department, the Nelson Mandela University and the University of Bath. This brings the total of emerging university leaders supported through the programme thus-far to 54.
- iv. A partnership between the NSF and the National Research Foundation (NRF) has enabled the establishment of six research chairs focused on aspects of PSET. The research chair incumbents will be recruited as part of the DST/NRF South African Research Chairs Initiative.

The Department's international scholarships programme has been fully established. A new international scholarship programme partnership with the Hungarian Government was launched during February 2017 and will enable 100 South African students to take up degree programmes at a range of Hungarian universities on an annual basis.

The Entrepreneurship Development in Higher Education (EDHE) programme was established during the financial year under review. This emerged out of the work of the Human Resource Development Council of South Africa's (HRDCSA) task team report on this matter and the EDHE programme focusing on student entrepreneurship; academic programme development and entrepreneurial universities. A Lekgotla on EDHE was facilitated on 16 and 17 March 2017 with a view to launch the programme. Communities of Practice will be established to take the work of these three streams forward in partnership with USAf.

The *Higher Education Act (Act 101 of 1997)*, as amended was comprehensively reviewed during 2014 and 2015, culminating in the amendment enacted in 2017 to become effective from 31 August 2017. The Act will enable a number of improvements within the sector, including an improved balance between public accountability and institutional autonomy, the Minister's determination of transformation targets for the system, as well as enabling more streamlined development of the system with the introduction of three institutional types namely, universities; university colleges and higher education colleges. Specific regulations with clear criteria outlining the scope and range of each of these institutional types, together with processes for regulating their development, will be drafted during the 2017/18 financial year and implemented, once published.

The Department, since 2005, has been subsidising university research based on both the number of Masters' and Doctoral graduates as well as published research texts and outputs, including quality books, journal publications and conference proceedings. This has had an important effect on incentivising research and improving the outputs of the system. Recognising the limitations of only acknowledging textual outputs from universities, the Department developed a new policy on the recognition of creative outputs and innovations produced by public universities, which was approved by the Minister on 31 March 2017 for publication.

The Department will implement the policy through subsidy funding for various forms of scholarly outputs, from the creative and performing arts, as well as innovation outputs in the form of patents. The ultimate goal of this policy is to increase the productivity of these types of knowledge focused products, while simultaneously accelerating the development of human capability within these fields and contributing towards innovation alongside a diversified, highly skilled workforce.

The Policy on Minimum Requirements for Programmes leading to Qualifications in Higher Education for

Early Childhood Educators was approved by the Minister on 23 March 2017 and published in Government Gazette No. 299 on 31 March 2017. The publication of this policy is an important step towards ensuring the professionalisation of teaching within the South African context. Policies are now in place regarding the minimum requirements for qualification programmes in respect of school teachers, TVET and CET College lecturers, as well as early childhood practitioners. A further process has commenced, supported by the European Union Dialogue facility, which aims to improve the effectiveness of university teaching through the assessment and accreditation of academics as teachers.

A Code of Good Governance Practice and Governance Indicators for South African Universities was approved by the Director-General on 28 March 2017. The implementation of the code and the use of the indicators will enable institutions to carry out credible self-assessments and the Department to more effectively monitor the governance of the system. The Department will utilise the indicators to undertake a baseline assessment of the state of governance pertaining to the system by the end of March 2018.

Two important processes recommended in the Report of the Presidential Task Team on Short-Term Student Funding Challenges at Universities and published in November 2015, were accordingly implemented during 2016/17:

- i. Firstly, a process to develop a regulatory framework for setting university fees and fee increases in future was put into place during the 2016/17 financial year. Subsequent to consultation with USAf, the Minister requested the CHE to advise him on the development of a regulatory framework to determine fees for the university system. The CHE divided the task into two phases, namely: a first phase report focusing on fee adjustments for 2017 and a second phase focused on finding a long-term fee solution. The final report and advice on a long-term regulatory framework is expected to be concluded by June 2017.

The Minister received the first-phase report and recommendations on fee adjustments for the 2017 academic year from the CHE on 11 August 2016 and studied the recommendations while consulting a wide range of stakeholders. The Minister accordingly recommended that university councils consider implementing a fee adjustment for 2017 of up to 8% on the 2015 fee and announced that Government would fund the increase for students from households with family incomes of up to R600 000 through a fee adjustment grant. In effect all poor and 'missing middle' students would therefore experience a 0% increase on the 2015 fees in 2017.

Provision has also been made for first-year university students from the 2016 academic year, who had met the NSFAS criteria for funding but were unfunded due to a lack of funds in the system and who had been registered by institutions on the undertaking by Government that the requisite funding would be made available.

The required additional funding was announced to put these decisions into motion during the Minister of Finance's 2016 Medium-term Budget Policy Statement. An amount of R4.99 billion for the 2017/18 financial year was reprioritised from within the PSET system (sourced from the National Skills Fund) for these purposes, of which: R2 369 924 000 was allocated to NSFAS for unfunded NSFAS qualifying university students allowed to register in 2016; R2 459 800 000 allocated for the fee adjustment supplement for university students from poor and missing middle households earning up to R600 000 per year; and R158 230 000 allocated for TVET College students from poor and missing middle households earning up to R600 000 per year.



- ii. Secondly, the Minister appointed a Ministerial Task Team (MTT) in 2016 to explore various options for the funding of a broad range of students who require financial assistance to succeed in university and TVET College programmes. The task team finalised its report and recommended a blueprint for a support and funding model, referred to as the Ikusasa Student Financial Aid Programme (ISFAP) and which is focused on supporting poor and 'missing middle' students. The MTT report proposes a model that brings together the NSFAS and private sector into a Public Private Partnership (PPP) in achieving this objective.

Cabinet reviewed the MTT's full report and approved that an ISFAP pilot project be implemented at seven universities and one TVET College during 2017 in order to test certain aspects of the model pertaining to students from the missing middle and the project is funded by private sector funding. The pilot project is led by the Department and supported by private sector partners with the Chairperson of the NSFAS Board identified as project leader. The pilot is running parallel to a PPP-feasibility study on the model and which will be undertaken in accordance with Treasury Regulations.

The ISFAP project PPP-feasibility study was registered in accordance with Treasury Regulation 16 via the Government Technical Advisory Centre on 19 October 2016. The pilot is currently being implemented and it is envisaged that the feasibility study and a final recommended model for implementation, will be completed by September 2017 for approval by Cabinet.

Substantial progress towards the development of the Central Application Service (CAS) has been achieved. Once in place, the CAS will have a major impact on the service delivery platform, enabling streamlined access into the PSET system. The first phase of the service, the Central Applications Clearing House (CACH), was implemented for the fourth consecutive year from January to March 2016, with approximately 18 330 users registered and a placement rate of 40% by the end of April 2016. This represents a marked improvement on the 2014 cohort, which registered 14 000 users and had a placement rate of 29% by the end of March 2015.

The enterprise architecture and business systems designs, including a governance structure and related management and human resource requirements have been developed. A policy on the CAS was published for public comment and extensive consultation on the policy and the model took place during 2016. A Socio-Economic Impact Assessment System evaluation on the proposed policy and service has also since been concluded. The final policy is expected to be published in a Government Gazette by September 2017 after further consultation with National Treasury. All these processes have culminated in the drafting of a Central Application Services Bill which is envisaged to be submitted to Parliament during the 2018 legislative period.

The Minister convened a successful Student Housing Symposium during July 2016, launching 12 projects at ten universities and two TVET Colleges as part of the Student Housing Infrastructure Programme (SHIP). The SHIP, led by a departmental Task Team established by the Director-General, aims to ensure that space for 200 000 beds in universities and 100 000 beds in TVET Colleges is provided over the next 10 year period. Feasibility studies are in the process of being completed, six of which are being funded by means of a R30 million grant received from the Integrated Infrastructure Programme of South Africa (IIPSA). One of these studies was completed at the end of March 2018 while the work is ongoing for other institutions.

Due to the fore-mentioned student protests, the University Education Branch organised a number of meetings with stakeholders, including the hosting of a Stakeholder Summit convened by the Minister and addressed by the President in October 2016. During the fourth quarter a number of engagements were facilitated with the involvement of all stakeholders in an attempt to ensure a reasonably stable start to the commencement of the 2017 academic year. While the system remains fragile and at risk of further disruption, cooperation

between all parties including Student Representative Council (SRC) leadership, has ensured a relatively smooth beginning to the 2017 academic year. However, major concessions around payment options for university studies continues to put the financial sustainability of the system at risk.

A National Colloquium on inclusive teaching was convened on 15 and 16 February 2017 and a national working group was subsequently established to develop standards for inclusive teaching.

The BRICS Think Tank Council meeting and BRICS Academic Forum were successfully convened in India during September 2016. The National Institute for the Humanities and Social Sciences formally ascended its position as the permanent South African BRICS Think Tank during July 2016.

The BRICS Education Ministers successfully convened a fourth meeting in Delhi, India during September 2016. BRICS Partnership Working Groups on Higher Education and TVET were established to take forward collaborative work interventions linked to the agreement between the Ministries of the five BRICS countries focused on a range of education and training matters. The establishment of the BRICS Network University (BNU), which was approved by the Ministers during November 2015 was formalised at a forum in Moscow during April 2016 where the first meeting of the International Governing Board (IGB) of the BNU was successfully held. The South African National Coordinating Committee selected 12 universities to become part of the BNU and the Department identified seed funding of R8 million in support of the establishment of thematic groups to lead the partnerships across the six fields identified for the BNU. The second IGB meeting took place in Mumbai, India during September 2016.

The Department finalised the appointment of a service provider to conduct a forensic investigation into allegations of fraud and corruption in the allocation of NSFAS funding. The scope of the investigation includes a sample of ten institutions (six universities and four TVET Colleges) located in various provinces and covering a range of institutional types. The service provider is required to provide a comprehensive report covering all the allegations, inclusive of findings and recommendations to the Director-General. The first and second phases of the investigation have been successfully concluded. A report on the outcome of the first two phases of the investigation has been submitted to the Minister for perusal, while the third and final phase of the investigation is currently underway.

### ***Significant developments, external to the Department that may have impacted on the Department's ability to deliver***

The most significant development in the system, external to the Department and impacting on the work of the programme as well as the service delivery environment, was the various student protests that occurred during 2016 linked to the “#feesmustfall” campaign.

The service delivery environment was severely challenged once again during the latter part of the 2016 academic year as a result of intensified protest actions across the public university sector. From mid-August through to November 2016 the system witnessed protest action across university campuses with some protests becoming violent, property being destroyed and security personnel (private and public policing) deployed to ensure the safety of staff, students and property.

While all universities completed their 2016 academic year, some institutions had to utilise innovative technologies and multi-modal teaching methodologies to complete the annual teaching schedules. Some institutions opted to extend their 2016 academic calendar and consequently had to adjust their academic timetables for the 2017 year. Universities that did not manage to complete all their examinations during 2016, or who had deferred exams at the end of 2016, had to complete the 2016 academic year during January 2017.

The magnitude of violence and destruction of property during the protests has been devastating for the system. There is an emerging culture of violent protests where certain groups of protesters commit arson as part of their strategy aimed at making institutions “ungovernable”. The violence not only resulted in major financial losses (costs of damage to buildings and general infrastructure), but the destruction of and damage to irreplaceable artefacts (paintings and library holdings). It has also infringed on the rights of the majority of students and staff who were denied the right to work and study in conducive environments.

It is imperative that the public system is normalised as soon as possible and that agreement is reached on the way forward during 2017, so as to enable the sector to provide quality higher education in a stable and sustainable manner.

Students, like all members of society, have a right to protest and voice their opinions and grievances. However, in doing so they have a duty to conduct themselves peacefully and in a manner that respects both the rights and property of others. The Minister has appealed to all stakeholders to work together and through open dialogue find practical solutions.

The effect of the protests and disruptions have been far reaching with some directly impacting on the work of the Department. In respect of the implementation of the nGAP for example, the protests resulted in delays relating to the appointment of candidates for new nGAP posts, which has meant that only 90 appointments were made rather than the target of 100 appointments. Another negative impact was apparent in relation to the delivery of new infrastructure within the system, with some projects being delayed as a result of protests, leading to unforeseen additional expenses. As a result there are also major concerns related to the long-term sustainability of the higher education sector itself, with many institutions experiencing challenges pertaining to student debt and an increasing inability to raise sufficient fees and third stream income. There are also concerns regarding the retention of high-level academics within the public system due to changing environments.

The Department closely monitored the higher education sector registration process at the start of the 2017 academic year and the Minister actively engaged with the sector and stakeholders to mitigate risks associated with various protest actions. The Minister engaged with a wide range of stakeholders, including university Vice-Chancellors and SRC leaders from all universities, various student groups and political formations, with the aim of garnering support for a smooth registration period and minimising violence and destruction of university property.

Another important process, managed independently from the Department and impacting on the work of the programme, was the appointment of a Presidential Commission of Inquiry on Higher Education and Training (the Fees Commission) on 22 January 2016 with a mandate to assess the feasibility of fee-free higher education and training in South Africa. Initially the Commission was due to report on its findings at the end of November 2016, but requested an extension from the President which was subsequently granted. The Commission’s report is expected to be submitted to the President by 30 August 2017. This report and the decisions made in the wake of its recommendations, will determine the future university fee landscape, the new model for support and financial assistance to poor and ‘missing middle’ students, as well as the regulatory framework for determining university fees. The work done by the Department on these matters will accordingly have to be adapted and brought in line with policy decisions made by the President and Government after the Commission’s report is received and considered.

The CHE which is mandated to ensure the quality of higher education provision in South Africa, is experiencing major difficulties due to an increased volume of programmes requiring accreditation linked

to the implementation of the Higher Education Qualification Sub-Framework (HEQSF), while simultaneously experiencing budget baseline reductions as a result of fiscal constraints. The CHE has indicated that it is unable to fulfil its mandate adequately under these severe funding constraints, while work volumes increase. Public and private institutions have expressed their concerns at the slow rate of processing programmes for accreditation and the Department has received numerous queries and complaints. The Department is cooperating with the CHE in finding solutions to support it more adequately. The importance of ensuring robust and enabling quality assurance and enhancement mechanisms for the system cannot be overemphasised. The effective functioning of the CHE is imperative for the development of the system and to ensure that institutions can be more responsive when introducing programmes in line with new developments.

### 2.1.5 Technical and Vocational Education and Training

In order for the country to meet its constitutional obligation of improving access to basic adult education and further education and training at all times and progressively, with regard to TVET education in particular, it is envisioned to do so by way of a national, coordinated TVET system which promotes co-operative governance and provides for programme-based vocational and occupational training as mandated by the *Continuing Education and Training Act*. This legislation has been developed under the auspices of the Minister of Higher Education and Training and was established via a proclamation by the President of the Republic of South Africa in 2009.

The Department is required to restructure and transform programmes and colleges in better responding to the human resource, economic and developmental needs of the Republic, while ensuring that past discrimination, insufficient representivity and lack of access are effectively addressed. The Department has to ensure access to basic adult education, further education and workplace training through the *Continuing Education and Training Act* by persons who have been marginalised in the past, particularly women, disabled and disadvantaged persons.

In doing so, the Department is required to:

- i. Provide optimal opportunities for learning, the creation of knowledge and the development of intermediate to high-level skills in keeping with international standards of academic and technical quality;
- ii. Advance the strategic priorities determined by national policy objectives at all levels of governance and management within the TVET sector;
- iii. Pursue excellence and promote the full realisation of the potential of every student and member of staff, tolerance of ideas and appreciation of diversity; and
- iv. Respond to the needs of the Republic, the labour market and communities served by TVET Colleges and compliment the National Skills Development Strategy.

The Department will effect these objectives within an environment of public accountability and the national need for intermediate to high-level skills and knowledge and providing access to work and higher education opportunities.

To this end the purpose of the TVET sector is to enable students with acquiring the necessary knowledge, practical skills and applied vocational and occupational competence and to provide students with the necessary attributes required for employment, entry to a particular vocation, occupation or trade, or entry into a higher education institution.

The *Continuing Education and Training Act* applies to all education institutions which have been established or declared a public college or has been registered as a private college in terms of the Act.

It should be noted that the TVET function was previously performed in terms of the *Further Education and Training Act* and operationalised by Provincial Government's and subsequent to the function shift to the Department, it is presently performed in terms of the *Continuing Education and Training Act*. Due to the non-responsiveness of this sector to the Preamble referenced above and due to the immense challenges experienced in provincial education, the function was shifted to the Department. The Department since has taken responsibility for the funded TVET sector as of 1 April 2015.

The migration process has proven to be complex in that the Department had to ensure adequately addressing and improving the following aspects:

- Filling all college management posts that have been vacant (Principals and Deputy Principals);
- Appointing all Councils, as many had expired 3 to 4 years before the migration and no new appointments were effected;
- Allocating additional funds to the Department aimed at managing the function where posts could not accordingly be split between the Department and the Provincial Education Departments (PEDs), such as Human Resource (HR), Information Technology and procurement support, labour relations and District staff positions;
- Transferring of the staff from colleges also came with its unique set of problems, such as unresolved disciplinary cases, vacant posts, liabilities in respect of conditions of service in relation to college employees, as well as temporary contracts;
- Allocating and managing serious challenges regarding the allocation of bursaries and allowances to students;
- Transforming archaic Information Systems (especially student data); and
- Addressing the most challenging issues requiring intervention, namely:
  - The gross over-enrolment of students in TVET Colleges beyond the capacity of Voted funds resulted in this and accordingly doubling of enrolment numbers without a concomitant increase in budget. This has placed a strain on almost all functions performed at colleges and therefore the freezing of enrolment numbers to 2015 enrolment levels;
  - The college curricula requires urgent attention as it is often not responsive to the needs of the economy. Urgent attention is currently being given to this matter;
  - A major challenge the system has faced in respect of the examination system is the backlog in certification stretching back as far as 1991 for NATED certificates and 2007, for NC(V) certificates. However, subsequent to interventions by the accounting officer, the backlog of 236 000 NC(V) certificates has since satisfactorily been dealt with. What remains, is for the Department to decisively deal with the 80 000 NATED certificates and diploma backlogs; and
  - The improvement of lecturer competencies both in terms of qualifications and ability, requires a concerted attention going forward.

Accordingly, the following four priorities will receive greater attention:

- Curriculum transformation and the establishment of Academic Boards at colleges;
- Improved student application, admission and placement processes;

- Improved, effective and efficient examinations systems and an improvement by colleges in the processing and submission of valid and accurate marking on behalf of students; and
- Improved and effective College Governance in line with the Public Finance Management Act (PFMA).

As the TVET sector was historically not adequately funded and targets set for enrolment and performance of students were not aligned to the financial and human capacity of the Branch. The Minister has approved that the targets in the Department's Annual Performance Plan accordingly be reduced. The *"#feesmustfall"* campaign at universities has since drawn the focus away from colleges and the objective of expanding the college sector, particularly with regard to TVET severe setbacks are being experienced in terms of funding constraints.

Some of the significant developments within the TVET environment that may have impacted on the work of the programme or on the Department's ability to deliver those services include:

- College students embarked on a campaign aimed at college shut-downs at the advent of the 2016 academic year. This resulted in two weeks of disruption at a number of colleges throughout the country. As stated before, the TVET sector is seriously underfunded and in need of urgent funding redress. However, the NSF and SETAs have to a certain extent, been able to relieve some of the funding pressures. The sector has also been experiencing labour dissatisfaction, disputes and strikes, most of which have been unprotected;
- The Department was unable to finalise the review of the Examinations Conduct policy, as it is subject to the finalisation of the NC(V) qualification review by UMALUSI;
- Similarly, the Department was unable to achieve the 3-month time-frame target to issue certificates that was set for 2016/17 and this has impacted directly on service delivery to deserving college graduates. However, as mentioned, the certification backlog for NC(V) has been satisfactorily addressed in 2016/17. The plight of qualifying students who have not received their certificates over a period of several years was brought to the attention of and subsequently tabled before the Portfolio Committee on Higher Education and Training. The Minister convened a meeting with the Minister of Telecommunications and Postal Services to request a high-level intervention into the certification backlog. The Director-General instituted regular meetings with senior officials responsible for national examinations and the Chief Executive Officer of SITA, and monitoring and evaluation, in an effort to ensure close monitoring of the certification project. A range of data and data processing issues that have delayed finalisation of the NC(V) certification period backlog project are currently being dealt with on a case-by-case basis, so as to ensure that all outstanding NC(V) certificates are issued by 30 June 2017;
- The same data and data processing errors that were affecting the release of NC(V) certificates and that culminated in the backlog are also apparent in respect of the NATED system when the Department requested SITA to conduct an audit of outstanding NATED certificates in tandem with the NC(V) backlog project. Preliminary indications are that there are still 46 000 NATED certificates outstanding dating back to 2007. The number of outstanding certificates for the period from 1991 to 2007 has yet to be determined;
- A service provider contracted to develop a new examinations IT system has completed the mapping of the current system as well as the future system. Developmental work will begin in earnest during 2017 once the remaining functional specifications have been endorsed and signed off. The student registration, resulting and certification functionality has been prioritised in the project plan and these modules will be deployed parallel to the current SITA system, once the system has been tested and signed off for implementation within the production environment;
- In addition, the Department has appointed College Principals as accounting officers of TVET College examinations in an effort to ensure accountable reporting, as well as the completeness and accuracy of



the raw data captured and/or submitted to the Department for resulting purposes. The dates by which data is received from colleges impacts directly on the quality of the results released and ultimately, the timeous processing and release of certificates for national TVET qualifications. Principals are also required to function as the Chief Examinations Officers of their respective institutions; and

- With regard to infrastructure development at TVET Colleges, one TVET campus has been completed and two more are nearing completion and will be ready for hand-over by the end of 2017. The Thabazimbi campus is 100% complete and fully operational, while the Nkandla campus is 91% complete and the Bhambanana campus is 79% complete. This project is funded through the Skills Levy surpluses as announced by the President.

### 2.1.6 Skills Development System

At the heart of developing an expanded, effective and integrated Post-School system is the skills development sector that among others, is tasked with developing partnerships between educational institutions and employers.

During the year under review, nation-wide consultations with the National Economic Development and Labour Council and various other stakeholders within the skills development environment were conducted with the aim of developing a skills development system that will support economic growth, encourage employment creation, enable social development for workers and facilitate workplace-based training.

SETAs were re-established from 1 April 2018 until 31 March 2020 and the National Skills Development Strategy (NSDS) III was accordingly extended for the same period. This was effected to allow the process of extensive consultation, legislative changes and change management to continue in anticipation of the new system that is to be ushered in on 1 April 2020.

#### Artisan Development

Appropriate skills development of artisan development remains a key priority of the envisaged skills development system. The main aim of artisans is to create jobs which would contribute to the broader economic growth of the country. Collaboration in terms of the Swiss-South African Cooperation Initiative, has seen the Department conducting a tracer study during the year under review, which found that 79% of newly qualified artisans find employment which is delineated into 73% waged employment and 6% self-employed artisans. This outcome has confirmed the findings of a similar tracer study, previously conducted by the Human Sciences Research Council.

#### Progress on Skills Development for and through Strategic Infrastructure Projects

The Strategic Infrastructure Projects (SIPS) intervention has been institutionalised within the Department with a view to better deal with the issue of skills required for all Government infrastructure projects. Significant work has been performed to date since the advent of the SIPS. The Department has identified thirteen priority trades that are required in relation to Government programmes, such as those of bricklayer, electrician, millwright, boilermaker, automotive mechanic, diesel mechanic, carpenter and joiner, welder, rigger, fitter and turner, mechanical fitter and pipe fitter. The Department has entered into Service Level Agreements with major industry partners or associations specialising in these trades in an effort to assist in increasing the capacity of TVET Colleges, targeting about 26 TVET Colleges across the country. The colleges are required to play a greater role in the process of developing artisan skills required in terms of SIPS, Operation Phakisa, the War on Leaks and other strategic interventions especially in terms of growing the economy of the country.

Some of the significant developments that have since impacted on the skills development functions and activities of the Department include:

- The difficult and adversarial relationship with the boards of a number of SETAs, invariably leading to court battles that have not yet been finalised;
- Delays in the finalisation of the proposed SETA Landscape and National Skills Development Plan due to difficult negotiations with the social partners; and
- A range of fora and committees were initiated and maintained for technical and advisory consultation which included industry, organised labour, SETAs, TVET Colleges, Government Departments and state-owned companies in terms of influencing artisan policy direction.

### 2.1.7 Community Education and Training

The Department has operated under the injunctions of the NDP in terms of which Government is committed to increase youth and adult participation in the CET sector to one million by 2030. It is against this backdrop that the growth and expansion of institutions within the CET sector is a strategic priority for the Department. For the first time during the 2016/17 financial year, Programme 6 responsible for the oversight and management of the CET sector was created to focus its energy on ensuring an offering of programmes that contribute to improving social cohesion and the lives of the youth and adults alike. There is a need for the system to become differentiated and responsive to geographic and sectoral needs and challenges and the offering of required, appropriate and quality programmes supported by sufficient infrastructure in order to achieve the NDP targets.

New legislation has been introduced for the CET sector in order to better regulate the sector on a standardised basis, namely in terms of the *Continuing Education and Training Act*. This has resulted in the establishment of new nomenclature in the system. Furthermore, it is essential to take cognisance of the fact that Programme 6 inherited different practices from Provincial Education Departments (PEDs) as part of its new mandate, after the shifting of the function. Therefore, this programme, while forging ahead with the new mandate of community education and training, still also has to manage the aftermath of the function shift.

When the function shifted to the Department, the PEDs used different resourcing and funding practices. Therefore, the Department needs to prioritise the development of a new funding framework for efficient and equitable distribution of the fiscal allocation to the CET College sector. Work in this regard was initiated based on consultation regarding Staffing Norms and Standards for CET Colleges, including the Post-Provisioning Norms.

During the 2016/17 financial year, the Branch functioned with very limited staff capacity, comprising of two senior managers, while a third manager requested a transfer to a regional office. In total the Branch consists of a staff complement of 12 officials whom are expected to deliver on all planned targets as set out in the Strategic Plan for the CET programme. Five senior management posts were advertised in October 2016.

Some of the significant developments within the CET environment that may have impacted on the work of the programme or on the Department's ability to deliver those long services include:

- In order to diversify programme offering for skilling unemployed youth, the Branch has relied heavily on funding from the NSF. However, these resources had to be redirected to deal with the "*#feesmustfall*" campaign. The lack of funding has simply militated against the desire for programme diversification as Voted funds were not adequate to fully realise the mandate of community education and training;

- As a result of the inconsistent application of conditions of services which the Department inherited from the PEDs, it has had to contend with protest action by CET lecturers demanding, in the main, the standardisation of their conditions of service. It remains an urgent matter to be addressed in future; and
- The Department finds itself in a predicament because it cannot build new infrastructure for CET Colleges. This is due to fiscal limitations and the Department also has no authority over the infrastructure through which it delivers CET programmes. This challenge will continue to negatively affect community education and training in delivering quality teaching and learning in the medium to long-term if not prioritised. Notwithstanding the protocols that are in place with PEDs, various complaints were received about the unsuitability of some of the schools currently being utilised. These complaints range from challenges pertaining to access to facilities, limited times for tuition, the suitability of furniture for adults and the limited school structure in terms of programme diversification.

## 2.2 Service Delivery Improvement Plan

### Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Dealing with queries and complaints lodged through the Hotline/Toll-free number and Facebook page	General Public, Students and departmental staff members, TVET and CET Colleges, Universities and Entities	<p>Answer all calls (80%).</p> <p>Phone rings 3 times, and then searches for the next available agent.</p> <p>Log all calls and provide an acceptable response within:</p> <ul style="list-style-type: none"> <li>• 1 day</li> <li>• 2 days</li> <li>• 5 weeks</li> </ul>	Answer all calls (100%)	99.7%
Dealing with queries and complaints lodged through the website	General Public, Students and departmental staff members, TVET and CET Colleges, Universities and Entities	<ul style="list-style-type: none"> <li>• Address lists</li> <li>• Lists of Institutions</li> <li>• Updated content</li> </ul>	All website queries resolved via the website (100%)	99.4%

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

Current/actual arrangements	Desired arrangements	Actual achievements
Ministerial Izimbizo	Stakeholder engagement forums through Izimbizo's as determined by the Presidency	Quarterly stakeholder's engagement through meetings and Izimbizo's. During February 2017 the Minister participated in the GCIS initiated "Back to School" campaign aimed at sensitising prospective students on available opportunities within the PSET system. As part of the campaign, the Minister visited the NSFAS offices in Cape Town during the busy January registration window for his direct experience of some of the challenges on the ground. In February 2017 the Department also participated in the GCIS lead "Post SONA" Imbizo campaign to highlight some of the success stories in the TVET College sector at Gert Sibande TVET College campus in Mpumalanga
Minister's business breakfast meetings with stakeholders	General public, students and departmental staff members, TVET Colleges	In August 2016, the Minister held a consultative meeting with student leaders, parents and religious leaders to discuss solutions to the Fees protests. In January 2017, the Minister held two consultative fora with student leadership and unions as well as a meeting with Principals and Vice Chancellors to discuss registration and funding ahead of new year registrations at universities and colleges throughout the country
Communicator's Forum	Departmental staff members, TVET Colleges	Quarterly stakeholder's engagements through meetings and Izimbizo's. Two TVET communicator's forums were held during the period under review with 3 planned for 2017. The objectives of the forum meetings is to help facilitate open channels of communication and planning and protocol alignment between the Department and Colleges. The first two forum meetings took place on 21 June 2016 and 3 February 2017. A third meeting is scheduled for September 2017

Current/actual information tools	Desired information tools	Actual achievements
Website	The website has been reviewed and the content is regularly updated	The website content and design was overhauled and is regularly updated. Search engine optimisation issues were addressed which has resulted in a substantial improvement in the website's overall performance. Website banners were regularly changed to focus on themes and events. Over the past financial year, the revitalised website's users increased by 71% (total number of users 242 087). The number of pages accessed increased by 65% (total number of pages 809 168)
Facebook page	Queries and complaints addressed through Facebook	The number of followers has increased from an initial 800 to 41 400. In some months, users reached surpassed a total of 800 000. Regular posting of content has played a significant role in encouraging stakeholder engagement, as well as addressing key issues and queries from users
Twitter	A twitter account was opened for the Minister	The number of followers has grown from just 1 000 to over 4 000. Regular posting of content has also assisted in timeously addressing key issues and user queries. User growth and penetration had an overall positive contribution towards improving relations and communication with stakeholders. Account monitoring helped provide valuable insights and intelligence during the university and TVET College protests. Another Twitter account was also opened for the exclusive use of the Minister. This currently has 8 797 followers

Current/actual information tools	Desired information tools	Actual achievements
Instagram	An Instagram account was opened for the Department	Instagram is relatively new yet a fast growing social media platform. Currently the departmental Instagram account has 38 followers. The Deputy Minister is the main active user of the platform

### Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Walk-ins/visits to the Department	All clients visiting the walk in centre receive assistance	Walk-ins/visits to the Department. However, there is no supporting software to determine and record the actual number of walk-in clients
Usage of Toll-Free services	99% resolution of queries and complaints reported on the departmental and Presidential Hotlines	Usage of Toll Free services. The existing toll-free platform (0800872222) is constantly compromised by the Departments ageing telecoms system which affects the final analysis of data
Central Applications Clearing House (CACH)	All students using the CACH are referred to an institution	All students using the CACH were referred to an institution

## 3. Organisational Environment

The 2016/17 financial year was the second year since the staff migration which has culminated in the increase in the number of employees from 1 200 to just over 38 000. Despite this increase in employee numbers amid the inadequate administrative capacity, the Department still managed to obtain an unqualified audit by the Auditor-General of South Africa. This is a laudable achievement considering the different payrolls and policy dispensations that were inherited by the Department from the nine PEDs, TVET and CET Colleges. Human Resource Management has remained a challenge subsequent to the conclusion of the staff migration process. This is mainly due to a lack of adequate capacity in the Regional Offices and as a result, key human resource functions have been centralised at Head Office as colleges have been struggling with the implementation of policies and resolutions. This has been apparent especially with regard to the large number of disputes, grievances, misconduct cases and appeals the Department has had to contend with over the past 24-month period.

There has been significant progress towards the finalisation of the organisational structure which has been under review for alignment with the approved budget for compensation of employees during the remainder of the Medium-term Expenditure Framework (MTEF). This will assist in obtaining final approval of the structure and endorsement by the Minister for the Public Service and Administration. Considering the approved post establishment, the Department's vacancy rate presently stands at 8.86%, as 91.14% of funded positions in the Department have accordingly been filled. This exceeds the 90% target set in Outcome 12 of the Programme of Action. The low vacancy rate does however not suggest that the Department is operating at its full capacity as the ideal structure still cannot be implemented.

Regional Offices are operational but not at maximum levels due to capacity constraints. So far, the focus of Regional Offices has been on providing support to and monitoring TVET and CET Colleges due to the fact that there has been no apparent transfer of posts or budget allocations for administrative support to these structures, as functions were centralised at Provincial Head Office level. The Department has prioritised the

appointment of Subject Specialists to be based at Regional Offices through the allocations received from the NSF. The actual appointment of Curriculum Specialists will commence during the 2017/18 financial year.

The policy environment has been challenging and progress has been made as 23 policies have been finalised and will be implemented with effect from the 2017/18 financial year. These policies will bring about standardisation in the Department, including colleges. Various strategies in the form of the MTEF Human Resource-, Employment Equity- and Workplace Skills Plans have been approved for implementation. The Department has established a Task Team to work on the development of Post Provisioning Norms and a model for both TVET and CET Colleges. This will ensure adequate and relevant provisioning of lecturing and support staff to colleges. It will ensure improved planning of human resources, including forecasting the requisite resource needs.

### **Organisational challenges and successes during the year under review**

The Service Delivery Improvement Plan was reviewed and approved by the Minister. However, there has been a need to conduct the Business Process Mapping (BPM) procedure to determine the service delivery standards and advocacy on the service delivery charter. Capacity constraints remain the primary factor impacting on the Department's need to fully undertake the BPM and implement the Operations Management Framework.

The Department is still experiencing capacity challenges as a direct consequence of staff migration and delays in the approval of the organisational structure. Currently most functions are still centralised to Head Office due to lack of HR capacity at the Regional Offices. The situation places severe pressure on the limited Head Office personnel complement, who have to attend to all college issues, of which the majority originate from the pre-migration period. In order to address the key challenges and build human resource capacity, the Department has established a Human Resource Forum which will be used as a platform for addressing key human resource challenges and exploring best practices. Regional level discussion fora will be convened during the first two quarters of the 2017/18 financial year. A Human Resource Business Partners Process (HRBP), was implemented at Regional Offices, TVET Colleges, as well as CET Colleges and the project has been endorsed by all College Principals. The HRBP will also play a key role regarding the monitoring and conducting of compliance audits at Colleges, as well as ensuring institutional audit readiness.

The transfer of personnel records from PEDs has been an extremely challenging process, as some files were transferred without any or insufficiently recorded information. This has made it difficult to retrieve personnel details as and when required. In an effort to address these records management challenges, the Department initiated an electronic records management system and files were subsequently scanned for easy access. Furthermore, a physical staff verification and audit process ensued towards the last quarter of the 2016/17 financial year. Biometric finger print technology has also since been used as an integral part of the record management and verification process.

The Department has exceeded the 90% target of funded positions filled by 2.3% although it still takes more than 180 days (actual number comprises 186 days) to fill vacancies. This is primarily due to the shortage of capacity at Head Office in timeously and efficiently managing recruitment processes. The availability of panel members continues to present challenges. A review of delegations of authority has been concluded and there will be a lowering of delegations in line with revised Cabinet directives and the 2016 Public Service Regulations. The Department is not adequately meeting the requisite Employment Equity targets, in relation to disability and there is a need for more advocacy to address employment equity in the Department, especially in so far as it pertains to disability and female employees at senior management. Since the advent



of the 2016/17 financial year, the employment equity targets were reflected in all recruitment and selection panels, but so far the impact has been marginal.

Since the migration of staff during April 2015, the collective bargaining structure for the college sector has not yet been established. Efforts have been made in consultation with the Department of Public Service and Administration to finalise the bargaining chamber for the TVET and CET College sector. It is envisaged that the process will be finalised for implementation during the 2017/18 financial year. A number of disputes have arisen due to the incorrect interpretation of resolutions and collective agreements. The establishment of a special Bargaining Chamber would go a long way in reducing the disputes. The Department is also struggling to resolve disciplinary cases within 90 days and this matter will receive attention as per the 2017/18 Annual Performance Plan.

In relation to Human Resource Development, the Department has participated in the Monitoring and Evaluation Programme offered by the University of the Witwatersrand, Graduate School of Public Management in partnership with the Department of Performance Monitoring and Evaluation (DPME) and the PSETA and 30 officials are currently participating in the initiative. The Department continues to offer bursaries to employees within the Department with focus on those staff members completing undergraduate studies. During the 2016/17 financial year, the Department recruited 202 interns in conjunction with the facilitation of 10 general security learnerships. A total of 40 interns are TVET College graduates who were part of the Work Integrated Learning programme.

The Information and Communications Technology (ICT) Procurement Plan which outlines the Department's investment in ICT projects was approved during the period under review. The Government Information and Technology Office (GITO) continues to provide ICT related services within the Department in respect of ICT equipment acquisition, desktop and local area network support, (comprising network cabling and the installation of new network points) and there has been a significant improvement in the turn-around time. This is apparent subsequent to the decision by the Department to absorb the IT Technicians who were appointed by an external service provider. GITO has implemented and completed a hosted exchange to provide a cloud-based email service to the Department. The hosted exchange incorporating the mimecast email security solution, has led to improved accessibility of emails to all staff, and inadvertently contributes to improved efficiency and higher levels of productivity.

The data line at INDLELA was upgraded from 2MB to 10MB while at the 123 Francis Baard building, the internet link was upgraded to 50MB increasing network performance and processing speed significantly. Wi-Fi was successfully installed at the Cape Town offices. During October 2016 GITO conducted an IT Security Awareness Campaign within the Department and has commenced with the implementation of managed security services, including a security programme which will increase the security of data, irrespective of the tools used by staff.

The ICT Corporate Governance Framework (ICTCGF), Strategic Plan and policies were reviewed. During June 2016, the Department held a very successful ICT Conference (Forum) for the TVET Colleges, the first of its kind. The outcomes of the conference included developing a clear roadmap on connectivity within the College sector and sharing best practices within the ICT environment among Colleges.

The Department has taken a decision to implement a TVET Connectivity Project through the South African National Research Network (SANReN) to ensure that at all 50 TVET Colleges operate on the same network environment as universities. Through this coordinated and centrally driven process, efficiency gains through the bulk buying of data lines should be realised.

The Department has been challenged by student protests over the past two years with heightened activities apparent during 2016/17. The 2015/16 and 2016/17 financial years have seen the highest incidence of student activism and protests due to student demands for fee free education since the advent of the democratic dispensation in 1994. The Communication portfolio has been influenced by student protests and the Department improved its communication capacity and systems. The Communication Unit has continued convening daily rapid response meetings in an effort to manage related issues within the media environment. This process has assisted in identifying negative reporting and correcting any factual distortions reported in the media, thereby ensuring communication that is positive and accurate.

The visibility and credibility of the Department has grown significantly over the past two years as a result of its strong relationships with both mainstream and community media. The public profiles of the political principals, particularly their reputations, have been carefully managed through media profiling, outreach programmes and stakeholder forums. There has been a significant improvement in positive media coverage on the Department, with the Minister having been among the political principles receiving the highest media coverage.

Career guidance exhibitions increased in number including the dissemination of improved quantitative and qualitative information made available to learners and stakeholders. The Minister's programme of Imbizo has covered all provinces and ensured that different communities, particularly those in rural areas have easy access to the Department's programmes. Through its Communication Unit, the Department has continued to mobilise the media to cover and spread information on programmes whenever the Minister or Deputy Minister have had important matters to address the public. The Department convened the Universities Communicators Forum to engender a much closer working relationship aimed at tackling issues of common interest. A TVET Colleges Communicators Forum was also convened twice during the 2016/17 financial year with the aim of aligning communication plans and key messages in relation to positioning TVET Colleges as institutions of choice. A dedicated TVET College chat group has been created to ensure that issues are shared prior to being reported in the media.

The Department's Call Centre received 30 746 enquiries to which it responded smoothly and satisfactorily during the period under review. 22 048 Toll Free calls were received and all (100%) were resolved. The reception staff received 1 531 enquiries and all (100%) were resolved spanning the period April 2016 to March 2017. Out of 7 167 website enquires received, 7 054 were resolved. The Department has addressed a total of 30 746 (99.4%) calls from April 2016 to March 2017. The overall percentage of Presidential Hotline cases that were accordingly resolved is 99.3%.

The student protests during the 2016/17 financial year have also led to an increased demand for improved security and systems in the Department. Approval was granted to implement a new security system at the 123 Francis Baard Street building and the system will be fully operational by the end of the first quarter of the 2017/18 financial year. The new system will also assist in monitoring staff attendance and absenteeism as the current signing-in process is not user friendly and requires capacity to collate the information timeously and on a continuous basis.

During the year under review, a large number of journals were processed to correct inconsistencies on the Personnel Salary System (PERSAL) interfaces which occurs as a result of the expansion of the Department's programmes from five to six programmes between the 2015/16 and 2016/17 financial years. The incorrect interfaces and placement of the Regional Office staff during the 2015/16 financial year also resulted in incorrect PERSAL interfaces. This has placed a huge burden on the accurate reporting of compensation of employee's expenditure on a month-to-month basis. However, by year-end, these inconsistencies were

corrected by accurate and factually correct journal entries. The late appointment of Finance staff, which was delayed due to a large volume of applications in the 2015/16 financial year, also to some extent contributed to the delays in the timeous clearing of suspense accounts, the take-on of debt, the identification of debt and the follow-up of payments returned from the banks due to incorrect/closed bank accounts. The latter issues placed a huge burden on the Finance section during the 2016/17 financial year and attempts by performing overtime duties, were made to address these backlogs in transactions. Although a large amount of work has been completed, it remains an ongoing challenge.

The payment of large volumes of travel and subsistence as well as examination claims for examiners and moderators throughout the financial year overextended the capacity of the finance section. During January 2017 alone, the Finance Directorate processed approximately 13 000 claims in a very short period of time. Staff in the Directorate had to work a total of approximately 72 hours overtime in an effort to ensure that all claims were processed timeously. Over and above these claims, the Directorate has also had to process approximately 5 000 claims on a month-to-month basis and all requisite functions were concluded timeously.

During the last quarter of the financial year, the Directorate also had to prepare for the implementation of a new Basic Accounting System (BAS) implementation package scheduled for commencement on 1 April 2017. This required the uploading of all the responsibilities, project codes and objective codes of the Department. The transfer of entity details from the old to the new BAS version was facilitated so as to ensure identification of which data should be transferred, the uploading of profiles for all BAS users, the reinstatement of transaction processing rules, item codes and the linking of BAS codes with the PERSAL system. All these tasks were completed within set timelines and the new BAS version was implemented successfully on 1 April 2017.

Annual Financial Statements, Interim Financial Statements, all monthly reports that included the In-Year-Monitoring report, the Cash-Flow reports, 30-day reporting, bank reconciliations, revenue reconciliation and payroll management functions were all processed and submitted on time. Where it was within the control of the Department, the Finance Directorate also managed to close books timeously on a monthly basis.

The change in the programme structure of the Department impacted on the calculation of budget information for compensation of employees as PERSAL data was not linked to the structure of the Department. It has also required the Department to reclassify the previous year's information into the new programme structure. This comprised a very time consuming exercise and additional efforts had to be made so as to ensure that the correct information was included in the budget documentation. Despite these challenges, the submission of budget documentation for all budget cycles were concluded timeously.

For the Supply Chain Management (SCM) Directorate the greatest operational challenge still remains that of suppliers changing banking details without informing officials to update banking information on the LOGIS and BAS systems. Another challenge encountered on an ongoing basis pertains to managers who delay the signing of invoices and neglect to return these documents to SCM on time so as to enable staff in timeously capturing the relevant information on these systems. A third challenge is a direct result of insufficient human resource management in the Transit Unit to distribute and make regular follow-ups with managers on invoices not returned on time.

The successes during the year under review, underline the ability of the SCM Directorate to effectively have managed and processed most invoices for payment within the 30-day turn-around time, particularly in instances where banking details were correct and expeditiously returned by managers. There has been a significant improvement regarding the payment of suppliers within 30 days, with the majority being settled within 15 days.

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

With regard to effective records management processes and when obtaining requisite staff details where personnel files contained no information, the Department circumvented this challenge by successfully coordinating a process of physical staff verification in respect of all employees tenured at CET and TVET Colleges with the overarching objective of ultimately clearing potential ghost workers from the PERSAL system. As part of the broader implementation parameters of this intervention, all personnel records were accordingly scanned and filed electronically. Personnel records are continuously scanned in order to improve efficiency and a biometric finger print system as part of staff identification has been implemented.

The Minister has engaged the Minister for the Public Service and Administration in dealing with the establishment of the collective bargaining structure. In addition to the HRBP at regional offices and colleges, the Department also increased capacity of the Labour Relations Unit so as to effectively deal with the high volumes of disputes, grievances and misconduct cases and reduce the period it takes to resolve disciplinary cases.

Since its establishment, the Department has been managing to provide services and programmes despite the budget challenges and staff have continued to work overtime in some instances so as to complete all requisite functions of the Department in order to achieve its objectives.

By implementing a practice of voluntary overtime whereby staff have been working through lunch times and after hours, either at work or home, with a view to ensure the continuation of processing claim transactions through bulk payment processes and placing specific focus on certain accounts as well as the appointment of dedicated staff members in the unit, the Directorate: Financial Management has managed to process and finalise its work on time.

With regard to the function of SCM in so far as it pertains to supplier banking details, purchase orders were only issued upon certification with the service provider regarding current banking details. Managers who failed to sign invoices and return them on time, were compelled to provide reasons for these delays. When it comes to insufficient human resources, the Directorate: SCM has deployed a senior official at the level of Assistant Director at the Transit Unit to manage the distribution and capturing of invoices.

## Strategic Outcome-Oriented Goals

In pursuit of Outcome 5 of Government's 14 Outcomes i.e. *"A skilled and Capable Workforce to Support an Inclusive Growth Path"*, the Department in terms of the 2014 to 2019 MTSF undertook to introduce a credible institutional mechanism for labour market and skills planning; increase access and success in programmes leading to intermediate and high-level learning; increase access to and efficiency of high-level occupationally directed programmes in needed areas and increase access to occupationally directed programmes in needed areas and thereby expanding the availability of intermediate level skills with a special focus on artisan skills development. These are the sub-outcomes of Outcome 5.

The vision of the Department is *'Leading Post-School Education and Training for growth'*. Consequently, the Strategic Plan identifies five medium-term strategic goals indicated as follows:

**Goal 1:** To steer the Post-School Education and Training system through the development and steering mechanisms, integrated planning and implementation oversight by 31 March 2020.

**Goal 2:** To improve the Post-School Education and Training system through the provision of appropriate learning of assessment services, teaching and learning and student support services by 31 March 2020.

**Goal 3:** To improve the capacity of the Post-School Education and Training system through funding interventions and infrastructure development by 31 March 2020.

**Goal 4:** To develop partnerships and maintain good stakeholder relations in support of an effective Post-School Education and Training system.

**Goal 5:** To ensure sound business management/leadership and effective resource management within the Department.

For the year under review, the Department registered significant progress in respect to the development and review of appropriate steering mechanisms; teaching and learning support; infrastructure development; partnership development, as well as artisan development. Information in this regard is covered comprehensively in the section on performance information by programme.

In addition, in its oversight of the PSET system, the Department produces various monitoring reports on an annual basis. These reports reflect on the financial health of education and training institutions, the effective implementation of various intervention programmes, as well as the use of various grants in support of teaching and learning functions.

These include:

- The Higher Education AIDS Programme;
- The financial health of universities;
- The Foundation Provision Grant;
- The Teaching and Learning Development Capacity Improvement Programme;
- The Teaching Development Grant;
- The Research Development Grant;
- 2016 Research outputs of universities;
- Infrastructure and efficiency grants for 24 universities;
- The new universities earmarked grant;
- Institutional governance;
- Staffing South Africa's Universities Framework (SSAUF) Programme;
- Private Higher Education Institutions compliance with the regulations;
- The Student Leadership Capacity Development Programme;
- 2017 BRICS partnerships;
- Monitoring and evaluation reports on TVET Colleges in respect of teaching and learning support and student support services plans; and
- The implementation of the National Skills Development Strategy by SETAs.

During the 2017/18 financial year, the Department will strengthen its oversight of the TVET and CET College sectors and the SETAs to include reporting on the following functions:

- The conduct of public TVET College examination centres during national examinations and assessments for the 2016 academic year;
- Certification backlog eradication;
- The implementation of the Information Technology (IT) examination services system;
- The performance of students in colleges for the previous academic year;
- The evaluation of TVET Colleges and SETAs against recommended governance standards; and
- The implementation of a teaching and learning support framework in CET Colleges.

Furthermore, the Department also monitors the performance of the system against set targets in relation to universities, TVET and CET Colleges, as well as SETAs in ensuring the realisation of the NDP and the sub-outcomes of Outcome 5 as mentioned above. Significant progress measured against the NDP targets has been made within the system in the following areas:

NDP 2030 target	Current performance
1. Increase participation rate by 30%	18.6%
2. University student enrolments - 1.62 million	985 212
3. Improve academics' qualifications: (75% of academics with PhDs )	44%
4. Increase Masters and PhD students to >25% of enrolments	8%
5. Produce 100 PhDs per million per annum i.e. 5 000 per annum	2 530
6. Full funding for all NSFAS qualifiers (poor) and loans (state surety) for others	225 950 universities
7. Increase enrolments in Technical and Vocational Education and Training Colleges to 1.25 million	741 542 (2016/17 unverified)
8. Increase enrolments in Community Education and Training colleges to 1 million	283 602 (2015)
9. 30 000 artisans produced per annum	21 188

The system is making steady progress towards the achievement of NDP, 2030 targets. For instance, student enrolments at universities comprises a total of 985 212 (during the 2016 academic year). As acknowledged in the NDP, the system will have to increase enrolments by 70% from 950 000 in 2010 to achieve the NDP target. The NDP also aims for a participation rate of over 30% by 2030. Currently, the participation rate is 18.6%. In terms of TVET Colleges, headcount enrolments in the 2016 academic year was at 741 542 (NDP targets 1.25 million). The system is able to produce 21 188 artisans per annum. It is expected that this should increase to 30 000 per annum by 2030.

Progress status on other targets relating to Outcome 5 of the Medium-Term Strategic Framework is reflected in the table below.

Performance Indicator	Baseline 2014	Performance 2015/16	Performance 2016/17	5 year target	Percentage progress	Deviation
1. Number of students enrolled in public higher education studies	983 698	969 154	985 212	1 070 000	92%	-8%
2. Number of graduates in Engineering Sciences from universities	11 441	12 058	12 470	57 000*	43%	+3%
3. Number of graduates in Human Health and Animal Health from universities	8 627	8 982	9 851	45 000*	42%	+2%



Performance Indicator	Baseline 2014	Performance 2015/16	Performance 2016/17	5 year target	Percentage progress	Deviation
4. Number of graduates in Natural and Physical Sciences from universities	6 698	7 259	7 917	36 000*	42%	+2%
5. Number of graduates in Initial Teacher Education from universities	16 594	19 124	20 698	99 000*	40%	0%
6. Number of Doctoral graduates from universities	2 051	2 258	2 530	12 000*	40%	0%
7. Number of Research Masters graduates	6 460	7 229	7 317	34 000*	43%	+3%
8. Success rates at Universities	74%	77%	78%	78%	100%	0%
9. Higher Education undergraduate success rate (contact)	81%	82%	83%	81%	102%	+2%
10. Higher Education undergraduate success rate (distance)	60%	68%	68%	71%	96%	-4%
11. Number of Universities offering accredited TVET College lecturer qualifications	-	3 (Offering)	1 (accredited universities)	10	10%	-90%
12. Percentage of university academic staff with PhDs	41%	43%	44%	46%	96%	-4%
13. Number of additional first-time entrants (black and women) to the academic workforce in addition to normal replacement and plans	-	102	90	500*	38%	-2%
14. Number of students in foundation programmes	17 960	19 212	17 977	36 000	50%	-50%
15. Number of eligible university students obtaining financial aid (NSFAS)	186 150	178 961	225 950	205 000	110%	+10%
16. Number of headcount enrolments in TVET Colleges	709 535	710 535	741 542 (Unverified)	710 535	104%	+4%
17. Number of headcount enrolments in CET colleges	300 000	283 602	0 (Data not available)	340 000	0% (2016/17) 83% (2015/16)	100% (2016/17) -17% (2015/16)
18. Certification rates in TVET qualifications NC(V) L4	34.4%	23.3%	32.6%	40%	82%	-18%
19. Certification rates in TVET qualifications N3	55.4%	51.0%	0 (Data not available)	65%	0% (2016/17) 79% (2015/16)	100% (2016/17) -21% (2015/16)
20. Certification rates in TVET qualifications N6	47.2%	34.3%	0 (Data not available)	50%	0% (2016/17) 69% (2015/16)	100% (2016/17) -31% (2015/16)
21. Certification rates in CET formal qualification		39.8%	0 (Data not available)	45%	0% (2016/17) 88% (2015/16)	100% (2016/17) -12% (2015/16)

Performance Indicator	Baseline 2014	Performance 2015/16	Performance 2016/17	5 year target	Percentage progress	Deviation
22. Lead time to issue certificates to qualifying candidates (months)	More than 12 months	Beyond 9 months	Beyond 6 months	3 months	Currently takes more than double the required time	
23. Percentage of public TVET College examination centres conducting national examinations and assessments in compliance with national policy	70%	87%	0 (Data not available)	100%	0% (2016/17) 87% (2015/16)	100% (2016/17) -13% (2015/16)
24. Number of qualifying TVET students obtaining NSFAS financial assistance per annum	220 978	298 457	225 557	1 000 000*	52%	+12%
25. TVET institutions compliant to governance standards by 2019 and increasing every year thereafter (%)	0%	33%	0%	60%	0%	-100%
26. Additional beds for student accommodation in public TVET Colleges	10 120	0	0	1 000	0%	-100%
27. Enrolment of TVET students in foundation programmes	100	0	0	5000	0%	-100%
28. Success rate in foundation programme	0	0	0	50	0%	-100%
29. Number of work based learning opportunities	40 399	118 582	148 517	140 000	106% (provisional)	+6%
30. Number of new artisan learners registered nationally per annum	28 301	28 640	30 814	33 750	91%	-9%
31. Number of new artisan learners qualified per annum	14 389	16 114	21 188	24 000	88%	-12%
32. Percentage of national artisan learners trade test pass rate (including INDLELA)	52%	54%	52%	65%	80%	-20%
33. Percentage of national artisan learners employed or self-employed		40% are employed (about 4 800 learners were sampled for the survey)	79% (this was based on a sample of 4 151 artisans)	80%	99%	-1%
34. Proportion of SETAs meeting standards of good governance			71%	100	71%	-29%

Note:

\* Cumulative target. Performance assessed on an annual average.

## 4. Performance Information by Programme



Minister, Dr BE Nzimande, MP, hosting learners during the “take a girl child to work” campaign

### 4.1 Programme 1: Administration

#### 4.1.1 Purpose

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

There are six budget sub-programmes:

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

#### 4.1.2 Strategic Objectives

- To ensure effective human resource management within the Department by filling 90% of vacant funded positions and implementation of an effective performance management system;
- To ensure effective financial management through application of good financial management systems, including management accounting, financial accounting and supply chain management in line with the requirements of the PFMA; and
- To improve efficiency through the development of approved annual ICT procurement plans for the implementation of the necessary information technology infrastructure and systems.

#### 4.1.3 Summary of significant achievements during the 2016/17 financial year

**Programme 1** had planned to deliver five targets for the financial year ending March 2017. Three targets (60%) were achieved as follows:

- Approved funded positions filled are at 93%;
- Creditors were paid within 29,79 days; and
- The ICT procurement plan was approved by the Deputy Director-General on 28 February 2017.

#### 4.1.4 Programme performance: Strategic objectives, performance indicators, planned targets and actual achievements<sup>2</sup>

Strategic Objective <sup>2</sup>	Performance Indicators	Actual Achievement 2015/16	Planned Target for 2016/17		Actual Achievement 2016/17	Deviation from planned targets to Actual Achievement 2016/17	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 1: Administration							
(4.1.1.1) To ensure effective human resource management within the Department by filling 90% of vacant funded positions and implementation of an effective performance management system	Approved funded positions filled (%)	93.1%	90%	90% of approved funded positions filled	92.3%	<b>Target achieved</b> , actual performance is 2.3 % more than targeted	-
	Disciplinary cases resolved within 90 days (%)	47%	100%	100% of disciplinary cases resolved within 90 days	22.2%	<b>Target not achieved</b> , actual performance is 78% less than targeted	Postponements due to unavailability of either parties. Poor management of cases and capacity constraints
	Average number of days to fill an advertised post (days)	221.25 days	180 days	180 days number of days to fill an advertised post	186 days	<b>Target not achieved</b> , actual average is more by 6 days than targeted	Large volumes of applications received which delays the process of filling the posts
	Creditor payment age (days)	Valid invoices were settled within 30 days	30 days	30 days to pay creditors	29.79 days	<b>Target achieved</b>	-
(4.1.1.2) To ensure effective financial management 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							

<sup>2</sup> The numbering of strategic objectives in this table is aligned to the numbering of same in the 2016/17 Annual Performance Plan

Strategic Objective <sup>2</sup>	Performance Indicators	Actual Achievement 2015/16	Planned Target for 2016/17		Actual Achievement 2016/17	Deviation from planned targets to Actual Achievement 2016/17	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 1: Administration							
(4.1.1.3) To improve efficiency through the development of approved annual ICT procurement plans for the implementation of the necessary information technology infrastructure and systems	Approved ICT procurement plans per annum (n)	One (1)	One (1)	One (1) approved ICT procurement plan per annum	One (1) ICT procurement plan was approved by the DDG: Corporate Services on 28 February 2017	Target achieved	-

#### 4.1.5 Strategy to deal with under-performance

Targets not achieved.

- **180 days to fill advertised positions:**

In order to improve on the turn-around time in terms of filling funded positions, the Human Resource Management unit will develop a plan linked to posts occupied by incumbents who are close to retirement.

The Department will also utilise the Public Service Regulations to fill generic positions through the utilisation of a database for previously advertised posts in order to reduce the period it takes in dealing with the volumes of applications received when the advertisement is issued.

The Department is also facilitating the utilisation of an electronic recruitment system aimed at enhancing the recruitment process.

- **100% of disciplinary cases resolved within 90 days:**

Regarding the issue of delays in finalising disciplinary cases, the Department has advertised five management positions located within the Labour Relations Directorate in an effort to increase capacity. The additional positions will be placed at the Regional Offices in order to be in closer proximity to all the colleges. In addition, the current Labour Relations structure is being revised with a view to expand its current capacity. A plan to reduce disciplinary cases will also be developed during the 2017/18 financial year.

The implementation of these strategies will assist in reducing the current capacity constraints. A database of the current Labour Relations Practitioners will also be developed and be placed at a central place where it can be easily accessible and utilised as and when required.

#### 4.1.6 Changes to planned targets during the year

None

#### 4.1.7 Linking programme performance with budgets

SUB-PROGRAMME	2016/17			2015/16		
	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	39 884	39 558	326	39 884	39 735	149
Department Management	56 815	56 308	507	51 421	51 153	268
Corporate Services	144 528	143 098	1 430	132 436	126 422	6 014
Office of the Chief Financial Officer	70 375	66 443	3 932	56 999	55 664	1 335
Internal Audit	9 745	9 025	720	7 023	6 676	347
Office Accommodation	58 277	58 281	(4)	67 195	67 169	26
<b>Total</b>	<b>379 624</b>	<b>372 713</b>	<b>6 911</b>	<b>354 958</b>	<b>346 819</b>	<b>8 139</b>



## 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 and the Human Resource Development Strategy for South Africa.

There are six budget sub-programmes:

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

### 4.2.2 Strategic Objectives

- To develop seven new PSET policies and one legislation including the revision of the *National Qualifications Framework Act* and the *General and Further Education and Training Quality Assurance (GENFETQA) Act*, in order to ensure a sound PSET system by 31 March 2020;
- To develop a Sector Monitoring and Evaluation Framework for effective implementation and oversight of the PSET system and produce annual monitoring reports by 31 March 2020;
- To develop and implement three teaching and learning support plans aimed at improving access to quality teaching and learning within the PSET system by 31 March 2020; and
- To develop management information systems for colleges and SETAs as well as private Post-School institutions by 31 March 2020.



**Dr DC Parker, Deputy Director-General of the University Education Branch representing the Department during the SA-EU International Conference**

#### 4.2.3 Summary of significant achievements during the 2016/17 financial year

There were nine planned targets for the financial year ending March 2017. All targets (100%) were fully achieved within the set time-frame and are indicated as follows:

- A National Policy on Career Development Services across all spheres of Government was approved by the Minister on 13 December 2016;
- A Policy for Open Learning and Distance Education was approved by the Minister on 23 March 2017;
- A Monitoring and Evaluation Framework for the PSET system was approved by the Director-General on 27 February 2017;
- An International Relations Monitoring Report was approved by the Director-General on 27 February 2017;
- A Macro Indicator Trend Report on PSET was approved by the Director-General on 30 March 2017;
- Materials for the identified two new PSET Steering Mechanism National Policy on Career Development Services access and Policy for Open Learning and Distance Education Programmes to be piloted in 2017/18 were approved by the Deputy Director-General: Planning, Policy and Strategy on 23 March 2017;
- A Report on the implementation of the Strategy on Open Learning and Distance Education was approved by the Director-General on 15 March 2017;
- The Annual Report on skills supply and demand was published on 25 March 2017; and
- The annual statistics on PSET Report was published on 30 March 2017.



**Mr G Jeppie, Chief Director for International Relations representing the Department during the SA-EU Policy Seminar in Stellenbosch**

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

Strategic Objective <sup>2</sup>	Performance Indicators	Actual Achievement 2015/16	Planned Target for 2016/17		Actual Achievement 2016/17	Deviation from planned targets to Actual Achievement 2016/17	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 2: Planning, Policy and Strategy							
(4.2.1.1) To develop 7 new PSET policies and one legislation including the revision of the National Qualifications Framework Act and the GENFETQA Act, in order to ensure a sound PSET system by 31 March 2020	New PSET steering mechanisms approved (n)	The final RPL policy and guidelines (one document) has been developed and approved by the Minister on 17 March 2016. It was published on 31 March 2016 (No 39876)	Two (2) new PSET steering mechanisms approved	A National Policy on Career Development Services across all spheres of Government developed and submission approved by 31 March 2017 by DDG requesting Director-General and/or Ministerial approval	1. A National Policy on Career Development Services across all spheres of Government was developed and the submission approved by the Minister on 13 December 2016	Target achieved	-
		The draft framework on Disability has been developed and approved by the Minister for consultation with Cabinet		A Policy for Open Learning and Distance Education developed and submission approved by 31 March 2017 by DDG requesting Director-General and/or Ministerial approval	2. A Policy for Open Learning and Distance Education was developed and the submission approved by the Minister on 23 March 2017		
			Policy Framework for the Realisation of Social Inclusion in the PSET System was published in the Government Gazette on 15 December 2016				

Strategic Objective <sup>2</sup>	Performance Indicators	Actual Achievement 2015/16	Planned Target for 2016/17		Actual Achievement 2016/17	Deviation from planned targets to Actual Achievement 2016/17	Comment on deviation: Both over and under achievement
			Target	Target Description			
(4.2.1.2) To develop a Sector Monitoring and Evaluation Framework for effective implementation of oversight of the PSET system and produce annual monitoring reports by 31 March 2020	Monitoring and Evaluation Framework for the PSET system approved (n)	New indicator	One (1) Monitoring and Evaluation Framework for PSET system approved	A Monitoring and Evaluation Framework for PSET system developed and submission approved by Deputy Director-General requesting the Director-General and/or the Minister's approval	1. A Monitoring and Evaluation Framework for PSET system was developed and the submission approved by the Director-General on 7 February 2017	<b>Target achieved</b>	-
	Monitoring reports on PSET approved (n)	New indicator	Two (2) Monitoring reports on PSET approved	An International Relations monitoring report developed and the submission approved by 31 March 2017 by DDG requesting Director-General and/or Ministerial approval	1. An International Relations monitoring report was developed and the submission approved by the Director-General on 27 February 2017	<b>Target achieved</b>	-
				Macro Indicator trend report on PSET developed and the submission approved by 31 March 2017 by DDG requesting Director-General and/or the Minister's approval	2. A Macro Indicator trend report on PSET was developed and submission approved by the Director-General on 30 March 2017	<b>Target achieved</b>	-

Strategic Objective <sup>2</sup>	Performance Indicators	Actual Achievement 2015/16	Planned Target for 2016/17		Actual Achievement 2016/17	Deviation from planned targets to Actual Achievement 2016/17	Comment on deviation: Both over and under achievement
			Target	Target Description			
(4.2.1.3) To develop and implement 3 teaching and learning support plans aimed at improving access to quality teaching and learning in the PSET system by 31 March 2020	Teaching and learning support plans for PSET approved (n)	A flexible model of learning delivery has been conceptualised and the implementation strategy approved by the Minister on 31 March 2016	Materials developed for the identified 2 programmes to be piloted in 2017/18 and approved by the Deputy Director-General by 31 March 2017	Materials developed for the identified 2 programmes to be piloted in 2017/18 and approved by the Deputy Director-General by 31 March 2017	1. Materials developed for the identified 2 programmes to be piloted in 2017/18 were approved by the Deputy Director-General on 23 March 2017	<b>Target achieved</b>	-
		The prototype of a learning management system for open learning system together with materials for two programmes identified to be piloted in 2016/17 onwards was approved by the Minister on 31 March 2016					
	Teaching and learning support implementation reports approved (n)	New indicator	Report on the implementation of a strategy on open learning and distance education developed and the submission approved	Report on the implementation of a strategy on open learning and distance education developed and the submission approved by 31 March 2017 by DDG requesting Director-General and/or Minister's approval	1. A report on the implementation of a strategy on open learning and distance education was developed and the submission approved by the Director-General on 15 March 2017	<b>Target achieved</b>	-

Strategic Objective <sup>2</sup>	Performance Indicators	Actual Achievement 2015/16	Planned Target for 2016/17		Actual Achievement 2016/17	Deviation from planned targets to Actual Achievement 2016/17	Comment on deviation: Both over and under achievement
			Target	Target Description			
(4.2.1.4) To develop management information systems for Colleges and SETAs and private Post-School institutions by 31 March 2020	Annual reports on skills supply and demand published (n)	A draft Annual Report on Skills Supply and Demand developed	One (1) annual report on skills supply and demand published	One (1) annual report on skills supply and demand published by 31 March 2017	1. One (1) annual report on skills supply and demand was published on 31 March 2017	<b>Target achieved</b>	-
	Annual Statistics on PSET report published (n)	An Annual Post-School Statistical Report has been completed and published on the departmental website on 30 March 2016	One (1) annual Statistics on PSET report published	One (1) annual Statistics on PSET report published by 31 March 2017	1. One (1) annual Statistics on PSET report was published on 31 March 2017	<b>Target achieved</b>	-



#### 4.2.5 Strategy to deal with under-performance

None.

#### 4.2.6 Changes to planned targets during the year

None.

#### 4.2.7 Linking programme performance with budgets

SUB-PROGRAMME	2016/17			2015/16		
	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	3 283	2 189	1 094	3 232	3 222	10
Human Resource Development, Strategic Planning and Coordination	17 127	15 770	1 357	14 929	14 816	113
Planning, Information, Monitoring and Evaluation Coordination	17 676	9 871	7 805	11 010	10 707	303
International Relations	13 434	11 961	1 473	11 853	11 242	611
Legal and Legislative Services	14 466	11 945	2 521	9 459	7 464	1 995
Social Inclusion in Education	5 598	5 080	518	4 766	4 568	198
<b>Total</b>	<b>71 584</b>	<b>56 816</b>	<b>14 768</b>	<b>55 249</b>	<b>52 019</b>	<b>3 230</b>

## 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 and it provides financial support to universities, the NSFAS and the National Institute of Higher Education.

There are six budget sub-programmes:

- Programme Management
- Academic Planning and Management Support
- Financial Planning and Information Systems
- University Subsidies
- Policy and Development
- Teaching and Learning Development (referred to as Teacher Education in the Estimates of National Expenditure (ENE).

### 4.3.2 Strategic Objectives

- Develop ten new and review five policies/regulations/pieces of legislation to ensure the sound provision of university education by 31 March 2020;
- Develop two integrated plans that will bolster collaboration between university education and other PSET sectors by 31 March 2020;
- Monitor and evaluate the higher education sector and produce thirteen annual oversight reports;
- Develop and implement a Teaching and Learning Development Capacity Improvement Programme (TLDICP) covering 5 plans by 31 March 2020;
- Develop and implement a student leadership capacity development strategy and Central Application Service to support access to Post-School institutions by 31 March 2020;
- Publish an annual, first-time entering undergraduate cohort analyses report; and
- Facilitate stakeholder networks through the establishment of a BRICS Think Tank and participative academic fora and annually report progress on partnerships.

### 4.3.3 Summary of significant achievements during the 2016/17 financial year

The programme had 29 Targets in the 2016/17 APP planned to be completed over different time-frames during the financial year. Of these, 22 (76%) targets were achieved within the envisioned time-frame.



**New Teaching Facility for the University of Fort Hare, East London, South Africa celebrating it's Centenary during 2017**

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

Strategic Objective <sup>2</sup>	Performance Indicators	Actual Achievement 2015/16	Planned Target for 2016/17		Actual Achievement 2016/17	Deviation from planned targets to Actual Achievement 2016/17	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 3: University Education							
To develop 10 new and review 5 policies/ regulations/ pieces of legislation to ensure sound provision of university education by 31 March 2020	New higher education steering mechanisms approved (n)	A Policy on the Minimum Norms and Standards for Student Housing at Public Universities was published in a Gazette on 29 September 2015; Gazette No. 39238	Seven (7) higher education steering mechanisms approved	A Policy on Creative and Innovation outputs published in the Government Gazette by 31 March 2017	1. The Policy on Creative and Innovation outputs was finalised and approved by the Minister on 31 March 2017 for publication	Target not achieved	The publication of the Policy on Creative and Innovation outputs was delayed due to the need to take the CHE advice into account before a final version could be developed for the Minister's approval. This resulted in delays in submitting the Policy for approval to the Minister. The Minister approved the Policy for publication, however this was too late to enable the Policy to be published in the Gazette by the target date .  The policy has since been published in the Government Gazette for implementation and no further action is required
					Governance indicators for universities approved by the Director- General by 31 March 2017	2. Governance indicators were approved by the Director-General on 28 March 2017	Target Achieved

Part E: Financial Information

Part D: Human Resource Management

Part C: Governance

Part B: Performance Information

Part A: General Information

Strategic Objective <sup>2</sup>	Performance Indicators	Actual Achievement 2015/16	Planned Target for 2016/17		Actual Achievement 2016/17	Deviation from planned targets to Actual Achievement 2016/17	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 3: University Education							
				Professional qualifications for Early Childhood Development (ECD) educators published in the Government Gazette by 31 March 2017	3. The Policy on Minimum Requirements for Programmes leading to Qualifications in Higher Education for Early Childhood Educators was approved by the Minister on 23 March 2017 and published as policy in Government Gazette No. 299 on 31 March 2017	Target Achieved	-

Strategic Objective <sup>2</sup>	Performance Indicators	Actual Achievement 2015/16	Planned Target for 2016/17		Actual Achievement 2016/17	Deviation from planned targets to Actual Achievement 2016/17	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 3: University Education							
			A policy on Internationalisation of higher education published in the Government Gazette by 31 March 2017	4. The draft Policy on Internationalisation of Higher Education has been developed for public comment and a submission requesting approval to publish it for public comment has been submitted to the Minister		<b>Target not achieved</b>	The work towards the development of the policy was slow to get underway and completed. It was not possible to finalise and publish the final policy by the date originally targeted. The draft policy has been submitted to the Minister for approval to be published for public comment. It will be published once the Minister has approved the submission. Following this, public comments will be analysed and taken into account in developing the final draft policy. This will be submitted to the CHE for advice. On the basis of the advice a final policy will be submitted to the Minister for approval and publication. The Chief Directorate responsible is required to implement a tight project management process to enable the finalisation of the Policy by the end of the 2017/18 financial year

Strategic Objective <sup>2</sup>	Performance Indicators	Actual Achievement 2015/16	Planned Target for 2016/17		Actual Achievement 2016/17	Deviation from planned targets to Actual Achievement 2016/17	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 3: University Education							
				A policy on Community Service for graduates published in the Government Gazette by 31 March 2017	5. A Task Team report on Community Service for Graduates was finalised. However a policy on the matter has not been developed	<b>Target not achieved</b>	The Task Team report on Community Service for Graduates was taken to the Director-General's Cluster for Governance and Administration. The recommendations of the report had major financial implications, and the Director-General's cluster advised that the Minister should meet and consult with the Ministers of Labour and Public Service Administration regarding existing similar schemes that these departments are running with the view to making a strategic decision on whether it would be possible to incorporate graduate community service into these schemes. The implication is that the Department should discontinue the development of a policy as initially envisaged. The meeting is still pending



Strategic Objective <sup>2</sup>	Performance Indicators	Actual Achievement 2015/16	Planned Target for 2016/17		Actual Achievement 2016/17	Deviation from planned targets to Actual Achievement 2016/17	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 3: University Education							
							The Minister's office has been requested to secure dates for a meeting with the Ministers of Public Service Administration and Labour to discuss the way forward. It is likely that this policy will not be published and a different approach to the matter possibly implemented

Strategic Objective <sup>2</sup>	Performance Indicators	Actual Achievement 2015/16	Planned Target for 2016/17		Actual Achievement 2016/17	Deviation from planned targets to Actual Achievement 2016/17	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 3: University Education							
				A policy on Differentiation in Higher Education published in the Government Gazette by 31 March 2017	6. A draft policy statement on Differentiation in Higher Education was developed but requires further work and consultation before it can be published in the Government Gazette	<b>Target not achieved</b>	The draft policy requires substantial work and extensive further consultation before a final draft is produced for Ministerial approval and subsequent publication. The Chief Directorate/ Directorate responsible for the development of the policy is required to implement a tight project management plan to enable a full consultative process and finalisation of the Policy on Differentiation in Higher Education for publication by March 2018
				The Ministerial Statement to guide the management and utilisation of the University Development Grant approved by the Minister by 31 March 2017	7. The Ministerial Statement to guide the management and utilisation of the University Development Grant was approved by the Minister on 31 March 2017	<b>Target Achieved</b>	-

Strategic Objective <sup>2</sup>	Performance Indicators	Actual Achievement 2015/16	Planned Target for 2016/17		Actual Achievement 2016/17	Deviation from planned targets to Actual Achievement 2016/17	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 3: University Education							
	Revised higher education steering mechanisms approved (n)	Revised Regulations for Private Higher Education Institutions were published in a gazette on 31 March 2016: Government Gazette No. 39880	Two (2) revised higher education steering mechanisms approved	A revised funding framework for Higher Education Institutions was published in the Government Gazette by 31 December 2016	1. The revised funding framework for public Higher Education Institutions was finalised and ready for publication to obtain public comments in November 2015. The Minister approved the framework but requested that it be taken to Cabinet before publication and further consultation. A Cabinet Memorandum was developed and finalised for submission to the relevant Director-General's cluster by May 2016	<b>Target not achieved</b>	The reason for this non achievement is that the process for finalising the revised framework was put on hold awaiting consideration by Cabinet and the cabinet memorandum on the Revised Framework was eventually only tabled before Cabinet on 22 November 2016. This meant that the time line for finalising the framework had to be adjusted. Cabinet recommended that the draft be taken through further consultations with the sector and that the Minister publish the framework after consultation

Strategic Objective <sup>2</sup>	Performance Indicators	Actual Achievement 2015/16	Planned Target for 2016/17		Actual Achievement 2016/17	Deviation from planned targets to Actual Achievement 2016/17	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 3: University Education							
		The Higher Education Act was reviewed and the Higer Education Amendment Bill submitted to Parliament for approval and promulgation		A revised Language Policy for Higher Education published in the Government Gazette by 31 March 2017	2. A draft revised Language Policy for Higher Education was developed for public comments	<b>Target not achieved</b>	The draft policy was inadequate and did not fulfill the policy consultation process for public comment. A project plan for taking the draft through a robust consultative development process to enable it to be published for public comment, has been set in place. Public comments will be collated and analysed and on the basis this analysis, a final draft policy document will be produced. It will be submitted to the Council on Higher Education for advice before being finalised for the Minister's approval and publishing as the final policy
(4.3.1.2) Develop 2 integrated plans that will enable collaboration between university education and other PSET sectors by 31 March 2020	Higher education integrated plans approved (n)	New indicator	One (1) higher education integrated plan approved	An integrated plan for offering NQF level-5 qualifications in the PSET system approved for implementation by 31 March 2017	1. An integrated plan for offering NQF level-5 qualifications in the PSET system was approved by the Minister on 31 March 2017 for implementation	<b>Target Achieved</b>	-

Strategic Objective <sup>2</sup>	Performance Indicators	Actual Achievement 2015/16	Planned Target for 2016/17		Actual Achievement 2016/17	Deviation from planned targets to Actual Achievement 2016/17	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 3: University Education							
(4.3.1.3) Monitor and evaluate the higher education sector and produce 13 annual oversight reports	Monitoring and Evaluation reports on higher education approved (n)	Evaluation report on the HEADS programme for the 2014/15 financial year was approved by the Director-General on 30 June 2015	12 Monitoring and Evaluation reports on higher education approved	A report on the HEADS programme for the 2015/16 financial year approved by the Director-General by 30 September 2016	1. A report on the HEADS programme for the 2015/16 financial year was approved by the Director-General on 30 September 2016	Target Achieved	-
		A report on the analysis of university annual reports in terms of financial indicators was produced and approved by the Director-General on 31 March 2016	A report on the financial health of universities in the 2015 academic year, approved by the Director-General by 31 December 2016	A report on the financial health of universities in the 2015 academic year, was approved by the Director-General on 15 December 2016	2. A report on the financial health of universities in the 2015 academic year, was approved by the Director-General on 15 December 2016	Target Achieved	-
		Report on the effective use of the Foundation Provision Grant for 23 universities was approved by Director-General on 4 September 2015			3. A report on the effective use of the 2015/16 Foundation Provision Grant was approved by the Director-General on 15 December 2016	Target Achieved	-
		A report on the effective use of the 2014/15 teaching Development Grant was approved by the Director-General on 15 December 2015			A report on the effective use of the 2015/16 Teaching Development Grant approved by the Director-General by 31 December 2016	4. A report on the effective use of the 2015/16 Teaching Development Grant approved by the Director-General on 14 December 2016	Target Achieved

Strategic Objective <sup>2</sup>	Performance Indicators	Actual Achievement 2015/16	Planned Target for 2016/17		Actual Achievement 2016/17	Deviation from planned targets to Actual Achievement 2016/17	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 3: University Education							
		An evaluation report on effective use of the Research Development Grant in 2014/15, was approved by the Director-General on 4 December 2015		A report on the effective use of the 2015/16 Research Development Grant was approved by the Director-General by 31 December 2016	5. A report on the effective use of the 2015/16 Research Development Grant was approved by the Director-General on 15 December 2016	<b>Target Achieved</b>	-
		An Annual Report on the research outputs of 24 universities was published on the departmental website on 02 March 2016		A report on the 2015 research outputs of universities published on the departmental website by 31 March 2017	6. The report on the 2015 Research Outputs of universities was approved by the Director-General on 29 March 2017. However it was not published on the website on 31 March 2017	<b>Target not Achieved</b>	The Directorate responsible made a decision to take the final approved report to the communications section to professionally lay it out before uploading the report onto the website. This was an error in judgement, since the approved report was adequately prepared and could have been uploaded at the time. This error has led to the situation where the target was not fully achieved
		An Assessment Report on the effective use of infrastructure grants for 24 universities was approved by the Director-General on 24 March 2016		An annual report on the effective use of infrastructure and efficiency grants for universities approved by the Director-General by 31 March 2017	7. A consolidated Report on the effective use of the Infrastructure Development Grant was approved by the Director-General on 28 March 2017	<b>Target Achieved</b>	-



Strategic Objective <sup>2</sup>	Performance Indicators	Actual Achievement 2015/16	Planned Target for 2016/17		Actual Achievement 2016/17	Deviation from planned targets to Actual Achievement 2016/17	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 3: University Education							
		An Assessment Report on the effective use of two new universities earmarked grants was submitted and approved by the Director-General on 30 March 2016		An Annual Report on the effective use of new universities earmarked grant approved by the Director-General by 31 March 2017	8. The Annual Report on the use of the New Universities Earmarked Grant was approved by the Director-General on 31 March 2017	-	
		An Annual report on the achievement of Ministerial enrolment targets completed but not approved by the Minister by the end of March 2016		An Annual Report on the achievement of Ministerial enrolment targets approved by the Minister by 31 March 2017	9. The Report on the Ministerial Enrolment Targets was finalised and approved by the Minister on 31 March 2017	-	
		An annual monitoring report on PHEIs' compliance with the regulations was approved by the Director-General on 23 March 2016		An Annual Report on PHEIs' compliance with the regulations approved by the Director-General by 31 March 2017	10. The Annual Report on the compliance of Private Higher Education Institutions was approved by the Director-General on 19 March 2017	-	
		An annual evaluation report on the Staffing South Africa's Universities Framework was approved by the Director-General on 23 March 2016		An Annual Report on the implementation of the Staffing South Africa's Universities Framework Programme approved by the Director-General by 31 March 2017	11. The Annual Report on the implementation of the SSAUF Programme was approved by the Director-General on 28 March 2017	-	

Strategic Objective <sup>2</sup>	Performance Indicators	Actual Achievement 2015/16	Planned Target for 2016/17		Actual Achievement 2016/17	Deviation from planned targets to Actual Achievement 2016/17	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 3: University Education							
(4.3.1.4) Develop and implement a Teaching and Learning Development Capacity Improvement Programme (TLDICIP) covering 5 plans by March 2020	Teaching and learning support plans for higher education approved (n)	An institutional Governance Capacity Development Programme review report was approved by the Director-General on 24 March 2016  A Teaching and Learning Development Capacity Improvement Programme was approved on 29 September 2015 for implementation by the Director-General by the end of March 2016	Four teaching and learning support plans for higher education was approved	A report on the Council Capacity Development Programme approved by the Director-General by 31 March 2017	12. A report on the Council Capacity Development Programme was approved by the Director-General on 28 March 2017	<b>Target Achieved</b>	-
				The TLDICIP project plan for Early Childhood Development (ECD) Teacher Education approved by the Director-General by 30 September 2016	1. The TLDICIP project plan for ECD Teacher Education was approved by the Director-General on 15 September 2016	<b>Target Achieved</b>	-
				The TLDICIP project plan for Primary Teacher Education approved by the Director-General by 30 September 2016	2. The TLDICIP project plan for Primary Teacher Education was approved by the Director-General on 27 September 2016	<b>Target Achieved</b>	-
				The TLDICIP project plan for TVET and Community College Lecturer Education approved by the Director-General by 30 September 2016	3. TLDICIP project plan for TVET and Community College Lecturer Education was approved by the Director-General on 05 September 2016	<b>Target Achieved</b>	-

Strategic Objective <sup>2</sup>	Performance Indicators	Actual Achievement 2015/16	Planned Target for 2016/17		Actual Achievement 2016/17	Deviation from planned targets to Actual Achievement 2016/17	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 3: University Education							
(4.3.1.5) Develop and implement a student leadership capacity development strategy and Central Applications Services to support access to Post-School institutions by 31 March 2020	Implementation reports on student support services in Higher Education institutions approved (n)	New indicator		The TLDClP project plan for Special Needs Teacher Education was approved by the Director-General by 30 September 2016	4. The TLDClP project plan for Special Needs Teacher Education was approved by the Director-General on 26 September 2016	Target Achieved	-
			A report on student support services in Higher Education Institutions signed	A report on student support services in Higher Education Institutions signed by 31 March 2017	1. A Report on student support services in Higher Education Institutions was approved by the Director-General on 28 March 2017	Target Achieved	-
(4.3.1.6) Publish an annual first-time entering undergraduate cohort analyses report	Cohort study reports on higher education published per annum (n)	A cohort study report for the 2005 to 2008 First-time entering undergraduate cohort was approved and published on the Department's website on 29 March 2016	1 Cohort study report on higher education published per annum	An updated cohort study report including the 2015 audited data published on the departmental website by March 2017	1. An updated cohort study report including the 2015 audited data was approved and published on the departmental website on 31 March 2017	Target Achieved	-

Strategic Objective <sup>2</sup>	Performance Indicators	Actual Achievement 2015/16	Planned Target for 2016/17		Actual Achievement 2016/17	Deviation from planned targets to Actual Achievement 2016/17	Comment on deviation: Both over and under achievement
			Target	Target Description			
Programme 3: University Education							
(4.3.1.7) Facilitate stakeholder networks through the establishment of a BRICS Think Tank and participative academic forum and report progress on partnerships annually	Partnership reports approved per annum (n)	A Report on the 2015 BRICS Academic Forum and Think Tank partnerships was approved by the Minister on 31 March 2016	1 Partnership report approved per annum	A report on the 2016 BRICS Academic Forum and Think Tank partnerships approved by the Minister by March 2017	1. A report on the 2016 BRICS Academic Forum and Think Tank partnerships was approved by the Minister on 24 March 2017	<b>Target Achieved</b>	-

### 4.3.5 Strategy to deal with under-performance

Seven targets (out of 28) were not achieved during the reporting period. Six of these targets involved policy development initiatives.

Of the 7 targets not achieved, one was the result of an error in judgement. The report on the 2015 Research Outputs of universities was approved by the Director-General on 29 March 2017. However, it was not published on the website by 31 March 2017 as required in terms of the Annual Performance Plan (APP). The reason that it was not published on the website by the target date was that the Directorate responsible, made a decision that the final signed off document should be more professionally laid out before publishing it on the website, not realising that delaying the upload of the document would result in one of the targets not being met. The error has been acknowledged and will not be repeated. No further action is required. The report has since been published on the website.

The status of six policy development initiatives not finalised is indicated as follows:

- The Policy on Creative and Innovation outputs was approved by the Minister on 31 March 2017, however this was too late for it to be published in the Government Gazette as planned. The policy has since been published in the Government Gazette for implementation and no further action is required.
- The Draft Policy on Internationalisation of Higher Education was developed for public comment and a submission requesting approval to publish it for public comment submitted to the Minister by 31 March 2017. The draft policy should have been published for public comment by the end of September 2017, if the target was to be met. The Branch has identified effective project management as a critical weakness having contributed to delays in the timely development of this policy. A project management plan has been put in place to ensure that this policy is finalised and published by the end of March 2018.
- The Policy on Community Service for graduates has not been developed and published in the Government Gazette by 31 March 2017 as envisaged in the 2016/17 APP. A Task Team report on the Community Service for Graduates developed in 2015/16 was taken to the Directors-General Cluster for Governance and Administration. The recommendations of the report had major financial implications and the Directors-General cluster advised that the Minister meet with and consult the Ministers of Labour and Public Service and Administration regarding the existence of similar schemes that these Departments are managing and with the view of making a strategic decision on whether or not it would be possible to incorporate graduate community service into these schemes. The implication has been that the Department had to discontinue development of the policy as initially envisaged. A political decision on the way forward and regarding community service for graduates will therefore need to be taken first. It is likely that this policy will not be published and a different approach to the matter will be endorsed and implemented.
- The Policy on Differentiation in higher education was not published in the Government Gazette by 31 March 2017 as planned. The draft policy statement still requires considerable consultation and work before it can be published. A project plan has been put in place to strengthen the draft and to take it through a robust consultation process, with the view to publishing it by the end of March 2018.
- The revised funding framework for Higher Education Institutions was not published in the Government Gazette by 31 December 2016 as planned. After the Cabinet recommendation that the Minister publish the framework subsequent to further consultation within the sector, the Department engaged with Universities South Africa. A process towards the finalisation of the framework has since been agreed to. The Branch aims to publish the framework by 31 December 2017, after consultation with the sector and in line with any amendments that may be necessary due to the recommendations of the Fees Commission Report.

- The Revised Language Policy for Higher Education was not published in the Government Gazette by 31 March 2017 as originally planned. A project management plan has been developed to ensure that this policy is finalised and published by the end of March 2018.

#### 4.3.6 Changes to planned targets during the year

None of the targets in the 2016/17 APP were revised during the financial year. However, there was a review of the MTSF and some of the targets within that framework were accordingly adapted.

#### 4.3.7 Linking programme performance with budgets

SUB-PROGRAMME	2016/17			2015/16		
	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	4 890	4 320	570	4 026	3 915	111
University Academic Planning and Management	11 507 340	11 504 146	3 194	6 558 347	6 557 911	436
University Financial Planning and Information Systems	11 980	8 843	3 137	8 572	8 437	135
University Policy and Development	28 287	23 838	4 449	22 330	21 048	1 282
Teacher Education	14 372	10 012	4 360	10 943	10 208	735
University Subsidies	27 964 818	27 964 559	259	26 243 227	26 243 110	117
<b>Total</b>	<b>39 531 687</b>	<b>39 515 718</b>	<b>15 969</b>	<b>32 847 445</b>	<b>32 844 629</b>	<b>2 816</b>

#### 4.3.8 System performance: University Education

Further to the statements made above, the implementation of sub-outcome 3 of Outcome 5 namely "increase access to higher level occupationally directed programmes in needed areas" was monitored to track the performance of the university system during the year under review. Of the 15 targets, 12 (80%) have accordingly been achieved.

No	Outcome Indicator Target	Actual Achievement 2015/16	Planned Target for 2016/17	Actual Achievement 2016/17	Comment on deviation
1.	Students enrolled in public higher education studies at universities (n)	969 154	984 000.00	985 212*	This is a 0.12% deviation. The Ministerial enrolment plan allows for a 2% deviation either way on the proposed target.
2.	Graduates in Engineering Sciences from universities (n)	12 058	10 600	12 470*	This is a 17.64% deviation. Initiatives to support the production of graduates were engagements with professional bodies, infrastructure development and funding such as support through earmarked funding

No	Outcome Indicator Target	Actual Achievement 2015/16	Planned Target for 2016/17	Actual Achievement 2016/17	Comment on deviation
3.	Graduates in Human Health and Animal Health from universities (n)	8 982	9 700	9 851*	This is a 1.56% deviation. The Ministerial enrolment plan allows for a 2% deviation either way on the proposed target. Initiatives to support the production of graduates were engagements with professional bodies, infrastructure development and funding such as support provided through earmarked funding and the establishment of the Joint Health Sciences Education Committee to develop a clear vision, policy and relevant planning processes related to health sciences and student training
4.	Graduates in Natural and Physical Sciences from universities (n)	7 259	6 900	7 917*	This is a 14.74% deviation. Initiatives to support the production of graduates were engagements with professional bodies, infrastructure development and funding such as support provided through earmarked funding
5.	Graduates in initial Teacher Education from universities (n)	19 124	18 300	20 698*	This is a 13.10% deviation. This has been a focus area for the Department, and significant resources have been allocated to universities in order for the Branch to rapidly increase new teacher graduate output to meet system needs. This input has resulted in a rapid growth
6.	Doctoral graduates from universities (n)	2 258	2 200	2 530*	This is a 15.00% deviation. The Department is collaborating with DST to increase the number of graduates and bursaries have been made available to students
7.	Research Masters graduates	7 229	6 500	7 317*	This is a 12.57% deviation. The Department is collaborating with the Department of Science and Technology to increase the number of graduates and bursaries have been made available to students
8.	Success rates at universities	77%	77%	78%*	This is a 1% deviation. The Ministerial enrolment plan allows for a 2% deviation either way on the proposed target



No	Outcome Indicator Target	Actual Achievement 2015/16	Planned Target for 2016/17	Actual Achievement 2016/17	Comment on deviation
9.	Higher education undergraduate success rates (contact)	82%	80%	83%*	This is a 3% deviation. Foundation provisioning is still one of the most prominent interventions towards improving success rates at universities
10.	Higher education undergraduate success rates (distance)	68%	68%	68%*	None
11.	Universities offering accredited TVET College qualifications	3	10	1	Universities have been limited with regard to their capacity in developing and introducing the new programmes due to a lack of funding support. Funding is now in place and 12 institutions are being supported to develop new programmes. It is expected that greater progress will be made in the next year
12.	University academic staff with PhDs	43%	43%	44%	This is a 1% deviation. The Ministerial enrolment plan allows for a 2% deviation either way on the proposed target
13.	Additional first-time entrants (black and women) to academic workforce	102	100	90	Funding was available for a total of 103 nGAP posts in the 2016/17 financial year. Recruitment proceeded on time. However, the disruptions in universities from September through to December created delays and institutions were unable to fill all the posts by the 31 March 2017. The vacant posts will be consolidated into the third round of posts that have been advertised
14.	First year students in foundation programmes	19 212	30 400	17 977*	UNISA's foundation students are excluded as the programme offering has not been approved and is in the process of being revised/reconsidered. Other universities such as TUT have enrolled much fewer students than planned
15.	Eligible university students obtaining financial aid	172 648	205 000	225 950	The number of student supported is above the target due to additional funds made available through the vote in the wake of the 2015 "#feesmustfall" protests

Note: All outcome targets identified with \* in the above table are for the 2015 academic year, reported and verified by October 2016.

## 4.4 Programme 4: Technical and Vocational Education and Training



Ngqungqushe Campus, Ingwe TVET College in Lusikisiki

### 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
- TVET System Planning and Institutional Support
- Programmes and Qualifications
- National Examinations and Assessment
- Financial Planning

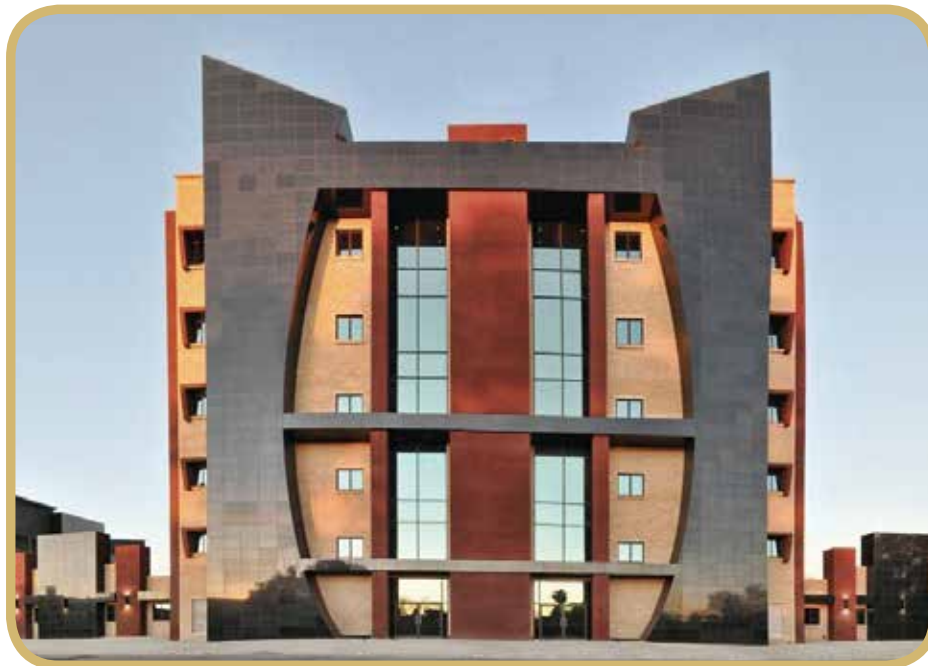
### 4.4.2 Strategic Objectives

- Develop three and revise four legislative and guiding frameworks aimed at steering the TVET sector by 31 March 2020;
- Standardise the level of governance across TVET institutions through monitoring and reporting on the implementation of proposed best practice policies and guidelines issued by the Department of Higher Education and Training by 31 March 2020;
- Improve performance in programmes offered in TVET institutions through annual monitoring and reporting on implementation of Teaching and Learning Support and Student Support Plans by 31 March 2020;
- Strengthen and maintain infrastructure and facilities for TVET institutions by ensuring a geographic spread through the establishment of 12 additional sites of delivery (campuses) and tabling of bi-annual maintenance reports on infrastructure and facilities in TVET Colleges by 31 March 2020; and
- Establish a functioning coordinating structure within the Department for support and research in the TVET sector by 31 March 2020.

#### 4.4.3 Summary of significant achievements during the 2016/17 financial year

**Programme 4** had planned to deliver 11 targets for the financial year ending March 2017. Eight (73%) of the 11 outputs were achieved and are indicated as follows:

- A Student Support Services Plan was approved by the Director-General on 30 September 2016;
- A Teaching and Learning Support Plan for TVET Colleges was approved by the Director-General on 22 September 2016;
- A revised, current costing model for TVET College Programmes was approved by the Director-General on 25 March 2017;
- Two Monitoring and Evaluation reports on TVET institutions were approved by the Director-General during the 2016/17 financial year;
- An Implementation Report on Teaching and Learning Support Plans in TVET Colleges was approved by the Director-General on 15 January 2017;
- An Implementation Report on the Student Support Services Plan in TVET Colleges was approved by the Director-General on 25 March 2017; and
- The TVET Colleges Infrastructure Maintenance Report was approved by the Director-General on 31 March 2017.



Capricorn TVET College in Polokwane

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

Strategic Objective <sup>2</sup>	Performance Indicators	Actual Achievement 2015/16	Planned Target for 2016/17		Actual Achievement 2016/17	Deviation from planned targets to actual achievement 2016/17	Comments on deviation; both over and under achievement
			Target	Target Description			
Programme 4: Technical and Vocational Education and Training							
(4.4.1.1) To develop 3 and revise 4 legislative and guiding frameworks aimed at steering the TVET sector by 31 March 2020	New TVET steering mechanisms approved (n)	Governance and policies for TVET Colleges encompassing 29 financial policies were developed and approved by the Director-General	One (1) new TVET steering mechanism approved	The national admission and promotion guidelines for NC(V) approved by the Minister by 31 March 2017	1. The national admission and promotion guidelines for NC(V) was not approved by the Minister as planned	<b>Target not achieved</b>	The national admission and promotion guidelines for NC(V) is not a departmental competence. This forms part of the qualifications policy which is the responsibility of the Quality Council. Ministerial approval was sought to remove the target as an indicator for the 2016/17 financial year  While Minister granted approval, changes could not be effected in the APP because this only happened towards the end of the financial year
		Guidelines for standardised implementation of Occupational Programmes were developed and approved by the Minister					
		Policy directives for TVET College Information Technology systems was developed and approved by the Director-General					

Part E: Financial Information

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Part B: Performance Information

Part A: General Information

Strategic Objective <sup>2</sup>	Performance Indicators	Actual Achievement 2015/16	Planned Target for 2016/17		Actual Achievement 2016/17	Deviation from planned targets to actual achievement 2016/17	Comments on deviation; both over and under achievement
			Target	Target Description			
Programme 4: Technical and Vocational Education and Training							
(4.4.1.2) To standardise the level of governance across TVET institutions through monitoring and reporting on implementation of proposed best practice policies and guidelines issued by the Department of Higher Education and Training	Revised TVET steering mechanisms approved (n)	A TVET Colleges Monitoring, Evaluation and support model was reviewed and approved by the Director-General	Two (2) revised TVET steering mechanisms approved	A revised current costing model for TVET College Programmes was approved by the Director-General by 31 March 2017	1. A revised current costing model for TVET Colleges was approved by the Director-General on 25 March 2017	<b>Target achieved</b>	-
	Monitoring and Evaluation reports on TVET Colleges approved (n)	Monitoring and Evaluation reports on TVET institutions were produced and approved by the Director-General	Two (2) Monitoring and Evaluation reports on TVET Colleges approved	A revised conduct policy for NC(V) was approved by the Director-General by 31 March 2017	2. A revised conduct policy for NC(V) was not approved by the Director-General as planned	<b>Target not achieved</b>	The conduct policy cannot be revised until such time as the assessment regime for the revised NC(V) qualification has been finalised by the Quality Council. UMALUSI has yet to release the qualifications policy for public comment by the end of the 2016/17 financial year
	Monitoring and Evaluation reports on TVET Colleges approved (n)	Monitoring and Evaluation reports on TVET institutions were produced and approved by the Director-General	Two (2) Monitoring and Evaluation reports on TVET institutions were approved by the Director-General during the 2016/17 financial year	Two (2) Monitoring and Evaluation reports on TVET institutions were approved by the Director-General on 28 September 2016 and 27 March 2017	1. Two (2) Monitoring and Evaluation reports on TVET institutions were approved by the Director-General on 28 September 2016 and 27 March 2017	<b>Target achieved</b>	-

Strategic Objective <sup>2</sup>	Performance Indicators	Actual Achievement 2015/16	Planned Target for 2016/17		Actual Achievement 2016/17	Deviation from planned targets to actual achievement 2016/17	Comments on deviation; both over and under achievement
			Target	Target Description			
Programme 4: Technical and Vocational Education and Training							
(4.4.1.3) To improve performance in programmes offered in TVET institutions through annual reporting and implementation of Teaching and Learning Support Plans and Student Support Plans by 31 March 2020	Annual teaching and learner support plan for TVET Colleges approved (n)	An annual teaching and learning support plan for the VCET system was developed and approved by the Director-General	One (1) annual teaching and learning support plan for TVET Colleges approved	An annual teaching and learning support plan for the TVET Colleges approved by Director-General by September 2016	1. An annual teaching and learning support plan for the TVET Colleges was approved by the Director-General on 22 September 2016	Target achieved	-
		A protocol on the secondment of a sector specialist to work in TVET Colleges and lecturers exposed to the work place was developed and approved by the Minister					
	Implementation reports on teaching and learner support plans in TVET Colleges approved (n)	New indicator	One (1) implementation report on teaching and learning support plan for TVET Colleges approved	An implementation report on teaching and learning support plans in TVET Colleges was approved by the Director-General by 31 March 2017	1. One (1) implementation report on teaching and learning support plans for 2016 in TVET Colleges was approved by the Director-General on 15 January 2017	Target achieved	-

Strategic Objective <sup>2</sup>	Performance Indicators	Actual Achievement 2015/16	Planned Target for 2016/17		Actual Achievement 2016/17	Deviation from planned targets to actual achievement 2016/17	Comments on deviation; both over and under achievement
			Target	Target Description			
Programme 4: Technical and Vocational Education and Training							
(4.4.1.4) To improve success in programmes offered in TVET institutions by developing and implementing an appropriate student support plan by 31 March 2020	Annual student support services plans for TVET Colleges approved (n)	Student support service annual plan developed and approved by the Director-General	One (1) student support services plan approved	The student support services plan for TVET Colleges approved by the Director-General by September 2016	1. One (1) student support services plan was approved by the Director-General on 30 September 2016	Target achieved	-
	Implementation reports on student support services plans in TVET Colleges approved (n)	New indicator	One (1) implementation report on the student support services plan in TVET Colleges approved	The implementation report on the student support services plan in TVET Colleges approved by the Director-General by 31 March 2017	1. The implementation report on Student Support Services plans in TVET Colleges was approved by the Director-General on 25 March 2017	Target achieved	-
(4.4.1.5) To strengthen geographic spread of TVET institutions through the establishment of 12 additional sites of delivery (i.e. campuses) by 31 March 2020	TVET Colleges infrastructure /facilities maintenance reports approved (n)	New indicator	One (1) TVET Colleges infrastructure/facilities maintenance report approved	TVET Colleges infrastructure /facilities maintenance report approved by the Director-General by 31 March 2017	1. The report on TVET Colleges infrastructure maintenance was approved by the Director-General on 31 March 2017	Target achieved	-



Strategic Objective <sup>2</sup>	Performance Indicators	Actual Achievement 2015/16	Planned Target for 2016/17		Actual Achievement 2016/17	Deviation from planned targets to actual achievement 2016/17	Comments on deviation; both over and under achievement
			Target	Target Description			
Programme 4: Technical and Vocational Education and Training							
(4.4.1.6) To establish a functioning coordinating structure within the Department for support and research in the TVET sector by 31 March 2020	Coordinating structure for stakeholder engagement established (n)	A strategy on strategic partnerships with key stakeholders developed and approved by the Director-General	One (1) coordinating structure for stakeholder engagement established	A coordinating structure for stakeholder engagement, the South African Institute for Vocational Education and Training (SAIVCET) established by 31 March 2017	1. A coordinating structure for stakeholder engagement (SAIVCET) was not established as planned	<b>Target not achieved</b>	The Fund Manager was appointed completed through a bid evaluation process. A Submission has been sent to Minister for his consideration

#### 4.4.5 Strategy to deal with under-performance

Targets not achieved:

- The national admission and promotion guidelines for NC(V) approved by the Minister by 31 March 2017

National admission and promotion guidelines for NC(V) is not a departmental competence. Part of the qualifications policy is the responsibility of the Quality Council. Ministerial approval was granted to remove the target as an indicator for the 2016/17 financial year.

- Revised conduct policy for NC(V) approved by the Director-General by 31 March 2017

The revised conduct policy for NC(V) was not achieved as planned. The conduct policy cannot be revised until such time that the assessment regime for the revised NC(V) qualification has been finalised by the Quality Council. UMALUSI is yet to release the qualifications policy for public comment by the end of the 2016/17 financial year. The policy will be finalised during the 2017 financial year.

- A coordinating structure for stakeholder engagement, SAIVCET established by 31 March 2017

SAIVCET was not established as planned. The Director-General has approved the appointment of a Fund and Human Resource Management service provider for the SAIVCET on 19 February 2017. A submission has been forwarded to the Minister for his consideration.

#### 4.4.6 Changes to planned targets during the year

Ministerial approval was sought and granted to amend several targets set for the 2016/17 financial year. Some of the targets were not viewed as relevant to the Department's area of service delivery (e.g. admission requirements in the NC(V) qualifications policy) and others were not achievable within the context of available funding availed (e.g. headcount enrolments).

In summary, Ministerial approval to amend the targets identified hereafter were sought during the 2016/17 financial year. However, approval was only received towards the end of the financial year and therefore the APP could not be amended.

- The number of new steering mechanisms were decreased to remove admission and promotion requirements for NC(V) qualifications as a departmental responsibility; and
- The number of teaching and learning and student support plans were reduced to one each.

In terms of system performance, the following amendments were also approved. However as indicated above, these could not be changed in the APP.

- The annual headcount target was reduced to 710 535 due to funding limitations;
- Annual certification rate targets were reduced to align with performance in previous academic years;
- The lead time in issuing certificates to qualifying candidates was extended to 6 months due to the slow progress being made in this regard;
- The number of additional beds in student accommodation at public TVET Colleges was reduced to zero due to the unavailability of funding;
- The timeframe for the establishment of a baseline related to funded NC(V) Level 4 students obtaining qualification within stipulated time was moved from 2016/17 to 2017/18 and target reduced to align with previous NC(V) certification rate;

- The number of TVET lecturers undergoing specified hours of work in their industry for specified periods every two years, was reduced to zero and removed as a departmental responsibility due to funding constraints; and
- The number of students entering the Foundation Programme was reduced to zero due to funding limitations.

The adjusted targets above will only be effected in 2017/18 going forward.

#### 4.4.7 Linking programme performance with budgets

SUB-PROGRAMME	2016/17			2015/16		
	Final	Actual	(Over)/	Final	Actual	(Over)/
	Appropriation	Expenditure	Under	Appropriation	Expenditure	Under
	R'000	R'000	Expenditure	R'000	R'000	Expenditure
			R'000			R'000
Programme Management	4 605	4 569	36	7 536	6 177	1 359
Technical and Vocational Education and Training System Planning and Institutional Support	6 572 972	6 572 115	857	6 199 766	6 136 247	63 519
Programmes and Qualifications	11 053	10 860	193	1 852 473	1 847 691	4 782
National Examinations and Assessment	437 821	437 516	305	439 164	439 074	90
Financial Planning	5 171	4 927	244	-	-	-
<b>Total</b>	<b>7 031 622</b>	<b>7 029 987</b>	<b>1 635</b>	<b>8 498 939</b>	<b>8 429 189</b>	<b>69 750</b>

#### 4.4.8 System performance: Technical and Vocational and Education and Training

In addition to the statements 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 TVET system during the year under review. One (8.3%) of the twelve targets have been achieved (outlined in the table below). The target achieved, namely, “qualifying TVET students obtaining financial assistance” is however a provisional number. (Refer to Paragraph 4.4.6. in regard to context).

No	Outcome Indicator Target	Annual Target	Actual Achievement	Comment on Deviation
1.	Headcount enrolments in TVET Colleges	829 000	741 542 (2016/17 Unverified)	Inadequate funding to achieve planned enrolment target
2.	Certification rates in TVET qualifications (NC(V) L4) (%)	40 %	32.6%	Certification rate is below target due to rapid expansion of the TVET system which has a negative impact on the quality of provision and student strikes also disrupting effective teaching and learning
3.	Certification rates in TVET qualifications (N3) (%)	65%	Not available	Data not yet available from SITA
4.	Certification rates in TVET qualifications (N6) (%)	45%	Not available	Data not yet available from SITA

No	Outcome Indicator Target	Annual Target	Actual Achievement	Comment on Deviation
5.	Lead time to issue certificates to qualifying candidates	3 months	Beyond 6 months	Despite not achieving the 3 month turn-around timeframe for all the NC(V) backlog certificates, the Department was able to reduce the NC(V) backlog from 236 821 to 3 046. For the November 2016 examinations, almost all the certificates were issued within 3 months from the resulting for the first time since 2007
6.	Percentage of public TVET College examination centres conducting national examinations and assessments in compliance with national policy (%)	100%	Not available	The conduct of the NC(V) March 2017 supplementary examination was delayed due to the South African Further Education and Training Student Association shutdown which led to it only concluding in May and not March 2017 and this in turn, caused a delay in the determination of compliance across all public centres for all examination cycles scheduled for 2016/17
7.	TVET throughput rate (%)	15%	The Department is not in a position to generate these statistics	The TVET throughput rate will be generated until such time as certification backlogs have been resolved and a baseline established by SITA
8.	Number of additional beds at student accommodation in public TVET Colleges	1 000	0	Inadequate funding
9.	Qualifying TVET students obtaining financial assistance	200 000	225 557	In certain instances some students are counted twice as they would have received two awards (i.e. an award for tuition fees at first and later on during the year an award for allowances). During the audit such students are counted once and thus the number of bursary recipients will decrease after auditing
10.	Funded NC(V) L4 students obtaining qualification within the stipulated time (%)	14%	The Department is not in a position to generate these statistics	This will be generated when certification backlogs have been resolved and the baseline established by SITA
11.	TVET institutions compliant to governance standards by 2019 and increasing every year thereafter (%)	30%	0%	Since the development of the outcome indicator, the Department has been informed that it does not have the required authority to enforce governance standards at TVET Colleges, as this remains a TVET College Council function. This outcome indicator has however been corrected for the 2017/18 APP going forward measuring implementation of best practice policies and guidelines issued by the Department
12.	Students entering the Foundation Programme by March 2017	5 000	0	Inadequate funding. However the work on the development of the foundation Programme is currently underway

## 4.5 Programme 5: Skills Development



A learner showcasing his skills during the World Skills, South Africa Competition

### 4.5.1 Purpose

The purpose of the programme is to promote and monitor the National Skills Development Strategy, develop skills development policy and a regulatory framework for an effective skills development system.

There are four budget sub-programmes

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

### 4.5.2 Strategic Objectives

- To steer and support skills development institutions to implement the National Skills Development Strategy through the development of five new and six revised policies including legislation, regulations and guidelines by 31 March 2020;
- To standardise the level of governance across Sector Education and Training Authorities (SETAs) by 31 March 2020, monitor and compile annual quarterly reports and take appropriate actions where deficiencies are detected; and
- To effectively manage artisan development assessment services inclusive of Recognition of Prior Learning in order to produce 24 000 qualified artisans per annum by 31 March 2020.

#### 4.5.3 Summary of significant achievements during the 2016/17 financial year including APP targets

**Programme 5** had planned to deliver nine targets for the financial year ending March 2017 and all (100%) were achieved. The following activities are some of the notable achievements during the 2016/17 period:

- The re-establishment of SETAs commencing from 1 April 2018 to 31 March 2020 and the extension of the National Skills Development Strategy (NSDS III) for the same period;
- The artisan trade testing pass rate at INDLELA which progressively increased from an average of 48% to 55% over a two-year period;
- The development and advocacy (including the national conference) of the draft National Artisan Development strategy;
- The Ministerial approval and Gazetting of the ARPL Criteria and Guideline;
- The artisan trade testing lead time at INDLELA was drastically reduced to 120 days from 169 days in the 2015/16 financial year;
- The Minister approved the SETA Workplace Based Learning Programme Agreement Regulations; and
- The consolidation of the operations of artisan Management Information System (MIS) (National Artisan Development Service Centre (NADSC)) at INDLELA which migrated from the Ekurhuleni East TVET College site.



**A learner participating during a hair-dressing competition hosted during the World Skills, South Africa Competition**

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

Strategic Objective <sup>2</sup>	Performance Indicators	Actual Achievement 2015/16	Planned Target for 2016/17		Actual Achievement 2016/17	Deviation from planned targets to Actual Achievement 2016/17	Comments on deviation; both over and under achievement
			Target	Target Description			
Programme 5: Skills Development							
(4.5.1.1) To steer and support skills development institutions to implement the National Skills Development Strategy through the development of 5 new and 6 revised policies including legislation, regulations and guidelines by 31 March 2020	New skills development steering mechanisms approved (n)	A draft workplace based learning policy was developed and submitted to Minister for approval	One (1) New skills development steering mechanism approved	Workplace based learning programme regulations approved by the Minister by December 2016	1. Workplace based learning programme regulations were approved by the Minister on 14 March 2017	<b>Target achieved</b> (but outside the planned timeframe which was 31 December 2016)	-
		A governance charter for SETAs was developed and approved by the Minister on 31 March 2016					
		The occupational team policy recommendation was only tabled but not approved					
		The SETA governance standards were developed and approved by the Minister by 31 March 2016					
	Skills development Steering mechanisms revised (n)	A reviewed National Skills Development Strategy approved by the Minister by 31 March 2016	Two (2) Skills development steering mechanisms revised	The National Skills Development Strategy (NSDS III) approved by the Minister by 31 March 2017	1. The NSDS III was approved by the Minister on 13 December 2016	<b>Target achieved</b>	-



Strategic Objective <sup>2</sup>	Performance Indicators	Actual Achievement 2015/16	Planned Target for 2016/17		Actual Achievement 2016/17	Deviation from planned targets to Actual Achievement 2016/17	Comments on deviation; both over and under achievement
			Target	Target Description			
Programme 5: Skills Development							
		The SETA landscape was reviewed and approved by the Minister by 31 March 2016		SETA landscape approved by the Minister by 31 March 2017	2. The SETA landscape was approved by the Minister on 13 December 2016	Target achieved	-
(4.5.1.2) To standardise the level of governance across Sector Education and Training Authorities by 31 March 2020, monitor and compile annual quarterly reports and take appropriate actions where deficiencies are detected	SETA monitoring reports on skills development approved (n)	4 SETA monitoring reports on skills development produced and approved in 2015/16	Four (4) SETA monitoring reports on skills development approved	Four (4) SETA monitoring reports on skills development approved by the Director-General in 2016/17	1. Four (4) SETA monitoring reports on skills development were approved by the Director-General during the 2016/17 financial year	Target achieved	-
(4.5.1.3) To effectively manage artisan development assessment services inclusive of Recognition of Prior Learning in order to produce 24 000 qualified artisans per annum by 31 March 2020	Average lead time from trade test application received until trade test is conducted at INDLELA (days)  National artisan learners trade test pass rate at INDLELA (%)	169 days  54%	120 days	An average of 120 days from trade test application received until the trade test is conducted at INDLELA	An average of 120 days from trade test application received until the trade test is conducted at INDLELA	Target achieved	-
		54%	52%	Average of 52% regarding national artisan learners trade test pass rates at INDLELA	Average of 55% regarding national artisan learners trade test pass rates at INDLELA	Target achieved	Although the 3% overachievement looks minimal, the implementation of trade test regulations contributed to the overachievement

#### 4.5.5 Strategy to deal with under-performance

None.

#### 4.5.6 Changes to planned targets during the year

No changes were made during the year under review.

#### 4.5.7 Linking programme performance with budgets

SUB-PROGRAMME	2016/17			2015/16		
	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	1 929	1 601	328	2 724	2 645	79
SETA Coordination	148 263	147 961	302	89 218	88 823	395
National Skills Development Services	8 113	7 935	178	9 099	8 950	149
Quality Development and Promotion	23 138	23 138	-	22 506	22 480	26
<b>Total</b>	<b>181 443</b>	<b>180 635</b>	<b>808</b>	<b>123 547</b>	<b>122 898</b>	<b>649</b>



Minister, Dr BE Nzimande, MP accompanied by Mr ZC Mvalo (Branch Head) and other officials from the Skills Development Branch, attending the World Skills, South Africa Event

#### 4.5.8 System performance: Sector Education and Training Authorities

In addition to the statements above, the implementation of sub-outcome 4 of Outcome 5 namely “increase access to occupationally directed programmes in needed areas and thereby expand the availability of intermediate level skills with a special focus on artisan skills” was monitored to track the performance of SETAs during the year under review.

Four out of five targets have been achieved (as indicated in table hereafter).

No	Outcome Indicator Target	Actual Achievement 2015/16	Planned Target for 2016/17	Actual Achievement 2016/17	Comments on Deviation
1.	Work based learning opportunities (n)	118 582 workplace based learning opportunities (provisional)	120 000	148 517	The over-achievement is attributed to the Department driving SETAs more towards PIVOTAL Programmes
2.	New artisans qualified per annum (n)	16 114	21 110	21 188	The over-achievement can be attributed to the intervention of the Department, such as the appointment of additional assessors in critical trades and filling other critical posts at INDLELA
3.	New artisan learners registered nationally per annum (n)	28 640	30 750	30 814	The systems put in place at INDLELA to collect artisan information ensured that artisan information is not unreported
4.	National artisan learners employed or self-employed (%)	40% are employed (about 4 800 learners were sampled for the survey)	67%	79% (this was based on a sample of 4 151 artisans)	The achievement of this target is not directly influenced by the Department. (Findings of a study conducted by the Swiss-South African Cooperation Initiative)
5.	Proportion of SETAs meeting standards of good governance (%)	The indicator was not measured	100%	71%	This is a new indicator and therefore assessing the compliance to the standards has been a challenge

## 4.6 Programme 6: Community Education and Training



**Dr EB Mahlobo, Acting Deputy Director-General for the Community Education and Training Branch during a CET Strategic Coordination Meeting**

### 4.6.1 Purpose

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

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 develop eighth and revise one legislative and guiding framework aimed at steering the CET system by 31 March 2020;
- To develop and implement one teaching and learning support plan for CET institutions by 31 March 2020;
- To ensure the geographic spread and maintenance of nine CET Colleges by 31 March 2020; and
- To forge links with strategic partners and stakeholders in the community education and training sector by developing and approving a strategy on strategic partnerships with key strategic partners by 31 March 2020.

#### 4.6.3 Summary of significant achievements during the 2016/17 financial year

**Programme 6** managed to achieve five (71%) out of seven outputs for the year under review and is indicated as follows:

- The monitoring and evaluation policy for Community Colleges was approved by the Minister on 28 September 2016;
- A conduct policy for General Education and Training Certificate for adults was approved by the Minister on 12 March 2017;
- An annual Education, Training and Development Improvement Plan for CET was approved by the Director-General on 24 January 2017;
- A CET College infrastructure/facilities maintenance report was approved by the Director-General on 25 March 2017; and
- A strategy on strategic partnerships was approved by the Director-General on 12 February 2017.

However, two targets were not achieved within the timeframe set and details are provided as follows:

- The National Curriculum policy for Community Colleges was approved and subsequently Gazetted by the Minister on 5 April 2017. The policy was submitted to Legal Services for vetting in December 2016; and
- The Regulations for the establishment of the satellite Community Learning Centres (CLC) was not achieved within the financial year due to Legal Services advising that the regulations should be withdrawn as per the CET Act. A Policy and Procedures for regulating the opening, merging and closing of Community Education and Training Colleges learning sites was approved by the Minister on 5 April 2017.



**Minister, Dr BE Nzimande, MP presenting the Department's Budget Vote to the National Council of Provinces**

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

Strategic Objective <sup>2</sup>	Performance Indicators	Actual Achievement 2015/16	Planned Target for 2016/17		Actual Achievement 2016/17	Deviation from planned targets to actual achievement 2016/17	Comments on deviation; both over and under achievement
			Target	Target Description			
Programme 6: Community Education and Training							
(4.6.1.1)  To develop 8 and revise 1 legislative and guiding framework aimed at steering CET system by 31 March 2020	New CET steering mechanisms approved (n)	Staffing norms and standards for CETCs were developed and approved by the Minister	4 new CET steering mechanisms approved	A monitoring and evaluation policy for Community Colleges approved by 30 September 2016	1. A monitoring and evaluation policy for Community Colleges was approved by the Minister on 28 September 2016	Target achieved	-
		The conduct policy (administration and management of assessment) for the NASCA was developed and approved by the Minister		Regulations for the establishment of the satellite CLCs approved by 31 December 2016	1. Regulations for the establishment of the satellite CLCs were not approved as planned. However, a new policy and procedures for regulating the opening, merging and closing of CETs learning sites was developed and approved by the Minister on 5 April 2017	Target not achieved	The deviation from regulations in respect of the policy was due to advice by Legal Services that the policy was not compliance with the CET Act and stated that only Councils can establish CLCs and the Minister is limited to the establishment of colleges. At the point of legal advice, the branch had already developed the draft regulations and the submission was en route. The withdrawal of the initial regulations and the development (writing and consultation) of the policy led to the target not being achieved within the planned timelines

Strategic Objective <sup>2</sup>	Performance Indicators	Actual Achievement 2015/16	Planned Target for 2016/17		Actual Achievement 2016/17	Deviation from planned targets to actual achievement 2016/17	Comments on deviation; both over and under achievement
			Target	Target Description			
Programme 6: Community Education and Training							
		Governance policies for Community Colleges were developed and approved by the Director-General		A National Curriculum Policy for Community College developed and approved by 31 March 2017	1. A National Curriculum Policy for Community College was developed and approved by the Minister on 5 April 2017 (outside the planned timeframe)	<b>Target not achieved</b>	The target could not be achieved on time due to the delay in the approval process
				A Conduct policy for General Education and Training Certificate for Adults approved (GETCA) by 31 March 2017	2. A Conduct policy for General Education and Training Certificate for Adults (GETCA) was approved for public comments by the Minister on 12 March 2017	<b>Target achieved</b>	-
(4.6.1.2) To develop and implement 1 teaching and learning support plan for CET institutions by 31 March 2020	Teaching and learning support plans for CET Colleges approved (n)	New indicator	1 teaching and learning support plan for CET Colleges approved	An annual plan and education, training and development improvement plan for CET Colleges approved by 31 March 2017	1. Annual plan and education, training and development improvement plan for CET Colleges was approved by the Director-General on 24 January 2017	<b>Target achieved</b>	-
(4.4.1.3) To ensure geographic spread and maintenance of 9 CETCs by 31 March 2020	CETC sites/facilities maintenance report approved (n)	New indicator	1 CETC sites/facilities maintenance report approved	A CETC sites/facilities maintenance report approved by 30 March 2017	1. A CETC sites/facilities maintenance report was approved by the Director-General on 25 March 2017	<b>Target achieved</b>	-



Strategic Objective <sup>2</sup>	Performance Indicators	Actual Achievement 2015/16	Planned Target for 2016/17		Actual Achievement 2016/17	Deviation from planned targets to actual achievement 2016/17	Comments on deviation; both over and under achievement
			Target	Target Description			
Programme 6: Community Education and Training							
(4.4.1.4) To forge links with strategic partners and stakeholders in the community education and training sector by developing and approving a strategy on strategic partnerships with key strategic partners by 31 March 2020	Strategy on strategic partnerships approved (n)	New indicator	1 strategy on strategic partnerships approved by 30 March 2017	A Strategy on strategic partnerships approved by 30 March 2017	1. A Strategy on strategic partnerships approved by the Director-General on 12 February 2017	Target achieved	-

#### 4.6.5 Strategy to deal with under-performance

Targets not achieved within the timeframe

- **Regulations for the establishment of the satellite CLCs approved by 31 December 2016**

Regulations for the establishment of the satellite CLCs were not approved as planned. However a new policy and procedures for regulating the opening, merging and closing of CLCs learning sites was developed and approved by the Minister on 5 April 2017. The deviation from regulations to policy was due to advice by Legal Services that in concurrence with the guidelines of the CET Act, only Councils can establish CLCs and the Minister is limited to establishment of Colleges. At the point of legal advice, the branch had already developed the draft regulations and a submission was en route to the Minister for approval. The withdrawal of the initial regulations and the development (writing and consultation) of the policy led to the target not being achieved within the set timelines.

- **National Curriculum Policy for Community Colleges developed and approved by 31 March 2017**

The National Curriculum Policy for Community College was developed and approved by the Minister on 5 April 2017. The target could not be achieved on time due to the delay in the approval process.

#### 4.6.6 Changes to planned targets during the year

The target on Regulations for opening and closing of CLCs had to be amended to policy and procedures for regulating the opening, merging and closing of CLCs due to a legal opinion focused on compliance of the process with the principal act. As a result the APP accordingly could not be amended.

#### 4.6.7 Linking programme performance with budgets

SUB-PROGRAMME	2016/17			2015/16		
	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	1 651	1 477	174	-	-	
CET Colleges Systems Planning, Institutional Development and Support	1 855 110	1 849 487	5 623	-	-	
Financial Planning	129 787	128 966	821	-	-	
Education and Training and Development Support	5 771	1 763	4 008	-	-	
<b>Total</b>	<b>1 992 319</b>	<b>1 981 693</b>	<b>10 626</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 4.6.8 System performance: Community Education and Training

In addition to the statements above, the implementation of Sub-outcome 2 of Outcome 5, namely, “increasing access and success in programmes leading to intermediate and high-level learning” was monitored to track the performance of the CET sector during the year under review. At the time of preparing this report, data on the actual performance of CET Colleges was not available.

No	Outcome Indicator Target	Actual Achievement 2015/16	Planned Target for 2016/17	Actual Achievement 2016/17	Comment on Deviation
1.	Headcount enrolments in all CET Colleges (n)	283 602	310 000	0	2016 data is not yet available
2.	Certification rates in formal CET qualifications (%)	39.8%	35%	0	2016 data is not yet available

## 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
		2015/16	2016/17
		R'000	R'000
Agriculture Sector Education and Training Authority (AGRISSETA)	Provision of relevant, quality and accessible education, training and development in both primary and secondary agriculture sectors	327 493	342 116
Banking Sector Education and Training Authority (BANKSETA)	Provision of relevant, quality and accessible education, training and development in the banking sector	693 245	689 201
Chemical Industry Education and Training Authority (CHIETA)	Provision of relevant, quality and accessible education, training and development in the chemical industries sector	462 094	489 515
Construction Sector Education and Training Authority (CETA)	Provision of relevant, quality and accessible education, training and development in the construction industry	851 969	596 626
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	40 819	40 928
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	300 193	328 130

Name of Public Entity	Services rendered by the Public Entity	Amount Transferred to the Public Entity	Amount Transferred to the Public Entity
		2015/16	2016/17
		R'000	R'000
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	420 149	444 378
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	248 942	283 749
Fibre, Processing and Manufacturing (FP&M SETA)	Provision of relevant, quality and accessible education, training and development in the fabric processing and manufacturing sector	303 899	328 263
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	457 941	470 616
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	317 497	351 603
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	412 996	402 939
Insurance Sector Education and Training Authority (INSETA)	Provision of relevant, quality and accessible education, training and development in the insurance sector	430 460	443 919
Local Government Sector Education and Training Authority (LGSETA)	Provision of relevant, quality and accessible education, training and development in the local Government sector	525 475	560 136
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	1 344 089	1 237 803
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	724 630	766 711
Mining Qualifications Authority (MQA)	Provision of relevant, quality and accessible education, training and development in the mining and minerals sector	994 609	1 082 126

Name of Public Entity	Services rendered by the Public Entity	Amount Transferred to the Public Entity	Amount Transferred to the Public Entity
		2015/16	2016/17
		R'000	R'000
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	6 448 551	11 392 674
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	3 030 539	3 033 145
Public Service Sector Education and Training Authority (PSETA)	Provision of relevant, quality and accessible education, training and development in the public service sector	3 911	60 756
Quality Council for Trades and Occupations	To develop and quality assure occupational qualifications that are responsive to labour market and developmental state initiatives	21 848	23 138
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	253 661	266 837
Services Sector Education and Training Authority (SERVICES SETA)	Provision of relevant, quality and accessible education, training and development in the services sector	1 449 040	1 492 309
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	54 757	56 895
Transport Education and Training Authority (TETA)	Provision of relevant, quality and accessible education, training and development in the transport sector	662 595	661 656
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	963 784	972 388

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 the 2016/17 financial year.

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 2016 to 31 March 2017:

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
				2016/17
				R'000
UNIVERSITIES				
Cape Peninsula University of Technology	Higher Education Institution	Subsidy	Yes	1 102 918
Central University of Technology, Free State	Higher Education Institution	Subsidy	Yes	452 156
Durban University of Technology	Higher Education Institution	Subsidy	Yes	923 764
Mangosuthu University of Technology	Higher Education Institution	Subsidy	Yes	369 173
Nelson Mandela University	Higher Education Institution	Subsidy	Yes	1 024 449
North West University	Higher Education Institution	Subsidy	Yes	1 569 909
Rhodes University	Higher Education Institution	Subsidy	Yes	411 829
Tshwane University of Technology	Higher Education Institution	Subsidy	Yes	1 602 319
University of Cape Town	Higher Education Institution	Subsidy	Yes	1 257 912
University of Fort Hare	Higher Education Institution	Subsidy	Yes	605 283
University of Free State	Higher Education Institution	Subsidy	Yes	1 127 625
University of Johannesburg	Higher Education Institution	Subsidy	Yes	1 565 254
University of KwaZulu-Natal	Higher Education Institution	Subsidy	Yes	1 762 734
University of Mpumalanga	Higher Education Institution	Subsidy	Yes	870 532
Sefako Makgatho Health Sciences University	Higher Education Institution	Subsidy	Yes	622 527
Sol Plaatje University	Higher Education Institution	Subsidy	Yes	498 094
University of Limpopo	Higher Education Institution	Subsidy	Yes	730 901
University of Pretoria	Higher Education Institution	Subsidy	Yes	2 157 726
University of South Africa	Higher Education Institution	Subsidy	Yes	2 850 553
University of Stellenbosch	Higher Education Institution	Subsidy	Yes	1 384 375
University of Venda	Higher Education Institution	Subsidy	Yes	523 047
University of Western Cape	Higher Education Institution	Subsidy	Yes	852 538
University of the Witwatersrand	Higher Education Institution	Subsidy	Yes	1 404 135
University of Zululand	Higher Education Institution	Subsidy	Yes	672 715

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
				2016/17 R'000
Vaal University of Technology	Higher Education Institution	Subsidy	Yes	698 260
Walter Sisulu University	Higher Education Institution	Subsidy	Yes	923 832
<b>NON PROFIT INSTITUTIONS</b>				
Universities South Africa	Other Educational Institution	Earmarked Funds for HEAIDS project	Yes	8 172
<b>TVET COLLEGES</b>				
Buffalo City College	TVET College	Subsidy	Yes	35 082
East Cape Midlands College	TVET College	Subsidy	Yes	39 154
Ikhala College	TVET College	Subsidy	Yes	19 474
Ingwe College	TVET College	Subsidy	Yes	27 539
King Hintsa College	TVET College	Subsidy	Yes	26 615
King Sabata College	TVET College	Subsidy	Yes	35 657
Lovedale College	TVET College	Subsidy	Yes	25 712
Port Elizabeth College	TVET College	Subsidy	Yes	34 486
Flavius Mareka College	TVET College	Subsidy	Yes	12 566
Gold Fields College	TVET College	Subsidy	Yes	15 874
Maluti College	TVET College	Subsidy	Yes	23 762
Motheo College	TVET College	Subsidy	Yes	52 550
Central Johannesburg College	TVET College	Subsidy	Yes	28 271
Ekhurhuleni East College	TVET College	Subsidy	Yes	33 393
Ekhurhuleni West College	TVET College	Subsidy	Yes	57 248
Sedibeng College	TVET College	Subsidy	Yes	38 565
South West College	TVET College	Subsidy	Yes	100 370
Tshwane North College	TVET College	Subsidy	Yes	37 942
Tshwane South College	TVET College	Subsidy	Yes	35 983
Western College	TVET College	Subsidy	Yes	61 129
Coastal College	TVET College	Subsidy	Yes	26 655
Elangeni College	TVET College	Subsidy	Yes	17 528
Esayidi College	TVET College	Subsidy	Yes	9 897
Majuba College	TVET College	Subsidy	Yes	50 934
Mnambithi College	TVET College	Subsidy	Yes	11 729
Mthashana College	TVET College	Subsidy	Yes	6 000
Thekwini College	TVET College	Subsidy	Yes	7 678
Umfolozu College	TVET College	Subsidy	Yes	35 278
Umgungundlovu College	TVET College	Subsidy	Yes	6 074
Capricorn College	TVET College	Subsidy	Yes	33 203
Lephalale College	TVET College	Subsidy	Yes	4 272
Letaba College	TVET College	Subsidy	Yes	16 695
Mopani College	TVET College	Subsidy	Yes	21 306
Sekhukhune College	TVET College	Subsidy	Yes	11 584
Vhembe College	TVET College	Subsidy	Yes	50 679
Waterberg College	TVET College	Subsidy	Yes	11 861
Ehlanzeni College	TVET College	Subsidy	Yes	50 417
Gert Sibande College	TVET College	Subsidy	Yes	44 085



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
				2016/17 R'000
Nkangala College	TVET College	Subsidy	Yes	52 794
Rural College	TVET College	Subsidy	Yes	9 463
Urban College	TVET College	Subsidy	Yes	9 161
Orbit College	TVET College	Subsidy	Yes	52 111
Taletso College	TVET College	Subsidy	Yes	16 578
Vuselela College	TVET College	Subsidy	Yes	10 994
Boland College	TVET College	Subsidy	Yes	34 441
Cape Town College	TVET College	Subsidy	Yes	44 473
False Bay College	TVET College	Subsidy	Yes	33 353
Northlink College	TVET College	Subsidy	Yes	58 022
South Cape College	TVET College	Subsidy	Yes	42 576
West Coast College	TVET College	Subsidy	Yes	45 534
<b>FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS</b>				
Commonwealth of Learning	International organisation	Membership Contribution	No	2 648

An amount of R98.053 million was paid to TVET Colleges to be managed on behalf of Community Education and Training Colleges.

R41 236.842 million (83.8%) of the total allocation of R49 188.279 million, excluding direct charges, has been allocated to transfers and subsidies on the Department's Vote. Direct charges amount to R15 233.009 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 National Student Financial Aid Scheme, South African Qualifications Authority, Council on Higher Education and the Quality Council for Trades and Occupations), international organisations (the Commonwealth of Learning), non-profit institutions (Universities South Africa for the HEAIDS project), the Education, Training and Development Practices SETA and the Public Service SETA.

Transfer payments from the direct charges of the National Revenue Fund were made to 21 Sector Education and Training Authorities (SETAs) and the National Skills Fund 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 National Student Financial Aid Scheme, the HEAIDS Programme and the establishment of universities in the Mpumalanga and Northern Cape provinces were earmarked during the 2016/17 financial year. All these amounts were utilised for the purposes originally intended.

## 6. CONDITIONAL GRANTS

None

## 7. DONOR FUNDS

### 7.1 Donor funds received

The Department received new donations totalling R161.667 million in cash from foreign donors during the 2016/17 financial year. Expenditure of R81.579 million was incurred against funds held in the Reconstruction and Development Programme (RDP) Fund. The balance of the funds available to the Department in the RDP fund, as at 31 March 2017, was R170.452 million.

For detailed information regarding donor funding 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 and copies has 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 will lead to greater efficiency in the use of maintenance and capital budgets as well as improve service delivery. The Department is therefore able to match its immovable assets with the service delivery objectives. The User Immovable Asset Management Plan (UAMP) for the Department informs the budget allocation process in terms of the annual strategic plans of the Department.



Department of Higher Education and Training, National Office Staff, celebrating Africa Day



Deputy President, Mr MC Ramaphosa, MP and Minister, Dr BE Nzimande, MP enjoying a lighter moment during the National Skills Authority Conference



Deputy President, Mr MC Ramaphosa, MP and Minister, Dr BE Nzimande, MP addressing the Media during the Human Resource Development Council Meeting



## Part C: Governance

*"The assurance is that the people inside South Africa have recognised that victory will come as a result of their struggle, their own efforts' as a result of their reliance on themselves."*

- **Oliver Tambo** (2 May 1984, Mazimbu, Tanzania)

Life and legacy of  
**OR TAMBO.**  
**100 YEARS**



# Part C: Governance



**The Director-General, Mr GF Qonde addressing delegates during the OECD Conference**

## 1. INTRODUCTION

Good governance remains a key requirement to ensure the effective, efficient and economic utilisation of the resources available to the Department. In this regard, the Department has the required policies, controls and appropriate delegations of authority in place and it has been communicated to all staff.

Regular senior management meetings are conducted and key administrative, financial and performance information discussed. Cases of irregularities are followed up immediately and all possible actions are implemented for cases to be resolved.

The budget of the Department is aligned to the performance indicators of each budget programme in the structure. These performance indicators are based on the Strategic Plan and APP. Expenditure monitoring is conducted on a regular basis at least monthly in line with the reports to the Minister and National Treasury in terms of Section 40 of the Public Finance Management Act.

An indication of key governance matters including the activities of the Audit Committee is reflected in this part of the report.



## 2. RISK MANAGEMENT

The Department's risk management and fraud prevention strategies/plans are regularly reviewed and approved by the Director-General of the Department. Risk assessments (both strategic and operational) are performed regularly to identify new and emerging risks for effective management. The identified risks (both strategic and operational) are monitored regularly for effective implementation of the risk mitigation strategies. Effectiveness of the risk management and fraud prevention strategies/plans is monitored by the Risk Management Committee, Senior Management led by the Director-General of the Department and the Audit Committee for advice and intervention where needed.

## 3. FRAUD AND CORRUPTION

The Department has set in place an approved Fraud Prevention strategy that is managed by the Risk Management Unit with the assistance of the Internal Audit Unit and other stakeholders. Progress on implementation of the Fraud Prevention strategy is reported as part of the risk management progress to the Risk Management Committee, Senior Management and the Audit Committee.

The national fraud hotline, the Department's call centre number as well as the Internal Audit/Risk contact numbers have been published for officials to report suspected fraud and corruption as required in terms of the Department's Whistle-Blowing policy. The policy has also been published on the intranet for effective implementation and easy access. Officials are also encouraged to report suspicious activities anonymously as outlined by the approved Whistle-Blowing policy. Most of the reports are received through the National Fraud Hotline and the remainder through the Department's call centre. All the reported cases are followed up and where there is a need, investigations are performed and relevant action taken.

## 4. MINIMISING CONFLICT OF INTEREST

All senior managers in the Department are compelled to declare their financial interests on an annual basis. Furthermore, all employees of the Department are required to request permission from the Director-General before they do any work outside the Department generating additional remuneration for themselves. Regular news flashes are issued to alert all staff members regarding this process.

The Labour Relations Directorate in cooperation with the Department's Internal Audit Unit scrutinise the CIPC list linked to companies where employees are either the sole owner or a director. This also includes instances where the company of an employee appears on the Database of Companies registered. As from January 2015 no Government employees may do business with the State.

In addition, all staff appointed within Finance and the Supply Chain Management Unit complete declarations of interest forms and sign a Code of Conduct of which copies are kept on file.

Where there appears to be a conflict of interest the following applies:

- The employee and the company are identified;
- The employee is interviewed around the allegation;
- The employee has an opportunity to explain the situation where there is a conflict of interest; and
- If a *prima facie* case exists, a disciplinary hearing will follow.

## 5. CODE OF CONDUCT

The Code of Conduct for Public Servants, developed by the Public Service Commission to promote a high standard of professional ethics in the Public Service, was implemented in the Department and managers ensure that all staff members adhere to it. Every employee has to at least once sign and bind themselves to the Department's Code of Conduct. 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 formal disciplinary steps will be followed.

## 6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The Director-General has approved the implementation of an Occupational Health and Safety Committee within the Department. Evacuation drills will be determined by the committee at the first meeting. Dates will be communicated to staff for emergency evacuation drills, exercises which are to be conducted twice a year.

An Occupational Health and Safety Officer was appointed. The Policy on Employee Health and Wellness was approved and introduced. The policy is available on the Department's Intranet.

A biometric access control system is being maintained by the Landlord. Permanent staff, contract workers and interns are registered on the security system in order to gain access to the building. Validation of laptops has been implemented as a measure to comply with the Minimum Information Security Standards document. All security officers have been trained and comply with the *Private Security Industry Regulatory Authority Act*. A Security policy has also since been approved.

The process for the appointment of floor wardens is continuing and serves to acknowledge the responsibilities of safety representatives.

### Security Advisory Service

Access control registers were introduced and security breaches are corrected through the State Security Agency, security audits.

## 7. PORTFOLIO COMMITTEE

7.1 The Portfolio Committee on Higher Education and Training convened a number of meetings with the Department with specific focus on:

- The Department's mid-term review;
- The National Certificate Vocational NC(V) certification backlogs;
- SAQA briefings on the Requisition of Prior Learning (RPL);
- The Department's quarterly reports (for the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> quarters) and its Adjusted Estimates for 2016/17, the Department's Annual Report for the 2015/16 financial year, as well as the Annual Reports in relation to Public Entities;
- The Budgetary Review and Recommendation Report Process;
- Presentations facilitated by the University of Zululand and Fort Hare University;
- Details pertaining to artisan training and development centres and other SETA funded projects; and



- The Department's 2017/18 Annual Performance Plan and 2017 MTEF allocations.

7.2 The Committee convened several meetings during which presentations were provided in respect of:

- Recent developments pertaining to CET and TVET Colleges;
- Eskom and the NSF;
- SETAs such as TETA and ETDPSETA;
- Examination certification backlogs; and
- The new SETA landscape.

7.3 Joint meetings with the Select Committee were also attended as follows:

- USAf with regard to ongoing university disruptions and Departmental plans to save the 2016 academic year; and
- University fee proposals.

7.4 A briefing provided by the Ministerial Task Team on the development of a support and funding model for poor and 'missing middle' students.

7.5 The Select Committee on Education and Recreation was briefed on the Higher Education Bill and the Bill was accordingly finalised.

7.6 A Portfolio Committee workshop focusing on the National Plan for Post-School Education and Training was also facilitated, whereafter the Committee attended the National Skills Conference.

7.7 A Portfolio Committee meeting with the Department of Justice and Correctional Services focusing on transformation of the law curriculum was also successfully attended.

## 8. SCOPA RESOLUTIONS

None.

## 9. PRIOR MODIFICATIONS TO AUDIT REPORTS

None.

## 10. INTERNAL CONTROL UNIT (FINANCE)

The Internal Control Unit started to operate during the 2016/17 financial year and consists of one vacant Deputy Director post, an Assistant Director and three State Accountants.

The work performed during the year included updating Departmental policies, conducting a training workshop in conjunction with the Human Resource Management and Administration Directorate and the Community Education and Training Branch on CET claims, the inspection of payroll management for the regions, inspections and cash count of the Cashier offices at Head Office and at Indlela, assisting with debt cases in respect of salaries paid into incorrect bank accounts, reconciliation of the Department of International Relations and Cooperation and Rennies accounts, clearing of incorrect allocations, training of Indlela's cashier on Departmental financial policies in respect of banking (deposits).

## 11. INTERNAL AUDIT AND AUDIT COMMITTEE

### 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 evaluate and improve the effectiveness of risk management, control and governance processes.

The Internal Audit Unit operates with skilled personnel and functions as required by the Treasury Regulations and the Public Finance Management Act (PFMA). An audit plan was developed and approved by the Audit Committee subsequent to the risk assessment conducted in the Department. 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.

The main activities of Internal Audit are to:

- Compile three year rolling strategic and annual audit plans;
- Performing internal audit on the following systems:
  - Risk management systems;
  - Control systems;
  - Governance systems; and
- Report to management and the Audit Committee.

### Audit work

The following activities were completed in accordance with the Audit Plan:

- Grants;
- Various Information System audits;
- Performance Information;
- Human Resource Management;
- Supply Chain Management;
- Infrastructure;
- Transfer Payments;
- Financial Statements review;
- Follow-up on Internal Audit and Auditor-General audit findings; and
- Other operational and forensic audits.

## Key activities and objectives of the Audit Committee

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

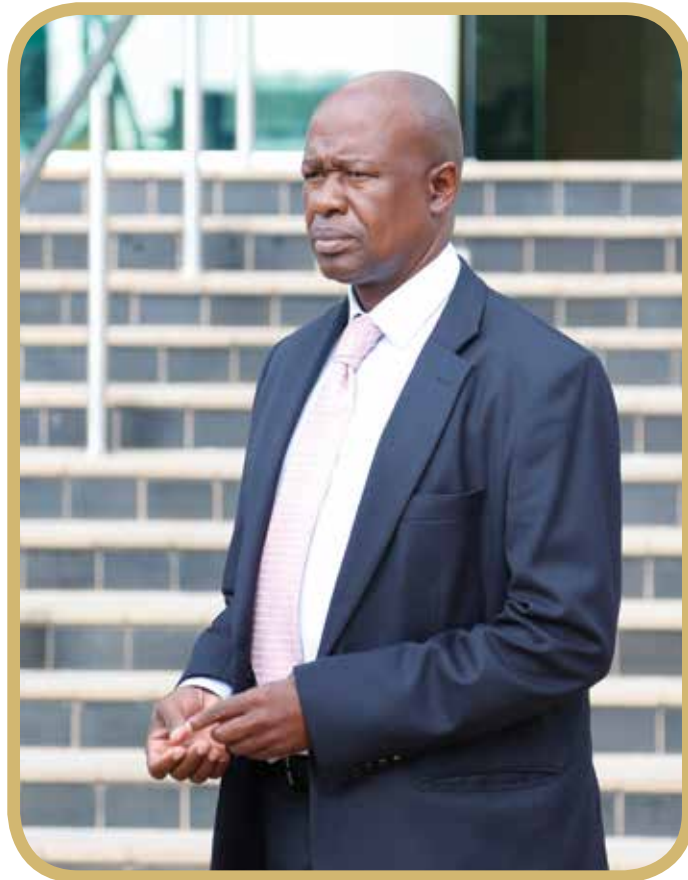
The main activities are:

- 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 Departmental assets have been properly safe-guarded 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; and
- 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 the PFMA. The Audit Committee held five meetings.

### Attendee profile of Audit Committee meetings:

Name	Qualifications	Internal/ External member	Date Appointed	No of meetings attend
Professor DP van der Nest	D Tech	External	1/12/2013 Reappoint: 1/12/2016	5
Ms S Padayachy	M Comm	External	1/12/2013 Reappoint: 1/12/2016	4
Mr S Makhubu	CA, SA	External	1/12/2013 Reappoint: 1/12/2016	5





## Part D: Human Resource Development

*"We seek to create a united democratic  
and non-racial society."  
- Oliver Tambo*



# Part D: Human Resource Management

## 1. Introduction and Overview of Human Resources

The current performance reporting period for 2016/17 represents the second year subsequent to conclusion of the staff migration process, which has culminated in an expansion of the Department's number of employees from 1 200 to just over 38 000, including full-time staff and part-time lecturers located at CET Colleges. The increase in employee numbers resulted in a substantial increase in administrative responsibilities especially when considering the different payrolls and policy dispensations accordingly inherited by the Department from the nine Provincial Education Departments. Consequently, human resource management functions have remained a challenge subsequent to the migration process. The lack of adequate staff capacity in the regional offices, obviated the centralisation of key human resource functions at the National Office in an effort to ensure that colleges adhere to the implementation of requisite policies and resolutions.

The previous non-compliance of colleges with policies and resolutions has also culminated in a number of disputes, grievances, misconduct cases and appeals that the Department had to contend with since conclusion of the function shift. Progress has been made towards the finalisation of the National Office's organisational structure, which has been under review for alignment with an approved budget for Compensation of Employees. This process will assist in obtaining final approval of the structure and endorsement by the Minister for the Public Service and Administration. With regard to the approved post establishment, the Department's current post occupancy rate is 93.7%, therefore exceeding the 90% target determined in Outcome 12 of the Programme of Action. However, the low vacancy rate does not suggest that the Department is operating to its full capacity, as the ideal structure as aligned to the Strategic Plan, cannot be effectively implemented due to budget constraints.

With regard to human resource development, the Department has participated in a Monitoring and Evaluation programme facilitated by the University of the Witwatersrand, Graduate School of Public Management in partnership with the DPME and the Public Service SETA (PSETA). A total of 30 officials attended and participated in the course. The Department continues to offer bursaries to employees for undergraduate studies. During 2016/17, the Department recruited 202 interns in addition to providing for 10 general security learnerships. Of this contingent, 40 interns represented TVET College graduates in terms of the Work Integrated Learnership programme.

The Department is currently in the process of finalising a recruitment plan for implementation during 2017/18 to 2019/20. All critical posts are being filled on a continuous basis subject to the availability of financial resources in an attempt, as far as possible, to reduce the capacity constraints within the Department. The implementation of an organisational capacity assessment aimed at effecting a comprehensive Departmental skills audit has been planned for completion during the 2017/18 financial year in partnership with the PSETA.

The performance management system has been endorsed, set in motion and fully communicated to all staff members. The Departmental Performance Management and Development system is managed on an ongoing basis in line with DPSA's framework and revised Public Service Regulations. The compliance with reporting time-frames remain a challenge and there is an increasing need to implement consequence management procedures in instances of non-compliance. The Department aligned the implementation of the Performance Management and Development system with the relevant Public Service Regulations.



As part of the Department's Employee Wellness programme, four HIV Counselling and Testing) campaigns were conducted in the Department during the reporting period under review, with the overall uptake comprising 664 officials, while tested staff members totalled 22 incumbents. The Department presently stands at a 7.1% positivity rate. Condoms were distributed as part of the broader programme intervention and objectives.

Eleven staff wellness testing drives, namely blood pressure, glucose and tuberculosis tests were conducted in the Department.

Three awareness programmes were concluded at the National Office on sexual and reproductive health in women.

The Department currently provides voluntary after-hour aerobics exercise classes, twice weekly. Departmental staff participated during a recent exercise tournament and also participated during the Recreation Day Big Walk organised by the Department of Sport and Recreation, South Africa.

595 Garnishee orders were activated and effected by the Department during the reporting period under review.

The Department successfully concluded the physical verification of all employees in TVET and CET Colleges. All personnel records have since been scanned and filed electronically in order to address records management and information retrieval challenges, as well as to improve the efficacy of record and document management processes. A biometric system is also being implemented which is aimed at capturing the finger prints of employees in order to maintain a complete set of records pertaining to each employee.

Efforts have been made to finalise all relevant human resources policies and to date 23 policies have been completed. Strategies comprising the finalisation of a Human Resource-, Employment Equity- and Skills Development plans, have since been approved for implementation.

The Department has also established a Task Team to work on the development of a suitable post provisioning model for both TVET and CET Colleges which aims to assist with ensuring that an adequate number of administrative staff and educators are provided to enable the effective administrative management and provision of classes at these colleges.

## 2. Oversight Report

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

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

- Is exercising the powers granted under Public Service and Public Finance legislation in a responsible manner; and
- Is achieving national transformation priorities established by the Cabinet, such as affirmative action and other interventions.

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



## 1 – Expenditure

**Note:** During 2016/17 a total of R255,415 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 2016/17 financial year in the following tables would give a false reflection on the personnel numbers and costs in the tables.

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

Table.1.1 – Personnel expenditure by programme, 1 April 2016 to 31 March 2017

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 31 March 2017
1	372 713	196 833	13 070	2 466	52.81	360	547
2	56 816	44 362	246	62	78.08	477	93
3	39 515 718	45 918	17	8	0.12	567	81
4	7 029 987	5 033 924	819	0	71.61	309	16 314
5	180 635	89 557	218	0	49.58	222	404
6	1 981 693	1 850 582	227	0	93.38	189	9 809
<b>Sub total</b>	<b>49 137 562</b>	<b>7 261 176</b>	<b>14 597</b>	<b>2 536</b>	<b>14.78</b>	<b>266</b>	<b>27 248</b>
Statutory	15 233 009	0	0	0	0	0	0
<b>Total</b>	<b>64 370 571</b>	<b>7 261 176</b>	<b>14 597</b>	<b>2 536</b>	<b>11.28</b>	<b>266</b>	<b>27 248</b>

Table .1.2 – Personnel costs by salary bands for the period April 2016 to 31 March 2017

Salary Band	Personnel expenditure (R'000)	% of total personnel cost	No of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	307 276	4.23	2 064	147
Skilled (Levels 3-5)	1 975 863	27.21	12 255	159
Highly skilled production (Levels 6-8)	3 443 093	47.42	10 411	326
Highly skilled supervision (Levels 9-12)	1 361 798	18.75	2 355	570
Senior Management (Levels 13-16)	173 146	2.38	163	1 049
<b>Total</b>	<b>7 261 176</b>	<b>100.00</b>	<b>27 248</b>	<b>266</b>

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

**Table 1.3 – Salaries, Overtime, Home Owner's Allowances and Medical Assistance by programme for the period 1 April 2016 to 31 March 2017**

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	196 833	131 778	66.95	7 856	3.99	4 298	2.18	6 695	3.40
2	44 362	30 579	68.93	476	1.07	474	1.07	967	2.18
3	45 918	32 294	70.33	117	0.25	590	1.28	1 083	2.36
4	5 033 924	3 719 693	73.89	4 056	0.08	185 522	3.69	231 413	4.60
5	89 557	61 839	69.05	2 533	2.83	2 905	3.24	4 660	5.20
6	1 850 582	1 199 482	64.82	25	0.00	30 077	1.63	12 568	0.68
<b>Total</b>	<b>7 261 176</b>	<b>5 175 665</b>	<b>71.28</b>	<b>15 064</b>	<b>0.21</b>	<b>223 866</b>	<b>3.08</b>	<b>257 386</b>	<b>3.54</b>

**Table 1.4 – Salaries, Overtime, Home Owner's Allowances and Medical Assistance by salary bands, for the period 1 April 2016 to 31 March 2017**

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)	307 276	224 571	73.08	53	0.02	18 280	5.95	13 517	4.40
Skilled (Levels 3-5)	1 975 863	1 498 962	75.86	4 997	0.25	74 275	3.76	827	0.04
Highly skilled production (Levels 6-8)	3 443 093	2 362 638	68.62	7 898	0.23	106 564	3.09	142 168	4.13
Highly skilled supervision (Levels 9-12)	1 361 798	957 344	70.30	2 116	0.16	24 651	1.81	43 690	3.21
Senior Management (Levels 13-16)	173 146	132 150	76.32	0	0.00	96	0.06	57 184	33.03
<b>Total</b>	<b>7 261 176</b>	<b>5 175 665</b>	<b>71.28</b>	<b>15 064</b>	<b>0.21</b>	<b>223 866</b>	<b>3.08</b>	<b>257 386</b>	<b>3.54</b>

## 2 - Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate and any staff additional to the establishment.

This information is presented in terms of three key variables:

- by programme;
- by salary band; and
- by critical occupations.

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

**Table 2.1 - Employment and vacancies by programme as on 31 March 2017**

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Programme 1: Administration	640	547	14.53	2
Programme 2: Planning, Policy and Strategy	140	93	33.57	1
Programme 3: University Education	100	81	19	1
Programme 4: Technical and Vocational Education and Training	17 142	16 314	4.83	224
Programme 5: Skills Development	508	404	20.47	1
Programme 6: Community Education and Training	10 530	9 809	6.85	5 773
<b>Total</b>	<b>29 060</b>	<b>27 248</b>	<b>6.24%</b>	<b>6 002</b>

**Table 2.2 - Employment and vacancies by salary band as on 31 March 2017**

Salary Band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled ( 1-2)	2 213	2 098	5.20%	636
Skilled (3-5)	12 754	12 062	5.43%	4 575
Highly skilled production (6-8)	11 076	10 628	4.04%	778
Highly skilled supervision (9-12)	2 756	2 295	16.73%	8
Senior management (13-16)	261	165	36.78%	5
<b>Total</b>	<b>29 060</b>	<b>27 248</b>	<b>6.24%</b>	<b>6 002</b>

**Table 2.3 - Employment and vacancies by critical occupations as on 31 March 2017**

Not applicable

## 3 - Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on the advertising and filling of SMS posts, reasons for not complying with prescribed time-frames and disciplinary steps taken.

Table 3.1 - SMS post information as on 31 March 2017

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/Head of Department	1	1	100	0	0
Salary Level 16	3	3	100	0	0
Salary Level 15	11	8	73	3	27
Salary Level 14	45	24	53	21	47
Salary Level 13	198	125	63	73	37
<b>Total</b>	<b>258</b>	<b>161</b>	<b>62</b>	<b>97</b>	<b>38</b>

Table 3.2 - SMS post information as on 30 September 2016

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/Head of Department	1	1	100	0	0
Salary Level 16	2	2	100	0	0
Salary Level 15	11	8	73	3	27
Salary Level 14	46	26	57	20	43
Salary Level 13	189	120	63	69	37
<b>Total</b>	<b>249</b>	<b>157</b>	<b>63</b>	<b>92</b>	<b>37</b>

Table 3.3 - Advertising and filling of SMS posts for the period 1 April 2016 to 31 March 2017

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	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	0	0	2
Salary Level 13	5	5	2
<b>Total</b>	<b>5</b>	<b>5</b>	<b>4</b>

Table 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 2016 to 31 March 2017

Reasons for vacancies not advertised within six months
The Department had to review its organogram in line with the Departmentally allocated budget in order to prioritise the filling of critical posts.
Reasons for vacancies not filled within twelve months
The Department was under pressure last year due to “#feesmustfall” Campaign and the executive management could not find time to fulfil the recruitment and selection processes for above 4 posts.

## Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed time-frames.

**Table 3.5 - Disciplinary steps taken for not complying with the prescribed time-frames for filling SMS posts within 12 months for the period 1 April 2016 to 31 March 2017**

Reasons for vacancies not advertised within six months
None

Reasons for vacancies not filled within six months
The Department was under pressure last year due to ""#feesmustfall"" Campaign and the Executive Management could not find time to fulfil the recruitment and selection processes for above 4 posts.

#### Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed time-frames. In the event of non-compliance with this regulation, the relevant Executive Authority or Head of Department must take appropriate disciplinary steps in terms of section 16A(1) or 2 of the Public Service Act.

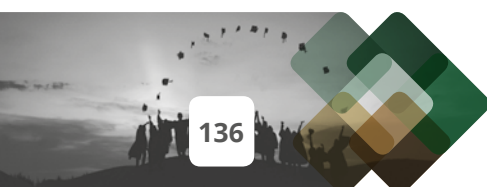
## 4 - Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in the organisation. In terms of the regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were up- or downgraded.

**Table 4.1 - Job Evaluation by Salary band for the period 1 April 2016 to 31 March 2017**

Salary Band	Number of posts on approved establishment	Number of jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	2 213	0	0	0	0	0	0
Skilled (Levels 3-5)	12 754	34	0.3%	0	0	1	3%
Highly skilled production (Levels 6-8)	11 076	108	1%	61	56%	3	3%
Highly skilled supervision (Levels 9-12)	2 756	211	8%	30	14%	0	0
Senior management service band A	261	57	22%	0	0	1	2%
<b>Total</b>	<b>29 060</b>	<b>410</b>		<b>91</b>		<b>5</b>	

The following table provides a summary of the number of employees whose positions were upgraded due to their posts being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded, may also be vacant.



**Table 4.2 - Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2016 to 31 March 2017**

Gender	African	Asian	Coloured	White	Total
Female	34	0	0	1	<b>35</b>
Male	20	0	0	0	<b>20</b>
<b>Total</b>	<b>54</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>55</b>
<b>Employees with a disability</b>					<b>0</b>

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

**Table 4.3 - Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2016 to 31 March 2017**

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Principal	1	13	14	Retention of service, the recommended candidate was already earning a higher salary
Security Officer	1	4	7	Implementation of grade progression as per Resolution 3 of 2009
Security Officer	1	4	6	Implementation of grade progression as per Resolution 3 of 2009
Security Officer	1	4	5	Implementation of grade progression as per Resolution 3 of 2009
Senior Administration Clerk	1	7	6	Implementation of grade progression as per Resolution 3 of 2009
<b>Total number of employees whose salaries exceeded the level determined by job evaluation</b>				<b>5</b>

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

**Table 4.4 - Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2016 to 31 March 2017**

Gender	African	Asian	Coloured	White	Total
Female	1	0	0	1	2
Male	1	0	1	1	3
<b>Total</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>5</b>
<b>Employees with a disability</b>	0	0	0	0	0

## 5 - Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the Department. The following tables provide a summary of turnover rates by salary band and critical occupations.

**Table 5.1 - Annual turnover rates by salary band for the period 1 April 2016 to 31 March 2017**

Salary Band	Number of employees at beginning of period- 1 April 2016	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
01 Lower Skilled (Levels 1-2) Permanent	1 721	14	40	2.32
02 Skilled (Levels 3-5) Permanent	5 416	228	379	7.00
02 Skilled (Levels 3-5) Temporary	3 692	2	58	1.57
03 Highly Skilled Production (Levels 6-8) Permanent	8 835	236	472	5.34
03 Highly Skilled Production (Levels 6-8) Temporary	18	0	2	11.11
04 Highly Skilled Supervision (Levels 9-12) Permanent	1 931	50	158	8.18
05 Senior Management Service Band A Permanent	106	6	6	5.66
06 Senior Management Service Band B Permanent	20	1	1	5.00
07 Senior Management Service Band C Permanent	6	1	0	0.00
08 Senior Management Service Band D Permanent	3	0	0	0.00
09 Other Permanent	758	219	165	21.77
10 Contract (Levels 1-2) Permanent	1 916	73	63	3.29
11 Contract (Levels 3-5) Permanent	3 368	111	249	7.39
12 Contract (Levels 6-8) Permanent	711	27	88	12.38
13 Contract (Levels 9-12) Permanent	81	12	36	44.44
14 Contract Band A Permanent	10	1	3	30.00
15 Contract Band B Permanent	4	0	1	25.00
16 Contract Band C Permanent	1	1	0	0.00
17 Contract Band D Permanent	1	0	0	0.00
<b>Total</b>	<b>28 598</b>	<b>982</b>	<b>1 721</b>	<b>6.02</b>



**Table 5.2 - Annual turnover rates by critical occupation for the period 1 April 2016 to 31 March 2017**

Not applicable to the DPSA description

The table below identifies the major reasons why staff left the Department.

**Table 5.3 - Reasons why staff left the Department for the period 1 April 2016 to 31 March 2017**

Termination Type	Number	% of total resignations
Death	112	6.51
Resignation	850	49.39
Expiry of contract	398	23.13
Dismissal – operational changes	0	0
Dismissal – misconduct	68	3.95
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	235	13.65
Transfer to other Public Service Departments	58	3.37
Other	0	0
<b>Total</b>	<b>1 721</b>	
<b>Total number of employees who left as a % of total employment</b>	6.3	



**Minister, Dr BE Nzimande, MP officiating a ribbon cutting ceremony during the Recognition of Prior Learning in Pietermaritzburg**

## 6 - Employment Equity

Table 6.1 - Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2017

Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Officials and Managers	57	8	3	16	34	2	5	17	142
Professionals	5 160	417	166	522	7 428	393	145	862	15 093
Technicians and Associate Professionals	260	65	8	43	272	180	7	86	921
Clerks	1 251	54	32	49	2 336	118	54	209	4 103
Service Shop and Market Sales Workers	70	11	1	2	15	0	0	0	99
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0
Craft and Related Trades Workers	22	0	0	10	2	0	0	0	34
Plant and Machine Operators and Assemblers	15	7	0	1	6	12	0	0	41
Elementary Occupations	2 204	131	5	28	4 880	190	4	28	7 470
<b>Total</b>	<b>9 039</b>	<b>693</b>	<b>215</b>	<b>671</b>	<b>14 973</b>	<b>895</b>	<b>215</b>	<b>1 202</b>	<b>27 903</b>
<b>Employees With Disabilities</b>	<b>12</b>	<b>5</b>	<b>0</b>	<b>6</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>32</b>

Table 6.2 - Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2017

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	6	0	1	1	2	0	0	2	12
Senior Management	63	12	2	15	35	2	6	18	153
Professionally qualified and experienced specialists and mid-management	822	131	55	261	660	93	25	344	2 391
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	3 835	305	130	307	4 747	394	149	703	10 570
Semi-skilled and discretionary decision making	3 350	188	25	76	8 310	331	34	128	12 442
Unskilled and defined decision making	963	57	2	11	1 219	75	1	7	2 335
<b>Total</b>	<b>9 039</b>	<b>693</b>	<b>215</b>	<b>671</b>	<b>14 973</b>	<b>895</b>	<b>215</b>	<b>1 202</b>	<b>27 903</b>

Table 6.3 - Recruitment for the period 1 April 2016 to 31 March 2017

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	1	0	0	0	2
Senior Management	5	1	0	1	1	0	0	0	8
Professionally qualified and experienced specialists and mid-management	29	0	0	3	29	0	1	0	62
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	118	0	0	3	132	4	2	4	263
Semi-skilled and discretionary decision making	148	3	2	2	178	5	1	2	341
Unskilled and defined decision making	126	0	0	0	190	2	0	0	318
<b>Total</b>	<b>427</b>	<b>4</b>	<b>2</b>	<b>9</b>	<b>531</b>	<b>11</b>	<b>4</b>	<b>6</b>	<b>994</b>
<b>Employees with disabilities</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>

Table 6.4 - Promotions for the period 1 April 2016 to 31 March 2017

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	46	7	2	9	21	1	5	11	102
Professionally qualified and experienced specialists and mid-management	577	121	44	223	458	78	19	289	1 809
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2 558	246	101	259	3 058	327	131	595	7 275
Semi-skilled and discretionary decision making	1 167	108	18	39	1 786	204	24	83	3 429
Unskilled and defined decision making	537	42	0	3	1 420	62	0	2	2 066
<b>Total</b>	<b>4 886</b>	<b>524</b>	<b>165</b>	<b>533</b>	<b>6 743</b>	<b>672</b>	<b>179</b>	<b>980</b>	<b>14 682</b>
<b>Employees with disabilities</b>	<b>12</b>	<b>5</b>	<b>0</b>	<b>6</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>32</b>

Table 6.5 - Terminations for the period 1 April 2016 to 31 March 2017

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	5	2	4	0	3	1	0	0	15
Professionally qualified and experienced specialists and mid-management	42	13	5	21	52	4	2	39	178
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	231	25	0	30	189	17	2	47	541
Semi-skilled and discretionary decision making	226	15	0	11	282	13	0	14	561
Unskilled and defined decision making	122	3	0	2	238	3	0	0	368
<b>Total</b>	<b>626</b>	<b>58</b>	<b>9</b>	<b>64</b>	<b>764</b>	<b>38</b>	<b>4</b>	<b>100</b>	<b>1 663</b>
<b>Employees with Disabilities</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>

Table 6.6 - Disciplinary action for the period 1 April 2016 to 31 March 2017

Disciplinary Action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	0	0	0	0	0	0	0	0	0

Table 6.7 - Skills development for the period 1 April 2016 to 31 March 2017

Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	23	1	0	1	34	0	0	5	64
Professionals	19	0	1	1	27	0	0	1	49
Technicians and associate professionals	14	0	0	1	29	1	0	2	47
Clerks	46	1	0	1	78	0	0	4	130
Service and sales workers	11	0	0	1	7	0	0	0	19
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	10	0	0	0	4	0	0	0	14
Plant and machine operators and assemblers	1	0	0	0	1	0	0	0	2
Elementary occupations	2	0	0	0	4	0	0	0	6
<b>Total</b>	<b>126</b>	<b>2</b>	<b>1</b>	<b>5</b>	<b>184</b>	<b>1</b>	<b>0</b>	<b>12</b>	<b>331</b>
<b>Employees with disabilities</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>

## 7 - Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific time-frames. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed time-frames and disciplinary steps taken is presented here.

**Table 7.1 - Signing of Performance Agreements by SMS members as on 31 May 2017**

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	1	1	1	100
Salary Level 15	8	8	7	87.5
Salary Level 14	23	23	19	82.6
Salary Level 13	109	109	64	58.7
<b>Total</b>	<b>142</b>	<b>142</b>	<b>92</b>	<b>64.8</b>

**Table 7.2 - Reasons for not having concluded Performance agreements for all SMS members as on 31 May 2017**

Reasons
2 SMS members resigned within the cycle and could not sign hence they could not sign performance agreements.
1 SMS member was dismissed prior signing the performance agreement.
1 SMS member joined the Department at end of the performance cycle.

**Table 7.3 - Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 May 2017**

Reasons
N/A



**Minister, Dr BE Nzimande, MP officiating during an Award Ceremony of Certificates of Competence of which one was awarded to Ms CN Khanyisile during the Recognition of Prior Learning Event hosted at Pietermaritzburg**

## 8 - Performance Rewards

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

**Table 8.1 - Performance rewards by race, gender and disability for the period 1 April 2016 to 31 March 2017**

Race and Gender	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee (R'000)
<b>African</b>					
Male	827	9 017	9.17	9 667	11 689
Female	1 287	14 956	8.61	13 543	10 523
<b>Asian</b>					
Male	5	215	2.33	312	6 232
Female	11	214	5.14	311	28 314
<b>Coloured</b>					
Male	39	688	5.67	1 014	25 9881
Female	75	894	8.39	1 121	14 941
<b>White</b>					
Male	60	662	9.06	1 643	27 382
Female	147	1 195	12.30	2 740	18 640
<b>Total</b>	<b>2 451</b>	<b>27 841</b>	<b>8.8</b>	<b>30 350</b>	<b>12 381</b>

**Table 8.2 - Performance rewards by salary band for personnel below Senior Management Service for the period 1 April 2016 to 31 March 2017**

Salary Band	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee (R'000)
01 Lower Skilled (Levels 1-2)	346	1 336	25.90	1 761	5 092
02 Skilled (Levels 3-5)	952	8 647	11.01	8 063	8 470
03 Highly Skilled Production (Levels 6-8)	732	9 787	7.48	8 970	12 254
04 Highly Skilled Supervision (Levels 9-12)	298	2 328	12.80	6 284	21 087
09 Other	0	240	0.00	0.00	0.00
10 Contract (Levels 1-2)	8	759	1.05	36	4 514
11 Contract (Levels 3-5)	11	3 790	0.29	83	7 543
12 Contract (Levels 6-8)	32	783	4.09	271	8 470
13 Contract (Levels 9-12)	17	63	26.98	294	17 266
<b>TOTAL</b>	<b>2 396</b>	<b>27 733</b>	<b>8.64</b>	<b>25 762</b>	<b>10 752</b>

**Table 8.3 - Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2016 to 31 March 2017**

Salary band	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee (R'000)
Band A	1	1	100.0		1
Band B	3	8	37.5	401	13
Band C	12	23	52.2	1 050	87
Band D	47	109	43.1	3 273	69
<b>Total</b>	<b>63</b>	<b>141</b>	<b>44.7</b>		<b>75</b>

## 9 - Foreign Workers

The tables below summarise the employment of foreign nationals in the Department in terms of salary band and major occupation.

**Table 9.1 - Foreign workers by salary band for the period 1 April 2016 to 31 March 2017**

Salary Band	1 April 2016		31 March 2017		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled	14	3.28	36	3.98	22	4.60
Highly skilled production (Levels 6-8)	288	67.45	566	62.61	278	58.16
Highly skilled supervision (Levels 9-12)	13	3.04	24	2.65	11	2.30
Skilled (Levels 3-5)	112	26.23	278	30.75	167	34.94
Contract (Levels 9-12)	0	0	0	0	0	0
Contract (Levels 13-16)	0	0	0	0	0	0
<b>Total</b>	<b>427</b>	<b>100</b>	<b>904</b>	<b>100</b>	<b>478</b>	<b>100</b>

**Table 9.2 - Foreign workers by major occupation for the period 1 April 2016 to 31 March 2017**

Major Occupation	1 April 2016		31 March 2017		Change	
	Number	% of total	Number	% of total	Number	% change
Administrative office workers	8	1.87	20	2.21	12	2.46
Elementary occupations	2	0.47	4	0.44	2	0.41
Information technology personnel	3	0.70	4	0.44	1	0.21
Other occupations educators	410	96.02	868	96.02	468	96.10
Professionals and managers	4	0.94	8	0.88	4	0.82
<b>TOTAL</b>	<b>427</b>	<b>100</b>	<b>904</b>	<b>100</b>	<b>487</b>	<b>100</b>

## 10 - Leave Utilisation

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

**Table 10.1 - Sick leave for the period 1 January 2016 to 31 December 2016**

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)
LowerSkills (Levels 1-2)	7 554	50.66	1 055	8.4	6.4	3 454
Skilled (Levels 3-5)	23 150	46.75	3 690	29.4	5.3	17 150
Highly skilled production (Levels 6-8)	40 105	41.46	6 241	49.8	8.7	47 999
Highly skilled supervision (Levels 9 -12)	10 466	47.36	1 452	11.6	7.1	22 221
Top and Senior management (Levels 13-16)	748	61.76	95	0.8	6.5	2 818
<b>Total</b>	<b>82 023</b>	<b>50.00</b>	<b>12 533</b>	<b>100</b>	<b>6.8</b>	<b>93 642</b>



**Table 10.2 - Disability leave (temporary and permanent) for the period 1 January 2016 to 31 December 2016**

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)
Lower skilled (Levels 1-2)	347	100	8	5.7	43.4	153
Skilled (Levels 3-5)	1 951	100	32	22.9	61.0	1 382
Highly skilled production (Levels 6-8)	3 178	100	60	42.9	53.0	4 076
Highly skilled supervision (Levels 9-12)	2 245	100	33	23.6	68.0	4 646
Senior management (Levels 13-16)	45	100	2	1.4	22.5	160
Contract (Levels 3-5)	26	100	1	0.7	26.0	190
Contract (Levels 6-8)	187	100	2	1.4	93.5	222
Contract (Levels 9-12)	38	100	2	1.4	19.0	75
<b>Total</b>	<b>8 017</b>	<b>100.00</b>	<b>140</b>	<b>100</b>	<b>57.3</b>	<b>10 904</b>

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high-levels of accrued leave being paid at the time of termination of service.

**Table 10.3 - Annual leave for the period 1 January 2016 to 31 December 2016**

Salary Band	Total days taken	Number of employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	29 787	1 760	17
Skilled (Levels 3-5)	67 720	3 988	17
Highly skilled production (Levels 6-8)	46 963	2 751	17
Highly skilled supervision (Levels 9-12)	21 901	1 135	19
Senior management (Levels 13-16)	2 986	158	19
<b>Total</b>	<b>169 357</b>	<b>9 792</b>	<b>17.29</b>

**Table 10.4 - Capped leave for the period 1 January 2016 to 31 December 2016**

Salary Band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee
Lower skilled (Levels 1-2)	0	0	0
Skilled (Levels 3-5)	142	23	6
Highly skilled production (Levels 6-8)	95	26	4
Highly skilled supervision (Levels 9-12)	79	15	5
Senior management (Levels 13-16)	142	23	6
<b>Total</b>	<b>458</b>	<b>87</b>	<b>5</b>

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

**Table 10.5 - Leave payouts for the period 1 April 2016 to 31 March 2017**

Reason	Total amount (R'000)	Number of employees	Average per employee (R')
Leave payout for 2016/17 due to non-utilisation of leave for the previous cycle	12 127	240	50 529
Capped leave payouts on termination of service for 2016/17	818	75	10 903
Current leave payout on termination of service for 2016/17	32	3	10 667
<b>Total</b>	<b>1 297</b>	<b>318</b>	<b>40 808</b>

## 11 - HIV/AIDS and Health Promotion Programmes

**Table 11.1 - Steps taken to reduce the risk of occupational exposure**

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
None	<p>Education awareness and prevention programmes</p> <p>OHS Committee established</p> <p>Wellness centre established and equipped</p> <p>First-aid boxes for sporadic injuries in the workplace purchased and utilised</p> <p>First-aid boxes for sports games e.g. soccer, netball and aerobics</p>

**Table 11.2 - Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)**

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Ms Mapheto
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		<p>1 X Assistant Director</p> <p>1X Practitioner</p> <p>4X Senior Administrative Clerks</p> <p>1X Intern</p>
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		<p>To assist employees with work related and personal problems</p> <p>Psychosocial interventions</p> <p>Physical wellness</p> <p>HIV testing</p> <p>Disease management</p>
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		An HIV/AIDS Committee was established and all branches of the Department are represented

Question	Yes	No	Details, if yes
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 Pillar and III Health Retirement HIV/AIDS, STI and TB Management policy
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		HIV/AIDS, STI and TB management policy HCT campaigns male and female condoms and lubricants distributed
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 the officials undergo pre-test and post-test counselling, the uptake for the 4 Quarters for 2016/17 financial year was 664  Those tested for HIV = 422, those tested positive = 74 females and 3 males with a positivity rate of 7,1%
8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/ indicators.	X		Training in first-aid programmes Distribution of male and female condoms Protective clothing and gloves utilised Awareness campaign Information sessions Spots activities, soccer, netball and aerobics OHS training

## 12 - Labour Relations

**Table 12.1 - Collective agreements for the period 1 April 2016 to 31 March 2017**

Subject Matter	Date
No collective agreement was signed for period 1 April 2016 to 31 March 2017	

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

**Table 12.2 - Misconduct and disciplinary hearings finalised for the period 1 April 2016 to 31 March 2017**

Outcomes of Disciplinary Hearings	Number	% of total
Correctional counselling	0	0.00
Verbal warning	0	0.00
Written warning	1	4.17
Final written warning	12	50.00
Suspended without pay	2	8.33
Fine	0	0.00
Demotion	1	4.17
Dismissal	8	33.33
Not guilty	0	0.00
Case withdrawn	0	0.00
<b>Total</b>	<b>24</b>	<b>100</b>

**Table 12.3 - Types of misconduct addressed at disciplinary hearings for the period 1 April 2016 to 31 March 2017**

Type of misconduct	Number	% of Total
<b>ONGOING CASES</b>		
<b>Type of misconduct</b>		
<b>ONGOING CASES</b>		
Absenteeism	4	8.69
Insubordination/Gross insubordination	10	21.74
Gross dishonesty	4	8.69
Negligence/Gross negligence	3	6.52
Fraud/Attempted fraud	5	10.87
Vehicle abuse	4	8.69
Theft/Attempted theft	3	6.52
Dereliction of duty	2	4.35
Abscondment	4	8.69
Assault	1	2.17
Participation in an unprotected strike	2	4.35
Being under the influence	1	2.17
Inappropriate language	1	2.17
Inappropriate relationship with student(s)	1	2.17
Sexual harassment	0	0
Racial remarks	0	0
Intimidation	1	2.17
<b>Total</b>	<b>46</b>	
<b>FINALISED CASES</b>		
Absenteeism	4	13.79
Insubordination	2	6.90
Gross dishonesty	5	17.24
Negligence/Gross Negligence	1	3.45
Fraud/Attempted fraud	1	3.45
Vehicle abuse	3	10.34
Theft/Attempted theft	3	10.34
Dereliction of duty	1	3.45
Abscondment	2	6.90
Assault	0	0
Participation in an unprotected strike	0	0
Being under the influence	2	6.90
Inappropriate language	1	3.45
Sexual harassment	1	3.45
Racial remarks	2	6.90
Intimidation	1	3.45
<b>Total</b>	<b>29</b>	

\*FOR THE ABOVE TABLE PLEASE NOTE THAT SOME EMPLOYEES WERE CHARGED WITH MORE THAN ONE TYPE OF MISCONDUCT CHARGE

**Table 12.4 - Grievances logged for the period 1 April 2016 to 31 March 2017**

Grievances	Number	% of Total
Number of grievances resolved	11	50
Number of grievances not resolved	11	50
<b>Total number of disputes lodged</b>	<b>22</b>	<b>100</b>

Table 12.5 - Disputes logged with Councils for the period 1 April 2016 to 31 March 2017

Disputes	Number	% of total
Number of disputes upheld	11	50
Number of disputes dismissed	11	50
<b>Total number of disputes lodged</b>	<b>22</b>	<b>100</b>

Table 12.6 - Strike actions for the period 1 April 2016 to 31 March 2017

<b>Total number of persons working days lost</b>	<b>444</b>
<b>Total costs of working days lost</b>	<b>174 668</b>
<b>Amount recovered as a result of no work no pay</b>	<b>174 668</b>

Table 12.7 - Precautionary suspensions for the period 1 April 2016 to 31 March 2017

<b>Number of people suspended</b>	<b>4</b>
<b>Number of people who's suspension exceeded 30 days</b>	<b>0</b>
<b>Average number of days suspended</b>	<b>30 days</b>
<b>Cost of suspension(R'000)</b>	<b>59</b>

### 13 - Skills Development

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

Table 13.1 - Training needs identified for the period 1 April 2016 to 31 March 2017

Occupational Category	Gender	Number of employees as at 1 April 2016	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	108	0	26	0	26
	Male	107	0	26	0	26
Professionals	Female	256	0	27	0	27
	Male	204	0	26	0	26
Technicians and associate professionals	Female	106	0	23	0	23
	Male	67	0	21	0	21
Clerks	Female	355	0	32	0	32
	Male	201	0	30	0	30
Service and sales workers	Female	9	0	6	0	6
	Male	27	0	6	0	6
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	17	0	5	0	5
	Male	57	0	5	0	5
Plant and machine operators and assemblers	Female	1	0	3	0	3
	Male	7	0	4	0	4
Elementary occupations	Female	52	0	0	0	0
	Male	14	0	0	0	0
Sub total	Female	904	0	122	0	122
	Male	684	0	118	0	118
<b>Total</b>		<b>1 588</b>	<b>0</b>	<b>240</b>	<b>0</b>	<b>240</b>

Table 13.2 - Training provided for the period 1 April 2016 to 31 March 2017

Occupational Category	Gender	Number of employees as at 1 April 2016	Training provided within the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	108	0	10	0	10
	Male	107	0	11	0	11
Professionals	Female	256	0	10	0	10
	Male	204	0	11	0	11
Technicians and associate professionals	Female	106	0	14	0	14
	Male	67	0	14	0	14
Clerks	Female	355	0	20	0	20
	Male	201	0	20	0	20
Service and sales workers	Female	9	0	6	0	6
	Male	27	0	6	0	6
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	17	0	4	0	4
	Male	57	0	4	0	4
Plant and machine operators and assemblers	Female	1	0	2	0	2
	Male	7	0	2	0	2
Elementary occupations	Female	52	0	2	0	2
	Male	14	0	2	0	2
Sub total	Female	904	0	68	0	68
	Male	684	0	70	0	70
<b>Total</b>		<b>1 588</b>	<b>0</b>	<b>138</b>	<b>0</b>	<b>138</b>

## 14 - Injury on Duty

The following tables provide basic information on injury on duty.

Table 14.1 - Injury on duty for the period 1 April 2016 to 31 March 2017

Nature of Injury on Duty	Number	% of total
Required basic medical attention only	40	100
Temporary total disablement	0	0
Permanent disablement	0	0
Fatal	0	0
<b>Total</b>	<b>40</b>	<b>100</b>

## 15 - Utilisation of Consultants

The following tables relates information on the utilisation of consultants in the Department. In terms of the Public Service Regulations “consultant” means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

- The rendering of expert advice;
- The drafting of proposals for the execution of specific tasks; and
- The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

**Table 15.1 - Report on consultant appointments using appropriated funds for the period 1 April 2016 to 31 March 2017**

Project Title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Appointment of editor in the CD: National Examinations and Assessment	1	300	445 299.00

Total Number of Projects	Total individual consultants	Total duration Work days	Total contract value in Rand
Appointment of editor in the CD: National Examinations and Assessment	1	300	445 299.00

**Table 15.2 - Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2016 to 31 March 2017**

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 editor in the CD: National Examinations and Assessment	100	100	1

**Table 15.3 - Report on consultant appointments using Donor Funds for the period 1 April 2016 to 31 March 2017**

Project Title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
Appointment of service provider to provide financial management and administration for HRDCS (NSF funded)	Seven (7) Consultants	Three years which is equal to 900 days	1 985 973.38
Procurement of transaction advisory services, to the the Department for the student housing programme at selected public universities and TVET Colleges Funded by IIPSA/DBSA	Nine (9) Consultants	Upon project completion	3 787 404.08
Appointment of suitable service provider to deploy a team of professionals to evaluate 388 infrastructure bid proposals received by the Department (NSF funded)	Eighteen (18) Consultants	Until all deliverables are attained or at a point where the Department may decide.	31 307 458.62
Appointment of a service provider to perform a full business analysis and develop detailed business requirements and functional specification based on the enterprise architect design (Grant funding)	Ten ( 10) Consultants	Nine (9) months, equal to 225 days	7 035 789.00
Appointment of a service provider to perform mid-term project evaluation project evaluation on Career Development Services for the the Department (Donor funding)	Two (2) Consultants	Three months (75 days)	629 339.00
Appointment of a consultant to render communications and marketing services to the Department (Angela Church and team) (NSF Donor Funding)	Four (4) Consultants	Twelve months (300 days)	3 407 174.00
Post-School Education and Training Stability/renderingforensic auditing to the Department	Nine (9) permanent apointees	Three years (900 days)	40 000 000.00



**Table 15.4 - Analysis of consultant appointments using Donor Funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2016 to 31 March 2017**

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 service provider to provide financial management and administration for HRDCS (NSF funded)	51%	51%	5
Procurement of transaction advisory services, to the Department for student housing programme at selected public universities and TVET Colleges (Funded by IIPSA/DBSA)	100%	100%	14
Appointment of a suitable service provider to deploy a team of professionals to evaluate 388 infrastructure bid proposals received by the Department. (NSF funded)	51.59%	51.59%	6
Appointment of a service provider to perform a full business analysis and develop detailed business requirements and functional specifications based on the enterprise architect design (Grant funding)	44.20%	44.20%	7
Appointment of a service provider to perform mid-term project evaluation on Career Development Services for the Department (Donor funding)	100%	100%	2
Appointment of a consultant to render communications and marketing services to the Department (Angela Church and team) (NSF Donor Funding)	100%	100%	3
Post-School Education and Training Stability/rendering forensic auditing to the Department (Company Name: INDIGO HORIZONS Consulting (Pty) Ltd)	50%	50%	5

## 16 - Severance Packages

**Table 16.1 - Granting of employee initiated severance packages for the period 1 April 2016 to 31 March 2017**

Salary Band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



Sol Plaatje University Campus, Kimberley in the Northern Cape Province



University of the Witwatersrand, Johannesburg in the Gauteng Province



## Part E: Financial Information

*"Using the power you derive from the discovery of the truth about racism in South Africa, you will help us to remake our part of the world into a corner of the globe on which all of humanity can be proud."*

**- Oliver Tambo**

Life and legacy of  
**OR TAMBO.**  
**100 YEARS**



# **Annual Financial Statements**

**DEPARTMENT OF HIGHER EDUCATION AND TRAINING**

**VOTE 15**

**ANNUAL FINANCIAL STATEMENTS**

**2016/17**

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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 for the 2016/17 financial year, excluding direct charges, which was included in the Estimates of National Expenditure 2016, increased by 18% from R41 843.955 million in 2015/16 to R49 188.279 million in 2016/17. This included R27 964.560 million for Higher Education Institutions (HEIs) and R11 392.674 million for the National Student Financial Aid Scheme (NSFAS) (80% of the Department's total budget for 2016/17, compared to 78.1% in 2015/16).

The total expenditure, excluding direct charges, for the 2016/17 financial year, increased by 17.6% from R41 795.554 million in 2015/16 to R49 137.562 million in 2016/17, which represents a spending rate of 99.9% (99.8% in 2015/16). The expenditure was made up as follows (in R'000):

	2015/16	2016/17	Increase/ (Decrease)
Compensation of employees	7 166 395	7 516 591	350 196
Departmental operations	307 920	318 221	10 301
Payments for financial assets (Losses)	51 902	118	(51 784)
Departmental earmarked funds	74 930	66 453	(8 477)
Subsidies to HEIs	26 243 110	27 964 560	1 721 450
NSFAS	6 448 551	11 392 674	4 944 123
Subsidies to public entities	117 424	176 688	59 264
Subsidies to TVET Colleges	1 262 521	1 566 747	304 226
Subsidies to CET Colleges	91 758	98 053	6 295
Other transfers	31 043	37 457	6 414
<b>Total expenditure</b>	<b>41 795 554</b>	<b>49 137 562</b>	<b>7 342 008</b>

The surplus on the Vote for the financial year, excluding direct charges, amounted to R50.717 million (R84.584 million in 2015/16) and was made up as follows (in R'000):

	2015/16	2016/17
Compensation of employees	79 211	47 002
Departmental operations	3 452	3 036
Departmental earmarked funds	26	16
Subsidies to HEIs	117	258
Subsidies to CET Colleges	712	149
Other transfers	1 066	256
<b>Total savings</b>	<b>84 584</b>	<b>50 717</b>

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A decrease in the projected collection of the skills development levy resulted in a decrease of R2 177 million pertaining to the allocation of Direct Charges from R17 640 million to R15 462 million in the Adjusted Estimates for 2016/17. Based on the actual collection of levies, the total expenditure on direct charges in the 2016/17 financial year amounted to R15 233.009 million (R15 156.433 million in 2015/16) and was made up as follows (in R'000):

	2015/16	2016/17
Sector Education and Training Authorities (SETAs)	12 125 894	12 199 864
National Skills Fund	3 030 539	3 033 145
<b>Total expenditure</b>	<b>15 156 433</b>	<b>15 233 009</b>

### Important policy decisions and strategic issues

During 2016/17, various policy decisions and strategic issues unfolded in the Department. The National Policy on Career Development Services across all spheres of Government was developed and approved on 13 December 2016. The Articulation Policy and the Policy Framework for the Realisation of Social Inclusion were respectively published on 13 January 2017 and 15 December 2016. The Department also commenced with the process of reviewing and amending the NQF Act, 2008. The NQF Amendment Bill is currently submitted for approval for tabling during the next Parliamentary Programme.

The Joint Communiqué 1 of 2016 which requires all private colleges and private higher education institutions offering qualifications registered on the Occupational Qualifications Sub-framework to be registered with the Department was published in February 2017.

The call for nominations identifying people to serve on the Recognition of Prior Learning Reference Group was published in July 2016. 34 Nominations were received. Additional nominations which are representative of race and gender are being finalised. The SADC Regional Recognition of Prior Learning Guideline document was approved by the SADC Education Ministers in June 2016.

The Addis Convention was presented to the Social Protection, Communication and Human Development Minister's Cluster on 22 March 2017. It was recommended to proceed for ratification by Parliament, after which the signed instrument will be registered with UNESCO.

The Ministerial Report: Strategic Disability Policy Framework, was published for public comments on 18 November 2016.

Statistics on Post-School Education and Training in South Africa 2015 was published on 31 March 2017.

During 2016/17, a total of 43 litigation matters in which either the Minister and/or the Department were cited as parties were dealt with. Of the 43 litigation matters, 30 were finalised either as unappealed, struck of the roll, or pronounced in favour of the Minister and/or Department.

The following policy decisions had an impact on the university education sector:

- In line with the recommendations of the Ministerial Committee on Funding Universities, it was decided to phase out the Teaching Development Grant and the Research Development Grant during the 2017 academic year and to replace them with the University Capacity Development Grant. The new Grant will be used to implement the University Capacity Development Programme, focused on three areas: student success; staff development; and programme development/curriculum transformation. A Ministerial Statement on the Implementation of the University Capacity Development Programme



through effective management and utilisation of the University Capacity Development Grant (2018-2020) was approved by the Minister on 31 March 2017. The University Capacity Development Programme aims to support the transformation of teaching, learning, research and is aimed towards enhanced quality, success and equity in universities. The new programme will be implemented from the beginning of the 2018 academic year;

- The acceleration of the provision of student housing with the aim to source funding and develop appropriate funding models to provide adequate space for the provision of 200 000 beds over the next 10 years at universities;
- To replace the current foundation provisioning policy, a new Policy Framework on Extended Curriculum Programmes has been drafted;
- Linked to the work of the Human Resource Development Council of South Africa (HRDCSA), a steering committee with representation from the Department of Small Business Development, the University of Johannesburg, the Services SETA, Student Village and members of the Human Resource Development Council task team was established to drive the Entrepreneurship Development programme in student entrepreneurship, academic programme development and entrepreneurial universities;
- A Joint Task Team (JTT) to review the Minimum Admission Requirements to Higher Education Studies was established between the Departments of Basic Education and Higher Education and Training to address articulation from the National Senior Certificate (NSC), the National Certificate (Vocational) (NC(V)) and other NQF level 4 qualifications into higher education studies; and
- The setting up of a unit to monitor transformation oversight of the university sector and support the Minister's Transformation Oversight Committee.

The review of the Higher Education Act (101 of 1997, as amended) was approved by Parliament during the financial year and the Higher Education Amendment Act, 2016, was promulgated by the President on 17 January 2017. This has introduced a number of improvements in higher education. The Act in particular addresses the following:

- Three types of institutions are introduced namely universities, university colleges and higher education colleges. To implement this, specific regulations with clear criteria on the scope and range of each of these institutional types and processes for regulating their development will be drafted and published during 2017/18.
- Repeal of Section 74 of the Higher Education Act (101 of 1997). The current mandate of the Matriculation Board is limited to alternative access routes into undergraduate bachelor's degree study only. This service has to be expanded to all higher education institutions (public and private), including other Post-School institutions and must relate to all undergraduate academic programmes and qualifications. The current structure of the Matriculation Board should be reviewed and appropriately placed. Proposals to this effect have been developed for consideration of the Minister.

The Council on Higher Education (CHE) was requested for advice on the development of a regulatory framework for managing future university fee structures and increases. The process was divided into two phases. The first phase report would focus on fee adjustment for the 2017 academic year, while the second phase would focus on finding a long-term solution. The CHE handed over its Phase 1 report to the Minister on 11 August 2016 and the Phase 2 report is expected to be submitted to the Minister by 30 June 2017. After receiving the first phase advice from the CHE, the Minister studied the recommendations and consulted with a wide range of stakeholders. The Minister recommended that university councils consider implementing a fee adjustment for 2017 of up to 8% on the 2015 fee. The Minister also announced that Government would fund the increase for students from households with family incomes of up to R600 000 through a

fee adjustment grant. Cabinet considered the Minister's proposal and approved his recommendation. This decision was implemented across the system. Additional funding was announced to place the decision into motion during the 2016 Medium-term Budget Policy Statement.

A Task Team to determine and advice on alternative financing and operating models for funding poor and "missing middle" students was established. The task team presented its report and recommended a blue print for a support and funding model for poor and missing middle students, the Ikusasa Student Financial Aid Programme (ISFAP) to the Minister and Cabinet. Cabinet approved the Ministerial Task Team Report for publishing and public comment and an ISFAP pilot project be implemented at seven universities and one TVET College in 2017. The Pilot will test certain aspects of the model pertaining to students from the "missing middle" and is funded through private sector funding. The pilot programme is led by the Department supported by private sector partners with the NSFAS Chairperson, as project leader. The pilot is running parallel with a Public Private Partnership (PPP) - feasibility study on the model which will be performed in line with National Treasury Regulations. The ISFAP project PPP-feasibility study was registered, in terms of National Treasury Regulation 16 through the Government Technical Advisory Centre on 19 October 2016. The Pilot is being implemented and it is envisaged that the feasibility study and a final recommended model for implementation will be completed by September 2017 for approval by Cabinet.

Another important process, independent from the Department was the appointment of a Presidential Commission of Inquiry into Higher Education and Training (The Fees Commission), on 22 January 2016. The Commission's report is expected to be submitted to the President by 30 June 2017. This report and the decisions made in the wake of its recommendations, will determine the future university fee landscape, the new model for support and financial assistance to poor and missing middle students as well as the regulatory framework for determining university fees. The work done by the Department on these issues will be adapted and brought in line with policy decisions made by the President and Government after the Commission's report is received and considered.

During the year under review, the Rules and Guidelines for the Administration and Management of the TVET Bursary Scheme was reviewed and a work readiness guidebook for TVET College students developed. The Department also produced the Student Support Services Annual plan and the implementation report for the first time in the 2016 academic year to improve services provided to students by TVET Colleges. Teaching and Learning implementation plans for the 2016 academic year were submitted by all 50 colleges for the first time in order to gradually improve student performance in TVET Colleges. The annual report on implementation of teaching and learning was approved as a key indicator of the status of teaching and learning in TVET Colleges in 2016 and curricula in priority subjects in two NC(V) programmes (Information Technology and Computer Science as well as Safety in Society) were reviewed.

The highly centralised administration of national examinations for TVET Colleges within the Department was deemed impractical and unsustainable. The high-level of non-compliance experienced regarding the accuracy and completeness of raw data submitted by colleges for examination cycles required an intervention on the part of the Department. Principals were called to account for non-compliance and the proposal to appoint them as the Chief Examinations Officer of their individual institutions was supported. This appointment will be communicated and formalised during 2017/18.

With regards to Skills Development, Sector Education and Training Authorities were re-established from 1 April 2018 until 31 March 2020 and the National Skills Development Strategy was extended for the same period. The draft National Artisan Development Strategy was developed and promoted and a national

conference on National Artisan Development was hosted. The Artisan Recognition of Prior Learning Criteria and Guidelines were approved and gazetted.

During the period under review, the artisan trade testing pass rate at INDLELA progressively increased and the artisan trade testing lead time was reduced.

The following key policies and reports were developed for the Community Education and Training (CET) sector:

- The National Policy for the Monitoring and Evaluation of CET Colleges;
- A CET College Infrastructure report;
- A Teaching and Learning Improvement Plan for CET Colleges;
- The National Curriculum Policy for CET Colleges;
- A policy and procedures for opening, merging and closing CLCs;
- A strategy on strategic partnerships; and
- The curriculum statements for the National Senior Certificate for Adults (NASCA).

Draft policies developed during 2016/17 in respect of CET Colleges included Staffing Norms, Student Support Services, Admissions for CET Colleges, the draft Verification Policy for CET Colleges and Assessment Procedures for General Education and Training Certificates for Adults.

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

A number of events critical to the country and its economy took place during the 2016/17 financial year. The Department of Higher Education and Training's position on Online Programme and Course Offerings and an implementation plan for the position paper were developed. An Implementation Strategy for Open Learning in the Post-School Education and Training System was developed. The Business Process model of the National Open Learning System (NOLS) has been completed and approved. A Prototype of a Learning Management System (LMS) for Open Learning has been developed and approved and the National Occupational Certificate Curriculum for Electricians was uploaded onto the Google Course Builder LMS. Online Diagnostic Tests and a Preparation Programme for South African TVET College Students were uploaded on NOLS.

A study tour in open learning to Malaysia took place to build the institutional capacity of the Department as well as university and TVET College managers. The tour included attendance at the 8<sup>th</sup> Pan-Commonwealth Forum on Open Learning at which a paper was presented alongside, visits to the Malaysia Ministry of Higher Education, Wawasan Open University in Penang and the Open University of Malaysia in Kuala Lumpur. This activity was funded under the European Union Commission's Technical Assistance funding, in terms of the Teaching and Learning Development Sector Support funding agreement.

The survey of Distance Education in TVET Colleges was completed and the report on the survey was finalised.

Open Learning professional staff attended two Commonwealth of Learning (COL) 4-day workshops, on Learner Support for open and distance learning, and on technology-enhanced open and distance learning, specifically using mobile devices.

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A licensed web-based organisational performance management system was implemented across the Department. The performance information on the predetermined objectives that was published in the 2016/17 Annual Performance Plan was collected, collated, verified and stored in the system on a quarterly basis.

A Research Colloquium on Skills Planning was held in September 2016.

During the year under review, the Department managed to establish a Skills Planning Unit and developed a Monitoring and Evaluation Framework for Post-School Education and Training. The Department also developed a research proposal on Workplace Based Learning, a research bulletin on Post-School Education and Training and a report on current and planned research. An Annual Report on Skills Supply and Demand was published and a Macro Indicator report on Post-School Education and Training was approved.

On the international front, support was provided to the Minister for working visits to the United States of America, Canada, Portugal, France, the United Kingdom and Germany as well as the Deputy Minister during a working visit to India. The Department undertook working visits to Switzerland, Italy, Germany, India, Belgium, Russia, Chile, France and the United Kingdom. The Department was represented in the BRICS Ministerial and Senior Officials meeting in India, the Education Policy Committee meeting of the OECD and the International Labour Organisation Conference in Switzerland. The Department's representation in Paris has yielded many opportunities. As the post of an Attaché is not being renewed, new working methods will be required to ensure support for the existing partnerships in Europe, at the OECD and UNESCO. The Department also participated in inter-Departmental meetings to prepare for the African Union 2016 Summit. Delegations from China, OECD, Hungary, Switzerland, Germany, Russia, Palestine, Qatar, Mozambique and Sweden were hosted by the Department. Agreements on Higher Education cooperation between South Africa, Hungary, Germany, Palestine and France were signed. Agreements that are under consideration include, China, Malaysia, India, Poland, Romania, Namibia, Iraq, the United Kingdom, Brazil, Algeria and Cameroon. The Department was represented at bilateral/joint or senior officials meetings with Switzerland, Sweden, Portugal, Botswana, China, Japan, Sri Lanka, United States of America, Angola, Gabon, Zambia, Burundi and Kenya.

Scholarship opportunities have been identified and received from China, Russia, Korea, Mauritius, France, India, Ireland, Sweden, Chile and Hungary as a result of international engagements.

The Department co-hosted the Going Global Conference on universities and nation building with the British Council. It was an open event with over 1 000 representatives from 70 countries in attendance. Several bilateral meetings were held with the Minister during the conference.

A Committee of Experts was established to clarify matters relating to the interpretation or application of the Mutual Recognition and Equivalence agreements.

The BRICS Network University was formally established through the signing of the Memorandum of Understanding by the Ministers in Moscow in November 2016. The Network promotes university collaboration in selected fields of cooperation.

The Department is being assisted by PSETA in managing 2 000 training opportunities that the Chinese Government offered to South Africa over the period 2015 to 2020. During 2016, 382 officials and technicians were sent for training.

During a Student Housing Symposium in July 2016, 10 university and two TVET College student housing projects were launched as part of the Student Housing Infrastructure Programme (SHIP) and the Integrated Infrastructure Programme of South Africa (IIPSA). The SHIP, led by a Departmental Task Team, aims to ensure that space for 200 000 beds in universities and 100 000 beds in TVET Colleges are provided over the next 10 years. Feasibility studies have been undertaken through the IIPSA funded programme. One of these studies was completed by the end of March 2017, while work is ongoing for the other institutions.

Student protests occurred in 2016 driven by the “#feesmustfall” campaign, especially from September 2016 onwards. The protests were linked to the announcement of fee increase options for the 2017 academic year. Various stakeholder meetings were held, including a stakeholder summit called by the Minister and addressed by the President in October 2016. During the fourth quarter a number of engagements were convened with all stakeholders in an attempt to ensure a reasonably stable start to the 2017 academic year. While the system remains fragile and at risk of further disruption, pro-active management and cooperation between all parties including SRC leadership resulted in a relatively smooth start to the 2017 academic year.

The Department undertook an intensified campaign against ‘bogus’ Private Higher Education Operators. The campaign was carried out in Johannesburg, Pretoria, Durban and Cape Town to ensure that prospective students and their parents only consider fully accredited and registered programmes and do not fall victim to unscrupulous or illegal higher education providers.

A national Colloquium on inclusive teaching was convened on 15 and 16 February 2017. Following the colloquium, a national working group was established to develop standards for inclusive teaching.

A Lekgotla on Entrepreneurship Development in Higher Education was held on 16 and 17 March 2017 with the focus on student entrepreneurship, academic programme development and Entrepreneurial Universities. Communities of Practice will be established to take the work of these three streams forward through a partnership with Universities South Africa (USAf).

The Department’s Sector Planning, Monitoring, Evaluation and Support Programme (SPMESP) was fully implemented during the 2016/17 financial year. The programme is managed through a partnership between the Department and the University of Pretoria. It has substantially increased the ability of the Department to monitor and oversee the range of programmes it implements in support of the development of universities, including the effective utilisation of various earmarked grant programmes.

The first and second phases of the forensic investigation into allegations of fraud and corruption in the allocation of student funding by the NSFAS has been successfully concluded. A report on the outcome of the second phase has been submitted to the Minister for his consideration. The third phase of the investigation will be implemented during the 2017/18 financial year, following consultation with the Minister.

The Central Applications Services project has made substantial progress during the 2016/17 financial year. Due to intensive consultation processes, the need to develop policy and to expand the project to include all applications into the PSET system, the project has been extended beyond 31 March 2017. Currently the full system user requirements are being developed.

A feasibility study was conducted on the possible development of the former Giyani College of Education site for use as a university campus. The Minister approved in principle that the site be utilised by the University of Limpopo. The University of Limpopo has been mandated to develop a business plan for the introduction of academic programmes at the site.

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The Teaching and Learning Development Capacity Improvement Programme (TLDCIP), funded through the European Union Sector Support Programme, has been finalised and all project plans approved. The programme will run over a five year period and is designed to substantially improve the capacity of the higher education sector to develop teachers for the whole education system, including TVET Colleges, CET Colleges, ECD centres and schools.

In collaboration with NSFAS, the Department conducted a workshop for colleges participating in the student-centred model aimed at discussing, among others, achievements and challenges emanating from the implementation of the student-centred model. The Department also conducted Student Representative Council (SRC) workshops aimed at building the capacity of SRCs regarding the policy intent in relation to the college system, student governance and leadership as well as financial aid. Furthermore, the Department conducted regional workshops for Financial Aid Practitioners at TVET Colleges aimed at, among others, ensuring improved college compliance with the Bursary Rules and Guidelines. Workshops were held with TVET College Campus Manager regarding the costing model for accommodation. The Department also hosted a highly successful Academic Managers seminar focussing on improving teaching and learning.

The current costing model on Ministerially approved programmes for TVET Colleges has been revised and approved.

The Department delivered nine national examination cycles during 2016/17 of which seven were for the TVET College sector and two for the CET College sector. Each of the nine cycles culminated in the resulting of TVET and CET candidates for each of the examination cycles. The bulk of the certificates for the most recent examination cycles conducted in November 2016 and resulted on 31 December 2016 were processed, printed and prepared for release to colleges by 31 March 2017.

During the period under review the Department solicited comments and inputs for the development of the guidelines on student leadership and governance in TVET Colleges. Through the TVET month programme, the Department conducted an advocacy programme to promote TVET Colleges as institutions of first choice. A national debate aimed at improving the competency of TVET College students in public speaking and language proficiency was conducted. A Women in Leadership Conference focusing on TVET women student leaders to enhance their capacity as young women leaders was conducted. Regional workshops on Work Integrated Learning (WIL) for Campus Managers, Heads of Departments, senior lecturers, Student Support Services Managers and WIL Placement Practitioners were conducted.

The construction of 12 new TVET Campuses is underway with the new Thabazimbi Campus of Waterberg TVET College completed and handed over to the College for occupation in February 2017. Two other sites are under construction with Nkandla at 91% and Bhambanani at 79% of completion.

The NSF-funded project involving the development of a new Information Technology system for the National examinations function was initiated at the beginning of 2016/17. The process mapping of the current system has been completed and the design of documentation for the functionality areas is in process.

A range of fora and committees was initiated and maintained for technical and advisory consultation which included industry, organised labour, SETAs, TVET Colleges, Government Departments and state owned enterprises in terms of influencing artisan policy direction. The operations of the Artisan Management Information System, known as the National Artisan Development Services Centre (NADSC), at INDLELA was consolidated.

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In the year under review, the Department concluded the appointments of fully constituted CET College councils.

### Spending trends

The under-expenditure of R50.717 million (R84.584 million in 2015/16) on the Department's programmes, measured against the allocations after virement, is as follows, in R'000:

	2015/16		2016/17	
	Under-expenditure	Percentage	Under-expenditure	Percentage
1. Administration	8 139	2.29%	6 911	1.82%
2. Planning, Policy and Strategy	3 230	5.85%	14 768	20.63%
3. University Education	2 816	0.01%	15 969	0.04%
4. Technical and Vocational Education and Training	1 440	0.02%	1 635	0.02%
5. Skills Development	649	0.53%	808	0.45%
6. Community Education and Training	68 310	3.61%	10 626	0.53%
<b>Total</b>	<b>84 584</b>	<b>0.20%</b>	<b>50 717</b>	<b>0.10%</b>

The under-expenditure did not impact negatively on the Department's programmes and service delivery. Factors that contributed to under-expenditure included savings realised on Community Education and Training claims not received as projected, the moratorium placed on the filling of vacant posts transferred from Provincial Education Departments in respect of the Technical and Vocational Education and Training and Community Education and Training functions, posts on the staff establishment that became vacant during the year and that could not be filled as projected as a result of the large volume of applications received and the concomitant savings on these, Legal and Legislative fees for claims not received for court cases as projected, administrative costs relating to the provision for PILLAR and courier services that was not claimed as projected, operational costs of regional offices that did not take place as projected, operational costs relating to the newly established CET Colleges as well as cost containment measures put 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 on the spending levels in terms of the Public Finance Management Act. The reprioritisation of activities within the objectives of the Department was also considered, when necessary.

For more information on under-expenditure or savings, please refer to the Notes to the Appropriation Statement.

### Virement

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

Shifted from	Shifted to	Amount
3: University Education	1: Administration	806
6: Community Education and Training	1: Administration	6 080
6: Community Education and Training	4: Technical and Vocational Education and Training	71 378



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Savings were mainly realised on Compensation of Employees in Programme 6 due to uncertainties on the division of posts in regional offices and the post provisioning norms of the various payrolls that were transferred to the Department of Higher Education and Training in this sector as well as posts that became vacant during the year and that could not be filled as projected including the concomitant savings that resulted from this as well as operational costs for the Community Education and Training function. These savings were mainly shifted to defray excess expenditure on cost for Communications and Office Accommodation in Programme 1: Administration and examination and moderation related costs in Programme 4: Technical and Vocational Education and Training.

Treasury approvals were received for the following:

- To increase the transfer payments to Technical and Vocational Education and Training Colleges for skills development projects (Reference number 9/4/5/4/13 dated 17 March 2017);
- To increase transfer payments to the Education and Training Development Programme Sector Education and Training Authority (ETDPSeta) for skills development programmes in respect of Community Education and Training (Reference number 9/4/5/4/14 dated 17 March 2017); and
- To reprioritise funds of the academic clinical training grant among the Cape Peninsula University of Technology, Durban University of Technology, University of the Free State, University of KwaZulu-Natal, North West University, and the University of Zululand and to shift funds from the Infrastructure and Efficiency grant to the capital budget allocation of the two new universities in Mpumalanga and Northern Cape (Reference number 9/4/4/4/13 24 March 2017).

Approval was received from the Minister of Finance (reference number M3/4/3/2/13 (950/17) dated 2 April 2017) to shift funds for leave gratuities (household expenditure) from the compensation of employees budget. The virement was approved in accordance with the Public Finance Management Act and reported to National Treasury and the Minister.

## **2. Services rendered by the Department**

### **2.1 Services rendered**

The Department was in the main responsible for the formulation of national higher education and training policy as well as for monitoring and evaluating the implementation of policies. Revenue collected was for services that were rendered on a national basis in respect of TVET College examinations and certificates, the registration of private HEIs as well as revenue generated by the Institute for the National Development of Learnerships, Employment Skills and Labour Assessments (Indlela) from fees for trade tests, boarding and rentals. The total revenue collected in this regard for the period under review amounted to R5.317 million (R5.405 million in 2015/16).

## 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
<b>Examination fees</b>	
a) Enrolment fees per subject/instructional offering	20.00
b) Enrolment fees per instructional offering Report 191 (N4 – N6)	27.00
c) Concessions, amanuenses and additional time per subject/instructional offering	51.00
d) Remarking per subject/instructional offering	81.00
e) Rechecking per subject/instructional offering	14.50
f) Reissuing of/changes to/amendments of statement results	19.00
g) National Senior Certificate (Technical), National Certificate (Vocational), National N3 Certificate and Subject Certificate	90.00
h) Applications for the reissuing of the National Senior Certificate (Technical), National Certificate (Vocational), National N3 Certificate and Subject Certificate	90.00
i) Confirmation document issued prior to the certificate (system-generated document)	15.00
j) Letter to embassies (work/study abroad)	20.00
k) Teacher certificates	30.00
l) Statements for teacher qualifications	15.00
m) Transfer of examination entries	25.00
n) Exemption for, or recognition of subjects passed with other examining bodies	50.00
o) Postage	
• Africa	117.00
• Overseas (diplomatic bag)	140.00
• Overseas via the Post Office	200.00
p) Verification of qualifications prior to 1992 for government organisations	15.00
q) Verification of qualifications prior to 1992 for non-government organisations	35.00
r) Late entry or amendments penalty	21.00
s) Syllabuses (only applicable to examining bodies that supplied syllabuses to other examining bodies)	1.00

### Private Technical and Vocational Education and Training (TVET) Colleges

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

	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:

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

## Trade test tariffs

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

### 2.3 Free services

None

### 2.4 Inventories

The inventories on hand at year-end amounted to R163 457 (R484 285 on 31 March 2016).

## 3. Capacity constraints

Capacity constraints are experienced by the Department in relation to staff capacity, physical accommodation and financial resources. The Department continues to experience funding shortfalls regarding a number of key areas. This makes it difficult to realise the growth requirements within the Post-School Education and Training system in terms of enrolments, infrastructure requirements and student support services. It furthermore has a direct impact on the ability of the Department to manage and perform key operations such as institutional monitoring and evaluation, especially taking into account that the Department is responsible for 112 institutions across the country, with more than 3 000 delivery points. The effective roll out of regional presence by the Department, including the establishment of Client Service desks, remains a key challenge due to limited funds. Key functions such as National Examinations and Assessments are required to function within limited baseline funding.

The Department is not able to implement its revised structure and is currently experiencing various staff capacity constraints such as the following:

- For Information Technology Services, the Department had to appoint technicians on a contract basis after the contract with the supplier of Information Technology Services in the Department expired;
- Staff shortages in the areas of the TVET and CET sectors, Financial Management, Supply Chain Management and Human Resources Management due to increased work volumes based on the TVET and CET function shift;
- Limited capacity to manage the Open Learning System, the National Qualifications Framework as well as Social Cohesion and Equity;
- A large number of vacant posts in the University Education Branch. Although these posts were advertised, delays were experienced with the filling of some posts and the Department was not in all cases able to find suitable candidates;
- The TVET bursary administration function is unable to monitor compliance with the bursary rules and guidelines at college level;
- The National Examinations and Assessment Chief Directorate, despite the identification of several attrition posts that are in the process of being filled, remains critically under-staffed which is compromising service delivery and turn-around times; and
- A number of areas within the Skills Development sector rely on project funding from the National Skills Fund to enable it to perform critical functions such as the National Artisan Moderation Body, Work Integrated Learning and Artisan Development.

The abovementioned staff capacity constraints have a direct impact on the ability of the Department to manage all its responsibilities in a systematic and effective manner to serve the general public. A major impact on service delivery is experienced due to the time it takes to process reports, the monitoring and evaluation of projects and grants and the ability to respond timeously to concerns and complaints brought to the Department by students, parents, institutions and the general public. Workloads in general are high and results in individual officials, especially at senior management level, being considerable overextended. This has already resulted in staff experiencing severe stress and incidences of burn out have been experienced.

#### 4. Utilisation of donor funds

The Department received new donations totalling R161.667 million in cash from foreign donors during the 2016/17 financial year. Expenditure of R81.579 million was incurred against funds held in the Reconstruction and Development Programme (RDP) Fund. The balance of the funds available to the Department in the RDP Fund, as at 31 March 2017, was R170.452 million.

Donor funds were mainly used as follows:

##### European Union

- The Strengthening Foundation Phase Teacher Education Programme has been implemented since 2010/11, as part of the Primary Education Sector Policy Support Programme. The project has been concluded and the close-out report was signed off.

*A total amount of R17.936 million was spent on this project during 2016/17.*

- The Teaching and Learning Development Capacity Improvement Programme was approved and five plans, one for each focus area (TVET; CET; ECD; Primary Education; and Special Needs) were developed. The project will focus on strengthening aspects of teacher education at universities through research, programme development and material development. These five plans among other include: Ten universities which are being supported to develop new qualification programmes for Early Childhood Development educators; 12 universities being supported to develop new qualification programmes for TVET College lecturers; ten universities being supported to develop new qualification programmes for CET lecturers; three universities are being supported to develop as centres of specialisation for special needs education, one in visual impairment studies, another in deaf education studies and a third focussed on education for learners with neurodevelopmental disorders. All universities involved in primary teacher education are collaborating to develop knowledge and practice standards, curriculum frameworks and teacher education materials for the development of primary mathematics and literacy/ languages teachers.

*Of the total allocation of R200 million, R18.101 million was spent on this project during 2016/17.*

- The Career Development Services Project - Policy and Coordination: The Department has been mandated by Cabinet to develop a National Policy for an Integrated Career Development System across all spheres of Government. During the year under review, the policy has been finalised after extensive consultation and public comments and approved by Cabinet for publication on 29 March 2017. The existence of the interim National Career Development Forum (NCDF) was recorded with its sub-structures viz, Career Development Government Forum (CDGF) and the Career Development SETA Forum (CDSF). The CDGF and the CDSF met in September 2016 to discuss the post-public comments draft of the policy before it was presented to the Social Protection, Community and Human Development (SPCHD) Cluster. In April 2016 the Department hosted the first Annual Career Development Stakeholder Conference. This conference was attended by career development services experts, the public sector, private sector and civil society sector.

*Of the total allocation of R60 million, R21.225 million was spent on this project during 2016/17.*

- The Career Development Services Project - Implementation: Through this project the Department is offering free information, guidance and advice services through its Career Development Helpline. It is a multi-platform service through telephone (0860 35 66 35 (Mon-Fri: 08:00 to 16:30); e-mail (careerhelp@dhet.gov.za); SMS or "Please call me" (072 204 5056); Facebook: [www.facebook.com/careerhelp](http://www.facebook.com/careerhelp) or Walk-In Centre at 123 Frances Baard Street. The Department participated in career information sessions with NEET Youth as well as Grade 9 to 12 learners as part of the school visit programme. Career information sessions are group based with Question and Answer sessions and cover among others, topics such as career choice and career pathing, the Post-School education system, financing studies and applying on time. The Department also participated in career exhibitions targeting learners across the country.

The Department makes career development information freely available on the Careerhelp website ([careerhelp.org.za](http://careerhelp.org.za)), the mobi-site ([mobi.careerhelp.org.za](http://mobi.careerhelp.org.za)) and the National Career Advice Portal (NCAP) at <http://ncap.careerhelp.org.za>. The NCAP has been further developed, functionalities improved and links with the Employment Services of South Africa (ESSA) database of the Department of Labour established. The portal provides learners and the broader public with information on occupations, related learning pathways, where to study and what to study. It helps people to make decisions on their career pathing and also includes over 1 000 videos on different occupations.

The most successful platform to provide career information is the Khetha radio programmes, which run on 12 SABC African radio stations in all 11 official languages including Lotus FM and XK!FM (Khoi San language). The programmes are flighted weekly on these national radio stations. Themes are aligned with specific events and time-frames for learners, including Grade 12 learners such as the different options and opportunities available in Post-School education and training, how to apply on time for access into Post-School education and training programmes and information-sharing on available career options and choices.

For the 2016/17 period, the Department conducted "BLITZ campaigns" aimed at advocating career development services to the general public. During these campaigns, Khetha Cards are distributed with contact details on career development advice, guidance and information. Career development Post-School opportunities are furthermore shared on the Careerhelp Facebook Page and on Twitter. The Deputy Minister visited 15 schools as part of the Apply Now! Campaign. Over 1 million Apply Now! Booklets were distributed at exhibitions, expos and each high school in South Africa received Apply Now! Booklets for all Grade 10 to 12 learners.

The Information Hub is functional and frequently asked questions are updated regularly, based on information received from the Helpline.

*Of the total allocation of R99 million, R36.439 million was spent on this project during 2016/17.*

- The National Open Learning System for Post-School Education and Training (NOLS) 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. During 2016/17, the Google Course Builder platform was approved to be used as a prototype of a Learning Content Management System to develop, deliver and manage one or more online courses. The prototype is accessible on

<https://www.openlearning.org.za>. The following courses will be developed on NOLS: National Occupational Qualification: Electrician; four subjects for the NASCA, i.e. Mathematics, Quantative Literacy, English First Additional Language and Natural Science; two NC(V) subjects for TVET Colleges, i.e. Engineering Technology Level 2 and Engineering Physics Level 2; and Occupational Certificate: Career Development Information Officer.

*A total amount of R895 507.43 was spent on this project in the 2016/17 financial year.*

- The European Union – SA Dialogue facility supports the development of a framework to enhance interaction, coordination and collaboration between relevant stakeholders to produce more professional graduates. Funds were received to put a process in place that will deliver a framework for collaboration among all role-players within the human resource development agenda of the country. The national and international researchers have been appointed and have presented its draft report to the steering committee.

*A total amount of R1.775 million was received in 2016/17 for this purpose.*

- The European Union – SA Dialogue facility aims to improve the effectiveness of university teaching through the assessment and accreditation of academics as teachers. The programme has started in partnership with the European Union and the Council on Higher Education. A steering committee has been appointed, a work programme was developed and a website is functional.

*A total amount of R1.879 million was received in 2016/17 for this purpose.*

#### **The Netherlands Government**

- The Netherlands through NUFFIC/CINOP is funding the development of a Business Management System (BMS) and a Lecturer Support System (LSS). An electronic platform where colleges can record unit record data on a Departmental platform was developed through this project. A web-based platform has also been developed which delivers curriculum content instruction to lecturers. The content is assimilated in such a manner that it reflects the curriculum and provides the lecturer with pedagogical information on delivery. There are a number of resources developed as part of the package which assists the lecturer in the classroom. As part of the LSS a comprehensive implementation network has been established. Each college has a LSS coordinator and facilitators who arrange for remote learning sessions to take place. Funds for this project are administered by CINOP.

*A total amount of R10.250 million was received in kind for the 2016/17 financial year.*

#### **Ministry for Economic Development in Germany**

- The Ministry for Economic Development in Germany through GIZ is funding two projects namely “Skills for Green Jobs” and “Skills for a Green Economy”. The project: “Skills for Green Jobs” includes greening of colleges, development of a curriculum for renewable energy technology and a solar water geyser installation project. A dual system methodology is being used for the “Skills for Green Economy” project to deliver electrical and plumber qualifications at four TVET Colleges. To date only the electrical project has commenced and 100 learners enrolled. Significant resources have been spent by the German Government on material development processes and the development of lecturers. The South African contribution has largely been funding of learners and funding is still required for infrastructure development.

#### **Austrian Ministry of Education**

- The Austrian Ministry of Education is supporting the Department to develop a guideline document in support of entrepreneurship in the country.

#### **Royal Danish Government**

- The Royal Danish Government support was received for the Education and Skills Development programme in South Africa. The purpose of this project is to identify, implement, and strengthen good practices in the support services provided to students in selected TVET Colleges. The project came to an end during 2016.

#### **Chinese Government**

- The Chinese Government offered 2 000 training opportunities to South Africa for the period 2015 to 2020.
- The Chinese Government also contributed to the development of designs and plans for the refurbishment of four TVET Colleges.

## **5. Public entities**

As at 31 March 2016, 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 and promote the quality of higher education. The passing of the Higher Education Amendment Act, 2008 and the National Qualifications Framework Act, 2009 signified a significant change for the Council, from its function as an advisory body, to a quality council for higher education. This mandates the CHE to audit higher education institutions, accredit programmes offered, develop a higher education qualifications framework and set standards.

An amount of R40.928 million was transferred to the CHE in the 2016/17 financial year.

During 2016/17 the following strategic objectives were executed by the CHE:

- Advice to the Minister on:
  - Fees Adjustments at Public Universities for 2017;
  - Commented on the proposed Policy for the Post-School Education and Training Central Application Service (November 2016) and provided advice to the Minister of Higher Education on its publication;
  - Commented on the Draft Policy on the Evaluation of Creative Outputs and Innovations produced by South African Public Higher Education Institutions of the Department of Higher Education and Training;
  - Commented on the draft Policy Framework on Open Learning and Distance Education in South African Post-School Education and Training; and
  - Monitored the state of higher education leading to the compilation and release of The *VitalStats* 2014 publication which is being distributed to institutions. The Learning-to-teach and Kagisano 11 research outputs were also published.
- Continued to develop further and manage the HEQSF, including the articulation of qualifications



- between the three sub-frameworks, namely, the HEQSF, the General and Further Education and Training Qualifications Sub-Framework and the Trades and Occupations Qualifications Sub-Framework;
- Developed the following standards for higher education qualifications to inform and guide the development, registration and publication of qualifications. Progress regarding the standards development framework was as follows:
    - Bachelor of Engineering and Advanced Diploma from ECSA was finalised and uploaded on CHE website for public comments. Public comments were received and finalised for the NSRC discussion;
    - 2nd draft of BCom standard documents were in a process of being finalised;
    - Final draft document for the Bachelor of Sports Coaching had been reviewed prior to sending it out to the institutions for further comment;
    - Doctorate project plan – Filled NRF–CHE grant proposal for Phase 1 of Doctorate Standard and Review and finalised the request for nominees for Doctoral Reference Group. Appointment letters were sent out; and
    - Stakeholder database was received from National Library of South Africa in preparation for the initial workshop in May 2017.
  - Continued with the implementation of the Quality Enhancement Project (QEP). A total number of 18 institutional visits were conducted during the 2016/17 financial year. QEP activities were executed in line the QEP process as agreed on with universities and other stakeholders. Progress reports linked to QEP were received;
  - Accredited new programmes submitted by public and private higher education institutions and re-accredited existing programmes offered by private higher education institutions as follows:
    - 86% of new accredited programmes with an approved HEQC outcome were finalised within 12 months of check listing;
    - 100% of re-accredited programmes with an approved HEQC outcome tabled within 18 months of check listing were finalised; and
    - 66% of site visits with an HEQC outcome were finalised.
  - Completed the national reviews of the LLB degree programme offered by higher education institutions;
  - Promoted quality and developed capacity and understanding of the role of quality assurance in improving quality provision in higher education at both the systemic and institutional levels through the following fora:
    - The Quality Assurance Fora for public universities and private higher education institutions were held on 23 and 25 August 2016, respectively;
    - The Quality Assurance Forum for Professional Councils was held on 24 March 2017;
    - One issue of the newsletter was produced and distributed to stakeholders in June 2016. The second issue of the newsletter was produced and distributed in October 2016. A third issue of the newsletter was produced and distributed in March 2017;
    - RPL, CAT and Assessment Policy final publication came out in September 2016; and
    - The Good Practice Guide for the Quality Management of Short Courses came out in October 2016.
  - Ensured the development of human resources management environment that enables staff to develop their full potential. 77% of staff received training and 83% of the organisational structure was filled;

- Ensured that financial, administration and supply chain management is compliant with the requirements of the PFMA, relevant Treasury regulations and laws. 15 finance and supply chain policies, frameworks, procedures and guidelines were reviewed or developed. 100% of eligible employees, suppliers and third parties were paid within 30 days; and
- Effective Governance and Compliance of ICT with statutory requirements:
  - Revised ICTSC's Strategic and Operational Plans were approved;
  - Terms of Reference of the Change Control Committee was approved; and
  - Eight ICT policies, frameworks, guidelines, procedures and processes were reviewed or developed.

## **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 and for advising the Minister on matters relating to student financial aid.

An amount of R11 392.674 million was transferred to the NSFAS in 2016/17.

Other sources of revenue are donor funds, money repayable on study loans and interest on investments. During the 2016/17 financial year, the unaudited number of students who received NSFAS financial assistance amounts to 481 220 (226 007 students at TVET Colleges and 255 213 students at universities).

## **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 National Qualifications Framework (NQF) Act, 2008, which replaced the former SAQA Act. In terms of the new NQF Act, SAQA continued to focus on upholding the principles of the NQF, including ensuring access, quality, redress and development for all learners through an integrated national framework of learning achievements.

The Department transferred an amount of R56.895 million to SAQA during the 2016/17 financial year.

During the 2016/17 financial year SAQA dealt with the following:

- Monitored progress made against the NQF implementation Framework for 2015 to 2020 and continued to monitor progress against the Ministerial Guidelines for 2015/16;
- A total of 685 023 individuals used one of SAQA's digital platforms;
- Compliant data was loaded from the Quality Councils (QCs) onto the National Learner Records Database (NLRD) and produced a comprehensive report of all records on the NLRD;
- Submitted six reports to the Minister on misrepresentation related to local and foreign qualifications;
- Reported on 24 national qualifications and 201 foreign qualifications having been misrepresented for the year. To date 447 national and 1 015 foreign qualifications had been misrepresented;
- Dealt with 25 440 applications for evaluation of foreign qualifications, and compared and recognised 25 188 qualifications;

- Verified 81 833 national qualifications;
- Recognised eight professional bodies and registered 49 professional designations;
- Registered 361 qualifications on the NQF and recorded ten learning programmes;
- Monitored 34 professional bodies for compliance against the Policy and Criteria for the recognition of Professional Bodies;
- Work began on the 2017 NQF Impact Study;
- Provided advice to Minister on SAQA implementing the Articulation Ombuds function; and
- Produced a roadmap with timelines for the pilot study for African countries to align to the SADC Qualifications Framework.

#### **5.4 The National Skills Fund (NSF)**

The National Skills Fund was established in 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 are 20 percent of the skills development levies as contemplated in the Skills Development Levies Act, 1999 as collected by the South African Revenue Service (SARS); Interest earned on investments held at the Public Investment Corporation; and uncommitted surpluses from the SETAs that are transferred to the NSF in terms of SETA grant regulations. The money in the fund may be used for the primary objectives as defined by the prescripts of the Skills Development Act, namely to fund projects identified in the national skills development strategy 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 has been approved and published in Government Gazette No. 33740 dated 8 November 2010 and to fund any activity undertaken by the Minister to achieve a national standard of good practice in skills development.

The Department transferred an amount of R3 033.145 million from direct charges to the NSF during 2016/17.

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

During 2016/17, there were 21 SETAs that were mandated by section 9 of the Skills Development Act, 1998 to provide skills development across various economic sectors. Their main objectives are to implement sector skills plans aimed at developing the appropriate skills, to develop and register learning programmes and to distribute skills development levy funds. The SETAs meet the NSDS targets by means of a legislated service level agreement with the Department. 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 target, which is also 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 National Skills Development Strategy 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 overall performance of the SETAs across all outcomes based on the year under review is satisfactory. The following NSDS goals were achieved during the 2016/17 financial year:

- Total workers entered: Learnerships, Bursaries and Skills Programmes – 130 353 learners funded;

- Total workers certificated: Learnerships, Bursaries and Skills Programmes – 107 704 learners funded;
- Total unemployed entered: Learnerships, Internships, Bursaries and Skills Programmes – 114 203 learners funded;
- Total unemployed certificated: Artisan, University graduate placement, TVET College partnerships, universities partnerships, AET programmes, co-operatives supported and small business supported – 29 581 learners certificated; and
- Total number of NGOs, NLPEs and CBOs supported and career guidance provided – 17 596.

The Department transferred an amount of R12 199.864 million from direct charges to SETAs during the 2016/17 financial year.

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

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

The Department transferred an amount of R23.138 million to the QCTO during the 2016/17 financial year.

The major achievements of SAQA for the 2016/17 financial year are detailed below:

- 80 Occupational qualifications were approved by the QCTO for recommendation to SAQA for registration;
- The QCTO has accredited 221 Skills Development Providers that seek to offer occupational qualifications. There are 20 occupational qualifications that had learner information and uptake. Verifiers have been appointed to accredit and monitor Skills Development Providers and would commence their work in first quarter of 2017/18;
- 78 Historically registered qualifications were submitted to SAQA for deregistration or deactivation;
- The QCTO has continued on strengthening collaborative efforts to support the delivery of occupational qualifications. In this regard the QCTO has been working closely with academies of learning associated with State owned Entities;
- The QCTO applied its full quality assurance for the new Occupational Qualifications;
- As at the end of the 2016/17 reporting period the QCTO approved 37 Assessment Quality Partners (AQPs) to assess registered occupational qualifications. This includes the National Artisan Moderating Body (NAMB) as the AQP for trades as well as SETAs, and Professional Bodies;
- The QCTO trade test certification system was re-developed and is now functional to upload learner information electronically, where information was previously captured manually. The System is functional and effective and security on the system and processes were enhanced. The development of a fully-fledged certification system for all qualifications on the OQSF is being prioritised with the development of the Management Information System (MIS) system, currently receiving priority;
- The certification unit processed 100% (20 066 records) of the certification recommendations for trade certificates within a 21 working day turnaround time received from NAMB;

- The QCTO issued 183 Occupational Certificates in four occupational qualifications in the 2016/17 financial year. 78 of which were achieved through RPL processes for access to the External Integrated Summative Assessment; and
- The Monitoring and Evaluation Unit conducted planned monitoring visits to 30 Quality Assurance Partners (QAPs). These include the 21 SETAs as well as nine professional bodies.

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

### **6.1 Higher Education Institutions (HEIs)**

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

A total amount of R27 964.560 million was transferred to HEIs.

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

An amount of R16.186 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 R1 566.747 million was transferred to the 50 TVET Colleges.

### **6.4 CET Colleges**

For the year under review, CET Colleges were not yet fully operational and did not have the required administrative and financial systems in place in order to manage their resources effectively and efficiently. Consequently, funds were transferred to identified TVET Colleges in order to support the CET Colleges and to enable them to perform their functions. A total amount of R98.053 million was transferred for this purpose.

### **6.5 Other transfers**

- **Commonwealth of Learning**

An amount of R2.648 million was transferred to the Commonwealth of Learning, being the membership fee for South Africa.

- **Universities South Africa**

An amount of R8.172 million was transferred to Universities South Africa for the Higher Education HIV and Aids programme.

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

An amount of R55.727 million was transferred to the Public Service Sector Education and Training Authority for Skills Development in the public sector.

## **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**

The Department's risk management and fraud prevention strategies/plans have been reviewed and approved by the Director-General. Risk assessments (both strategic and operational) are performed regularly to identify new and emerging risks for effective management. The identified risks (both strategic and operational) are monitored regularly in order to implement risk mitigation strategies. Effectiveness of the risk management and fraud prevention strategies/plans is monitored by the Risk Management Committee, Senior Management and the Audit Committee.

### **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, internal controls and governance processes.

The Internal Audit Unit operates with skilled personnel and functions as required by the PFMA and Treasury Regulations. An audit plan was developed subsequent to the risk assessment conducted in the Department and approved by the Audit Committee. During the year under review, internal audit engagements were performed in accordance with the Audit Plan. Due to a lack of staff to execute all the work on the audit plan, the Department utilised 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, management of risks, audit processes, the monitoring of compliance with laws and regulations and the Department's own code of business conduct. The Audit Committee is in place and functions effectively as required by the PFMA and Treasury Regulations. The Audit Committee held five meetings during the period under review and was assisted by Internal Audit, which provides secretariat services.

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

All senior managers in the Department are compelled to declare their financial interests to the Minister on an annual basis. Furthermore, all employees of the Department are compelled to request permission from the Director-General before they do any work outside the Department that generates additional 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. Copies of the Code of Conduct for Public Servants were distributed to every official in the Department and have been fully implemented.

Employees who violate the Code of Conduct are disciplined in terms of the Disciplinary Code and Procedures for the Public Service. This code of conduct is also now implemented in public colleges.

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

A new electronic access control system is in the process of being installed with minor infrastructure changes also being effected that would enable security screening upon entering and exiting the building at 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. This will be done in terms of Control of Access to Public Premises and Vehicles Act 53 of 1985.

## **8.7 Other governance structures**

- **Bid Committees**

- **Bid Specification Committee (BSC)**

A minimum of three members constitute the BSC recommended by the relevant Deputy Director-General and appointed by the Chief Financial Officer. A representative from the Legal Services and Supply Chain Management units 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 transversal contract. The draft specification/terms of reference reflect among others the scope of work, technical requirements, evaluation criteria and any special conditions, etc. The specifications/terms of reference drafted by the committee must promote open market competition. Specifications are submitted to the Accounting Officer for approval via the BAC (refer to below) prior to advertisement in the Government Tender Bulletin (GTB), on the e-tender Portal and the Website of the Department and for construction bids, are also published on the CIDB website.

- **Bid Evaluation Committee (BEC)**

A minimum of three members constitute the BEC recommended by the relevant Deputy Director-General and appointed by the Chief Financial Officer. A representative from the Legal Services and Supply Chain Management units forms part of the committee in an advisory capacity. The committee is responsible for evaluation of bids submitted, according to published evaluation criteria. The BEC submits recommendations to award or not to award to the Accounting Officer via the BAC.



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

The BAC is appointed by the Accounting Officer and is constituted by senior officials mainly from various Branches within the Department, including Legal Services. Supply Chain Management provides advisory and secretarial services to the BAC. The Accounting Officer also appointed 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, considering requests or recommendations for the advertising of bids, deviations, extensions of contracts, the appointment or cancellation of contracts, etc. 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 PFMA, Treasury Regulations and other relevant and applicable legislation. The committee is scheduled to meet at least once in 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 and endorse ICT plans, policies and standards. Furthermore, the ITSC prioritises implementation of ICT projects and the funding thereof. The ITSC coordinates and endorses compliance of the Department's ICT architecture, configuration and initiatives with the strategic directions of the Government Information Technology Officer Council (GITOC), as well as Government policies and standards. The ITSC regulates the acquisition, deployment, use and disposal of all Information and Communications Technology (ICT), Information Systems (IS) and Information Management Systems (IMS) in the Department. This is done in terms of standardisation, need, quantity required, frequency of use, as well as the potential impact on work outcomes and cost advantages. Its role is to ensure that the office of the Government Information Technology Officer (GITO) plans and investment in ICT supports the strategic goals of the Department.

## **9. Discontinued activities/activities to be discontinued**

None.

## **10. New/proposed activities**

New activities that may have severe budgetary implications on the operations of the Department are linked to the TVET and CET function shift with effect from 1 April 2015. The budget programme structure of the Department was realigned accordingly and approved with effect from 1 April 2016.

## **11. Asset management**

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

All assets, including those newly acquired, are currently reflected on the Department's consolidated Asset Register.

The information regarding all assets transferred to the Department for utilisation in respect of posts for the respective TVET and CET functions, subsequent to the function shift process for Gauteng, Limpopo, Mpumalanga, North West, Western Cape and Northern Cape have also been captured in the Asset Register.

Assets to be transferred subsequent to the function shift for the Free State, Eastern Cape and KwaZulu-Natal have not yet been signed-off by the Heads of Departments in these provinces and are, therefore, not included in the Asset Register. The transfer of ownership to the Department will be complete once the requisite transfer certificates have been issued by the Heads of Departments and duly received in terms of Section 42 of the PFMA.

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

The Asset Register complies with the minimum requirements.

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

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

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

The recording of assets in the asset register takes place according to component accounting, while the recording of the payments for assets on the financial systems is treated as a unit. A reconciliation is performed on a monthly basis between minor and major assets to address any discrepancies.

## **12. Events after the reporting date**

None.

## **13. Information on predetermined objectives**

The Department was responsible for the development of policy on higher education and skills-related matters in relation to monitoring and evaluating policy implementation. The information on pre-determined objectives is incorporated as part of 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**

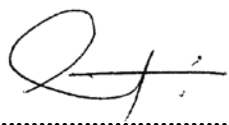
Interim Financial Statements were compiled according to the guidelines issued by National Treasury and submitted to National Treasury during the 2016/17 financial year.

## **18. Other**

None.

## **19. Approval**

The Annual Financial Statements, set out on pages 193 to 278, were approved by the Accounting Officer.



.....  
**Mr GF Qonde**

**Director-General**

**Date: 31 May 2017**

We are pleased to present our report for the financial year ended 31 March 2017.

## **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 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 there in.

## **The effectiveness of internal control**

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

Several instances of non-compliance regarding internal controls were reported by both Internal Audit and the AGSA. Some of the actions were 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. Specific control deficiencies exist in the reporting of performance information and the control over irregular expenditure. The Audit Committee will continue to monitor progress against the corrective action plans implemented by management.

The controls regarding user access management, Information Technology service continuity and security management in the Information technology systems environment were still not effective as substantiated by the relevant internal and external audit reports.

There has been an improvement in the controls to the extent that there were no material adjustments to the financial statements resulting from the audit. The system of control over the generation, collation and reporting of performance information for Programme 4, 5 and 6 remains a concern.

## **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 reporting of performance information against set objectives 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 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. Management is complemented for the fact that there were no material adjustments to the financial statements resulting from the audit.

## 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 in its audits. Additional capacity has been obtained for Internal Audit and staff were able to complete all the audits approved in the coverage plan by the Audit Committee.

## Risk Management

A risk management strategy as well as a Risk Management Committee is in place. Risk Management is still not totally effective in the Department. There should be an improvement in monitoring of risks within the Department and the updating of the operational risk register.

## 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, the work performed by the team has contributed to the improvement in the control environment in the Department.

## Conclusion

The Audit Committee congratulates the Department for 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 identified by external and internal audits functions.



**Prof D.P. van der Nest**

**Chairperson of the Audit Committee**

**Department of Higher education and Training**

**Date: 31 July 2017**

## Report on the audit of the financial statements

### Opinion

1. I have audited the annual financial statements of the Department of Higher Education and Training (DHET) as set out on pages 193 to 256, which comprise the appropriation statement, the statement of financial position as at 31 March 2017, the 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 annual 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 2017, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard 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 my report.
4. I am independent of the Department in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and 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 code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of matter

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

### Significant uncertainties

7. With reference to note 21 to the financial statements, the large increase in contingent liabilities is attributable to the possible pension liability of 500 TVET college staff members and the interest accrued during 2016-17. There are uncertainties relating to the amount of the outflow in respect of claims for the possible pension liability of R113,120 million, as calculated by actuarial valuers, which relates to the employment status of staff previously remunerated by college councils.

### Responsibilities of the accounting officer for the financial statements

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with Modified Cash Standard 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.

9. 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 accounting officer either intends to liquidate the department or cease operations, or has no realistic alternative but to do so.

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

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

## Report on the audit of the annual performance report

### Introduction and scope

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
13. My procedures address the reported performance information, which must be based on the department's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the department's annual performance report for the year ended 31 March 2017:

Programmes	Pages in annual performance report
Programme 2 – planning, policy and strategy	67 - 70
Programme 3 – university education	73 - 86 and 88 - 90
Programme 4 – technical and vocational education and training	93 - 97 and 99 - 100
Programme 5 – skills development	103 - 104 and 106
Programme 6 – community education and training	109 - 111 and 113



15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. The material findings in respect of the reliability of the selected programmes are as follows:

## **Programme 4 – technical and vocational education and training**

### **Various indicators**

17. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the indicators listed below. 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 reported achievements.

<b>Indicator</b>	<b>Reported achievement</b>
Headcount enrolments in TVET Colleges	741 542 (2016/17 Un-Verified)
Certification rates in TVET qualifications (NC(V) L4) (%)	32.6%
Certification rates in TVET qualifications (N3) (%)	Not available
Certification rates in TVET qualifications (N6) (%)	Not available
Percentage of public TVET college examination centres conducting national examinations and assessments in compliance with national policy (%)	Not available
TVET throughput rate (%)	The department is not in a position to generate these statistics
Funded NC(V) L4 students obtaining qualification within the stipulated time (%)	The department is not in a position to generate these statistics.

## **Programme 5 – skills development**

### **Indicator: Work-based learning opportunities**

18. The reported achievement for the target relating to work-based learning opportunities was misstated as the evidence provided indicated 231 206 and not 148 517 as reported.

## **Programme 6 – community education and training**

### **Various indicators**

19. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the indicators listed below. 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 reported achievements.

<b>Indicator</b>	<b>Reported achievement</b>
Headcount enrolments in all CET colleges (n)	0
Certification rates in formal CET qualifications (%)	0

## AND

20. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:
- Programme 2 – policy, planning and strategy
  - Programme 3 - university education.

## Other matters

21. I draw attention to the matters below.

## Achievement of planned targets

22. Refer to the annual performance report on pages 67-70; 73-86; 88-90; 93-97; 99-100; 103-104; 106; 109-111 and 113 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a number of targets.

## Adjustment of material misstatements

23. 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 vocational education, programme 5: skills development and training and programme 6: community education and training. As management subsequently corrected only some of the misstatements, I raised material findings on the reliability of the reported performance information.

## Report on audit of compliance with legislation

### Introduction and scope

24. 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.
25. The material findings in respect of the compliance criteria for the applicable subject matters are as follows:

### Procurement management

26. Goods and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by treasury regulation 16A6.1. Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of treasury regulation 16A6.4.
27. Invitations for competitive bidding were not always advertised for a required minimum period, as required by treasury regulation 16A6.3(c).
28. Quotations were accepted from prospective suppliers who had not submitted a declaration on whether they are employed by the state or connected to any person employed by the state, which is prescribed in order to comply with treasury regulation 16A8.3.

## **Expenditure management**

29. Effective steps were not taken to prevent irregular expenditure amounting to R63 817 223 as disclosed in note 27 to the annual financial statements, in contravention of section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1.

## **Other information**

30. The department is responsible for the other information. The other information comprises the information included in the annual report, which includes the executive authority report, the accounting officer's report and the audit committee's report. The other information does not include the annual financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.
31. 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.
32. 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 annual financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

## **Internal control deficiencies**

33. I considered internal control relevant to my audit of the annual financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and findings on compliance with legislation included in this report.

## **Leadership**

34. The department does not have sufficient monitoring controls over financial and performance management and compliance with laws and regulations due to inadequate consequence management to hold staff accountable for monitoring effective implementation of internal controls during the year. As a consequence, the department was not in a position to identify non-compliance with policies and procedures and relevant legislation and to take the necessary corrective actions in a timely manner to prevent misstatements of reported performance information and irregular expenditure.

## Financial and performance management

35. The department does not have appropriate record management systems to ensure that complete, relevant and accurate information is accessible and readily available to support the employee costs in the financial statements.
36. Sufficient controls over employee costs and disclosure notes are not implemented regularly throughout the year to ensure that information fairly represents the financial affairs of the department in accordance with the Modified Cash Standard.
37. Verification controls implemented by management over performance reporting were not fully effective to ensure that reported information is valid, accurate and complete and supporting listings are accurate. There is also a lack of reporting regulations which require TVET Colleges to report on headcount enrolments.
38. The department did not implement effective and appropriate controls to ensure adequate monitoring of compliance with relevant legislation, resulting in repeat findings on the financial statements, performance report and supply chain management.

*Auditor-General*

**Auditor-General**

**Pretoria**

**31 July 2017**



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure A – Auditor-general's responsibility for the audit

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

### Financial statements

40. In addition to my responsibility for the audit of the financial statements, as described in the 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 department's ability 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 the opinion on the financial statements. My conclusions are based on the information available to me at the date of the 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 whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Communication with those charged with governance

41. 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.
42. 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, related safeguards.

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 15

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2017

Appropriation per programme									
Voted funds and Direct charges	2016/17							2015/16	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Programme</b>									
1. Administration	372 738	-	6 886	379 624	372 713	6 911	98.2	354 958	346 819
2. Planning, Policy and Strategy	71 584	-	-	71 584	56 816	14 768	79.4	55 249	52 019
3. University Education	39 532 493	-	(806)	39 531 687	39 515 718	15 969	100.0	32 847 445	32 844 629
4. Technical and Vocational Education and Training	6 960 244	-	71 378	7 031 622	7 029 987	1 635	100.0	6 606 250	6 604 810
5. Skills Development	181 443	-	-	181 443	180 635	808	99.6	123 547	122 898
6. Community Education and Training	2 069 777	-	(77 458)	1 992 319	1 981 693	10 626	99.5	1 892 689	1 824 379
<b>Programme sub total</b>	<b>49 188 279</b>	<b>-</b>	<b>-</b>	<b>49 188 279</b>	<b>49 137 562</b>	<b>50 717</b>	<b>99.9</b>	<b>41 880 138</b>	<b>41 795 554</b>
<b>Statutory Appropriation</b>	<b>15 233 009</b>	<b>-</b>	<b>-</b>	<b>15 233 009</b>	<b>15 233 009</b>	<b>-</b>	<b>100.0</b>	<b>15 156 433</b>	<b>15 156 433</b>
Skills Levy and Sector Education and Training Authorities	15 233 009	-	-	15 233 009	15 233 009	-	100.0	15 156 433	15 156 433
<b>TOTAL</b>	<b>64 421 288</b>	<b>-</b>	<b>-</b>	<b>64 421 288</b>	<b>64 370 571</b>	<b>50 717</b>	<b>99.9</b>	<b>57 036 571</b>	<b>56 951 987</b>
<b>Reconciliation with Statement of Financial Performance</b>									
<b>Add:</b>									
Departmental receipts				41 311				15 444	
Aid assistance				98 001				46 813	
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>				<b>64 560 600</b>				<b>57 098 828</b>	
<b>Add:</b> Aid assistance					81 579				41 039
<b>Actual amounts per Statement of Financial Performance (Total Expenditure)</b>					<b>64 452 150</b>				<b>56 993 026</b>

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DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 15

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2017

Appropriation per economic classification							2015/16		
							2016/17		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Inventory: Clothing material and accessories	10	(10)	-	-	-	-	0.0	-	-
Inventory: Food and food supplies	300	(300)	-	-	-	-	0.0	-	-
Inventory: Fuel, oil and gas	-	76	-	76	74	2	97.4	-	44
Inventory: Material and supplies	1 044	1 037	-	2 081	2 080	1	100.0	-	1 371
Inventory: Medical supplies	35	(35)	-	-	-	-	0.0	-	-
Consumable supplies	3 536	(474)	-	3 062	3 032	30	99.0	6 479	4 930
Consumable: Stationery, printing and office supplies	49 110	(8 964)	(9 680)	30 466	30 391	75	99.8	36 209	35 931
Operating leases	6 677	(1 460)	-	5 217	5 256	(39)	100.7	3 468	3 348
Property payments	51 748	5 003	2 346	59 097	59 100	(3)	100.0	70 107	70 070
Transport provided: Departmental activity	1 421	4 118	-	5 539	5 499	40	99.3	1 273	1 273
Travel and subsistence	68 010	18 216	-	86 226	84 203	2 023	97.7	89 663	88 580
Training and development	25 394	(11 208)	(11 649)	2 537	2 536	1	100.0	2 464	2 446
Operating payments	13 630	2 023	-	15 653	15 636	17	99.9	14 688	14 651
Venues and facilities	3 454	7 654	-	11 108	11 100	8	99.9	10 182	10 157
Rental and hiring	7 919	(7 816)	-	103	101	2	98.1	1 227	1 220
<b>Transfers and subsidies</b>	<b>56 465 297</b>	<b>12 842</b>	<b>(116)</b>	<b>56 478 023</b>	<b>56 477 360</b>	<b>663</b>	<b>100.0</b>	<b>49 360 496</b>	<b>49 358 600</b>
Departmental agencies and accounts	26 848 696	(29 370)	(116)	26 819 210	26 819 212	(2)	100.0	21 745 861	21 745 547
Departmental agencies (non-business entities)	26 848 696	(29 370)	(116)	26 819 210	26 819 212	(2)	100.0	21 745 861	21 745 547
Higher education institutions	27 964 818	-	-	27 964 818	27 964 560	258	100.0	26 243 227	26 243 110

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 15  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2017

Appropriation per economic classification									
2016/17									2015/16
	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
Foreign governments and international organisations	2 896	-	-	2 896	2 648	248	91.4	3 156	2 588
Non-profit institutions	1 641 222	31 899	-	1 673 121	1 672 972	149	100.0	1 362 752	1 362 040
Households	7 665	10 313	-	17 978	17 968	10	99.9	5 500	5 315
Social benefits	7 665	10 313	-	17 978	17 968	10	99.9	5 500	5 315
<b>Payments for capital assets</b>	<b>7 705</b>	<b>2 875</b>	-	<b>10 580</b>	<b>9 935</b>	<b>645</b>	<b>93.9</b>	<b>10 986</b>	<b>10 187</b>
Machinery and equipment	7 705	2 816	-	10 521	9 877	644	93.9	10 873	10 075
Transport equipment	-	-	-	-	-	-	0.0	2 456	2 455
Other machinery and equipment	7 705	2 816	-	10 521	9 877	644	93.9	8 417	7 620
Software and other intangible assets	-	59	-	59	58	1	98.3	113	112
<b>Payments for financial assets</b>	-	<b>2</b>	<b>116</b>	<b>118</b>	<b>118</b>	-	<b>100.0</b>	<b>51 903</b>	<b>51 902</b>
<b>Total</b>	<b>64 421 288</b>	-	-	<b>64 421 288</b>	<b>64 370 571</b>	<b>50 717</b>	<b>99.9</b>	<b>57 036 571</b>	<b>56 951 987</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 15  
APPROPRIATION STATEMENT

**Detail per programme 1 – Administration**  
for the year ended 31 March 2017

Details per sub-programme	2016/17						2015/16		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1. Ministry	33 260	6 624	-	39 884	39 558	326	99.2	39 884	39 735
2. Department Management	46 927	5 348	4 540	56 815	56 308	507	99.1	51 421	51 153
3. Corporate Services	148 667	(4 139)	-	144 528	143 098	1 430	99.0	132 436	126 422
4. Office of the Chief Financial Officer	81 244	(10 869)	-	70 375	66 443	3 932	94.4	56 999	55 663
5. Internal Audit	9 233	512	-	9 745	9 025	720	92.6	7 023	6 676
6. Office Accommodation	53 407	2 524	2 346	58 277	58 281	(4)	100.0	67 195	67 170
Total	372 738	-	6 886	379 624	372 713	6 911	98.2	354 958	346 819

**DEPARTMENT OF HIGHER EDUCATION AND TRAINING**  
**VOTE 15**  
**APPROPRIATION STATEMENT**

**Detail per programme 1 – Administration**  
for the year ended 31 March 2017

Programme 1 per economic classification	2016/17						2015/16		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>367 345</b>	<b>(762)</b>	<b>6 886</b>	<b>373 469</b>	<b>366 785</b>	<b>6 684</b>	<b>98.2</b>	<b>345 703</b>	<b>338 139</b>
Compensation of employee es	203 398	(152)	-	203 246	196 833	6 413	96.8	168 453	161 657
Salaries and wages	143 770	33 921	-	177 691	174 248	3 443	98.1	145 213	143 510
Social contributions	59 628	(34 073)	-	25 555	22 585	2 970	88.4	23 240	18 147
Goods and services	163 947	(610)	6 886	170 223	169 952	271	99.8	177 250	176 482
Administrative fees	1 076	(12)	-	1 064	1 064	-	100.0	998	996
Advertising	1 516	612	2 620	4 748	4 745	3	99.9	1 350	1 340
Minor assets	3 762	(2 371)	-	1 391	1 378	13	99.1	2 358	2 326
Audit costs: External	13 637	(2 455)	-	11 182	11 181	1	100.0	9 526	9 525
Bursaries: Employees	310	(38)	-	272	272	-	100.0	330	329
Catering: Departmental activities	1 544	(385)	-	1 159	1 153	6	99.5	570	563
Communication (G&S)	3 370	1 252	-	4 622	4 669	(47)	101.0	4 227	4 195
Computer services	31 465	(6 109)	-	25 356	25 354	2	100.0	30 611	30 603
Consultants: Business and advisory services	5 154	(4 466)	-	688	687	1	99.9	1 160	1 158
Legal services	1 434	4 147	-	5 581	5 580	1	100.0	993	991
Contractors	1 332	563	-	1 895	1 871	24	98.7	11 707	11 474
Agency and support /outsourced services	7 168	5 902	-	13 070	13 070	-	100.0	10 513	10 454
Entertainment	101	(63)	-	38	38	-	100.0	103	52
Fleet services (including government motor transport)	814	90	-	904	912	(8)	100.9	1 101	1 097
Consumable supplies	923	213	-	1 136	1 135	1	99.9	1 247	1 176
Consumable: Stationery, printing and office supplies	4 926	(1 068)	1 920	5 778	5 757	21	99.6	5 911	5 819
Operating leases	5 544	(3 646)	-	1 898	1 888	10	99.5	2 083	2 055
Property payments	51 095	5 323	2 346	58 764	58 767	(3)	100.0	67 741	67 713
Transport provided: Departmental activity	773	1 824	-	2 597	2 589	8	99.7	631	631

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 15  
APPROPRIATION STATEMENT

**Detail per programme 1 – Administration**  
for the year ended 31 March 2017

Programme 1 per economic classification	2016/17						2015/16		
	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	13 771	6 952	-	20 723	20 497	226	98.9	18 135	18 048
Training and development	2 975	(508)	-	2 467	2 466	1	100.0	2 368	2 367
Operating payments	8 858	(5 743)	-	3 115	3 107	8	99.7	2 156	2 141
Venues and facilities	2 184	(445)	-	1 739	1 737	2	99.9	896	896
Rental and hiring	215	(179)	-	36	35	1	97.2	535	533
<b>Transfers and subsidies</b>	<b>139</b>	<b>762</b>	<b>-</b>	<b>901</b>	<b>902</b>	<b>(1)</b>	<b>100.1</b>	<b>560</b>	<b>246</b>
Departmental agencies and accounts	-	449	-	449	449	-	100.0	484	170
Departmental agencies (non-business entities)	-	449	-	449	449	-	100.0	484	170
Households	139	313	-	452	453	(1)	100.2	76	76
Social benefits	139	313	-	452	453	(1)	100.2	76	76
<b>Payments for capital assets</b>	<b>5 254</b>	<b>-</b>	<b>-</b>	<b>5 254</b>	<b>5 026</b>	<b>228</b>	<b>95.7</b>	<b>8 421</b>	<b>8 160</b>
Machinery and equipment	5 254	(59)	-	5 195	4 968	227	95.6	8 333	8 072
Transport equipment	-	-	-	-	-	-	0.0	2 456	2 455
Other machinery and equipment	5 254	(59)	-	5 195	4 968	227	95.6	5 877	5 617
Software and other intangible assets	-	59	-	59	58	1	98.3	88	88
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>274</b>	<b>274</b>
<b>Total</b>	<b>372 738</b>	<b>-</b>	<b>6 886</b>	<b>379 624</b>	<b>372 713</b>	<b>6 911</b>	<b>98.2</b>	<b>354 958</b>	<b>346 819</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 15  
APPROPRIATION STATEMENT

**Detail per programme 2 - Planning, Policy and Strategy**  
for the year ended 31 March 2017

Details per sub-programme	2016/17						2015/16		
	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	3 283	-	-	3 283	2 189	1 094	66.7	3 232	3 222
2. Human Resource Development, Strategic Planning and Coordination	17 014	113	-	17 127	15 770	1 357	92.1	14 929	14 816
3. Planning, Information, Monitoring and Evaluation Coordination	17 841	(165)	-	17 676	9 871	7 805	55.8	11 010	10 707
4. International Relations	13 305	129	-	13 434	11 961	1 473	89.0	11 853	11 242
5. Legal and Legislative Services	14 539	(73)	-	14 466	11 945	2 521	82.6	9 459	7 464
6. Social Inclusion in Education	5 602	(4)	-	5 598	5 080	518	90.7	4 766	4 568
<b>Total</b>	<b>71 584</b>	<b>-</b>	<b>-</b>	<b>71 584</b>	<b>56 816</b>	<b>14 768</b>	<b>79.4</b>	<b>55 249</b>	<b>52 019</b>

## APPROPRIATION STATEMENT

## Detail per programme 2 - Planning, Policy and Strategy

for the year ended 31 March 2017

Programme 2 per economic classification	2016/17					2015/16			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>68 201</b>	<b>(71)</b>	<b>-</b>	<b>68 130</b>	<b>53 680</b>	<b>14 450</b>	<b>78.8</b>	<b>51 580</b>	<b>49 149</b>
Compensation of employees	58 256	(56)	-	58 200	44 362	13 838	76.2	44 247	42 479
Salaries and wages	40 446	10 498	-	50 944	39 818	11 126	78.2	39 057	37 975
Social contributions	17 810	(10 554)	-	7 256	4 544	2 712	62.6	5 190	4 504
Goods and services	9 945	(15)	-	9 930	9 318	612	93.8	7 333	6 670
Administrative fees	-	-	-	-	-	-	0.0	8	8
Advertising	4	-	-	4	4	-	100.0	31	31
Minor assets	70	7	-	77	74	3	96.1	43	32
Catering: Departmental activities	68	(20)	-	48	45	3	93.8	29	26
Communication (G&S)	645	131	-	776	744	32	95.9	843	815
Computer services	71	(41)	-	30	29	1	96.7	140	139
Consultants: Business and advisory services	-	-	-	-	-	-	0.0	7	7
Legal services	4 175	(307)	-	3 868	3 674	194	95.0	1 188	966
Contractors	-	-	-	-	-	-	0.0	2	1
Agency and support /outsourced services	246	-	-	246	246	-	100	556	495
Fleet services (including government motor transport)	-	-	-	-	-	-	0.0	1	-
Consumable supplies	54	2	-	56	50	6	89.3	53	12
Consumable: Stationery, printing and office supplies	939	(126)	-	813	724	89	89.1	908	855
Operating leases	10	19	-	29	29	-	100.0	32	32
Property payments	-	-	-	-	-	-	0.0	3	2
Transport provided: Departmental activity	347	(63)	-	284	265	19	93.3	-	-
Travel and subsistence	2 817	430	-	3 247	2 983	264	91.9	2 988	2 793
Training and development	97	(35)	-	62	62	-	100.0	26	10
Operating payments	324	51	-	375	375	-	100.0	217	207
Venues and facilities	78	(63)	-	15	14	1	93.3	98	79
Rental and hiring	-	-	-	-	-	-	0.0	160	160



## DEPARTMENT OF HIGHER EDUCATION AND TRAINING

## VOTE 15

## APPROPRIATION STATEMENT

## Detail per programme 2 - Planning, Policy and Strategy

for the year ended 31 March 2017

Programme 2 per economic classification	2016/17						2015/16		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Transfers and subsidies</b>	<b>2 902</b>	<b>71</b>	<b>-</b>	<b>2 973</b>	<b>2 726</b>	<b>247</b>	<b>91.7</b>	<b>3 175</b>	<b>2 606</b>
Departmental agencies and accounts	-	15	-	15	16	(1)	106.7	8	7
Departmental agencies (non-business entities)	-	15	-	15	16	(1)	106.7	8	7
Foreign governments and international organisations	2 896	-	-	2 896	2 648	248	91.4	3 156	2 588
Households	6	56	-	62	62	-	100.0	11	11
Social benefits	6	56	-	62	62	-	100.0	11	11
<b>Payments for capital assets</b>	<b>481</b>	<b>-</b>	<b>-</b>	<b>481</b>	<b>410</b>	<b>71</b>	<b>85.2</b>	<b>494</b>	<b>264</b>
Machinery and equipment	481	-	-	481	410	71	85.2	469	240
Other machinery and equipment	481	-	-	481	410	71	85.2	469	240
Software and other intangible assets	-	-	-	-	-	-	0.0	25	24
<b>Total</b>	<b>71 584</b>	<b>-</b>	<b>-</b>	<b>71 584</b>	<b>56 816</b>	<b>14 768</b>	<b>79.4</b>	<b>55 249</b>	<b>52 019</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 15  
APPROPRIATION STATEMENT

**Detail per programme 3 - University Education**

for the year ended 31 March 2017

Details per sub-programme	2016/17							2015/16	
	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	4 670	220	-	4 890	4 320	570	88.3	4 026	3 915
2. University – Academic Planning and Management	11 508 497	(351)	(806)	11 507 340	11 504 145	3 195	100.0	6 558 347	6 557 911
3. University – Financial Planning and Information Systems	12 594	(614)	-	11 980	8 843	3 137	73.8	8 572	8 437
4. University – Policy and Development	27 627	660	-	28 287	23 838	4 449	84.3	22 330	21 048
5. Teacher Education	14 287	85	-	14 372	10 012	4 360	69.7	10 943	10 208
6. University Subsidies	27 964 818	-	-	27 964 818	27 964 560	258	100.0	26 243 227	26 243 110
<b>Total</b>	<b>39 532 493</b>	<b>-</b>	<b>(806)</b>	<b>39 531 687</b>	<b>39 515 718</b>	<b>15 969</b>	<b>100.0</b>	<b>32 847 445</b>	<b>32 844 629</b>

**DEPARTMENT OF HIGHER EDUCATION AND TRAINING**  
**VOTE 15**  
**APPROPRIATION STATEMENT**

**Detail per programme 3 - University Education**

for the year ended 31 March 2017

Programme 3 per economic classification	2016/17						2015/16		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	68 635	(88)	(806)	67 741	52 124	15 617	76.9	52 050	49 369
Compensation of employees	61 094	(62)	-	61 032	45 918	15 114	75.2	46 101	43 468
Salaries and wages	42 282	12 997	-	55 279	40 875	14 404	73.9	39 033	38 793
Social contributions	18 812	(13 059)	-	5 753	5 043	710	87.7	7 068	4 675
Goods and services	7 541	(26)	(806)	6 709	6 206	503	92.5	5 949	5 901
Administrative fees	14	(14)	-	-	-	-	0.0	-	-
Advertising	146	(131)	-	15	15	-	100.0	26	26
Minor assets	50	11	-	61	57	4	93.4	33	32
Catering: Departmental activities	141	62	-	203	202	1	99.5	93	90
Communication (G&S)	414	148	-	562	552	10	98.2	620	613
Computer services	660	(473)	-	187	145	42	77.5	260	259
Consultants: Business and advisory services	151	(151)	-	-	-	-	0.0	3	3
Contractors	-	13	-	13	13	-	100.0	-	-
Agency and support /outsourced services	1 068	(245)	(806)	17	17	-	100.0	127	127
Fleet services (including government motor transport)	26	(26)	-	-	-	-	0.0	-	-
Consumable supplies	20	4	-	24	16	8	66.7	29	27
Consumable: Stationery, printing and office supplies	518	(120)	-	398	391	7	98.2	487	479
Operating leases	94	(16)	-	78	77	1	98.7	85	82
Property payments	2	(2)	-	-	-	-	0.0	1	-
Transport provided: Departmental activity	115	61	-	176	170	6	96.6	39	39
Travel and subsistence	3 939	477	-	4 416	3 993	423	90.4	3 677	3 658
Training and development	18	(10)	-	8	8	-	100.0	23	23
Operating payments	6	219	-	225	225	-	100.0	157	155
Venues and facilities	156	170	-	326	325	1	99.7	276	275
Rental and hiring	3	(3)	-	-	-	-	0.0	13	13

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 15  
APPROPRIATION STATEMENT

**Detail per programme 3 - University Education**

for the year ended 31 March 2017

Programme 3 per economic classification	2016/17						2015/16		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Transfers and subsidies</b>	<b>39 463 487</b>	<b>88</b>	-	<b>39 463 575</b>	<b>39 463 316</b>	<b>259</b>	<b>100.0</b>	<b>32 795 158</b>	<b>32 795 034</b>
Departmental agencies and accounts	11 490 497	26	-	11 490 523	11 490 525	(2)	100.0	6 544 163	6 544 156
Departmental agencies (non-business entities)	11 490 497	26	-	11 490 523	11 490 525	(2)	100.0	6 544 163	6 544 156
Higher education institutions	27 964 818	-	-	27 964 818	27 964 560	258	100.0	26 243 227	26 243 110
Non-profit institutions	8 172	-	-	8 172	8 172	-	100.0	7 761	7 761
Households	-	62	-	62	59	3	95.2	7	7
Social benefits	-	62	-	62	59	3	95.2	7	7
<b>Payments for capital assets</b>	<b>371</b>	<b>-</b>	<b>-</b>	<b>371</b>	<b>278</b>	<b>93</b>	<b>74.9</b>	<b>237</b>	<b>226</b>
Machinery and equipment	371	-	-	371	278	93	74.9	237	226
Other machinery and equipment	371	-	-	371	278	93	74.9	237	226
<b>Total</b>	<b>39 532 493</b>	<b>-</b>	<b>(806)</b>	<b>39 531 687</b>	<b>39 515 718</b>	<b>15 969</b>	<b>100.0</b>	<b>32 847 445</b>	<b>32 844 629</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 15  
APPROPRIATION STATEMENT

**Detail per programme 4 – Technical and Vocational Education and Training**  
for the year ended 31 March 2017

Details per sub-programme	2016/17							2015/16	
	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	3 765	840	-	4 605	4 569	36	99.2	7 536	6 177
2. Technical and Vocational Education and Training System Planning and Institutional Support	6 662 396	(89 424)	-	6 572 972	6 572 115	857	100.0	6 144 326	6 144 247
3. Programmes and Qualifications	10 556	497	-	11 053	10 860	193	98.3	11 391	11 482
4. National Examinations and Assessment	278 546	87 897	71 378	437 821	437 516	305	99.9	439 164	439 074
5. Financial Planning	4 981	190	-	5 171	4 927	244	95.3	3 833	3 830
<b>Total</b>	<b>6 960 244</b>	<b>-</b>	<b>71 378</b>	<b>7 031 622</b>	<b>7 029 987</b>	<b>1 635</b>	<b>100.0</b>	<b>6 606 250</b>	<b>6 604 810</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 15  
APPROPRIATION STATEMENT

**Detail per programme 4 – Technical and Vocational Education and Training**  
for the year ended 31 March 2017

Programme 4 per economic classification	2016/17						2015/16		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>5 372 841</b>	<b>(7 983)</b>	<b>71 378</b>	<b>5 436 236</b>	<b>5 434 713</b>	<b>1 523</b>	<b>100.0</b>	<b>5 264 695</b>	<b>5 263 170</b>
Compensation of employees	5 254 824	(35 895)	71 378	5 290 307	5 289 339	968	100.0	5 120 698	5 119 809
Salaries and wages	3 462 281	1 045 770	71 378	4 579 429	4 578 604	825	100.0	4 576 498	4 576 353
Social contributions	1 792 543	(1 081 665)	-	710 878	710 735	143	100.0	544 200	543 456
Goods and services	118 017	27 912	-	145 929	145 374	555	99.6	143 997	143 361
Administrative fees	26	(6)	-	20	19	1	95.0	2	2
Advertising	50	54	-	104	104	-	100.0	309	307
Minor assets	158	7	-	165	163	2	98.8	185	184
Catering: Departmental activities	797	496	-	1 293	1 286	7	99.5	649	647
Communication (G&S)	3 998	(2 810)	-	1 188	1 181	7	99.4	1 173	1 168
Computer services	45 343	14 266	-	59 609	59 608	1	100.0	34 023	34 020
Consultants: Business and advisory services	3 172	(3 170)	-	2	2	-	100.0	1 867	1 865
Contractors	1	6	-	7	5	2	71.4	2	1
Agency and support /outsourced services	291	528	-	819	819	-	100.0	4 939	4 938
Fleet services (including government motor transport)	20	4	-	24	28	(4)	116.7	38	37
Consumable supplies	507	(313)	-	194	190	4	97.9	447	443
Consumable: Stationery, printing and office supplies	16 247	3 607	-	19 854	19 889	(35)	100.2	26 442	26 382
Operating leases	208	148	-	356	407	(51)	114.3	234	231
Transport provided: Departmental activity	18	2 073	-	2 091	2 089	2	99.9	3	3
Travel and subsistence	40 159	1 971	-	42 130	41 517	613	98.5	54 439	53 892
Training and development	-	-	-	-	-	-	0.0	13	12
Operating payments	3 862	7 353	-	11 215	11 211	4	100.0	11 329	11 328
Venues and facilities	495	6 363	-	6 858	6 856	2	100.0	7 891	7 889
Rental and hiring	2 665	(2 665)	-	-	-	-	0.0	12	12

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 15  
APPROPRIATION STATEMENT

**Detail per programme 4 – Technical and Vocational Education and Training**

for the year ended 31 March 2017

Programme 4 per economic classification	2016/17						2015/16		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers and subsidies</b>	<b>1 586 602</b>	<b>7 138</b>	<b>(116)</b>	<b>1 593 624</b>	<b>1 593 620</b>	<b>4</b>	<b>100.0</b>	<b>1 289 212</b>	<b>1 289 219</b>
Departmental agencies and accounts	45 570	(31 673)	(116)	13 781	13 780	1	100.0	22 827	22 834
Departmental agencies (non-business entities)	45 570	(31 673)	(116)	13 781	13 780	1	100.0	22 827	22 834
Non-profit institutions	1 534 848	31 899	-	1 566 747	1 566 747	-	100.0	1 262 521	1 262 521
Households	6 184	6 912	-	13 096	13 093	3	100.0	3 864	3 864
Social benefits	6 184	6 912	-	13 096	13 093	3	100.0	3 864	3 864
<b>Payments for capital assets</b>	<b>801</b>	<b>845</b>	<b>-</b>	<b>1 646</b>	<b>1 538</b>	<b>108</b>	<b>93.4</b>	<b>997</b>	<b>1 075</b>
Machinery and equipment	801	845	-	1 646	1 538	108	93.4	997	1 075
Other machinery and equipment	801	845	-	1 646	1 538	108	93.4	997	1 075
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>116</b>	<b>116</b>	<b>116</b>	<b>-</b>	<b>100.0</b>	<b>51 346</b>	<b>51 346</b>
<b>Total</b>	<b>6 960 244</b>	<b>-</b>	<b>71 378</b>	<b>7 031 622</b>	<b>7 029 987</b>	<b>1 635</b>	<b>100.0</b>	<b>6 606 250</b>	<b>6 604 810</b>



DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 15  
APPROPRIATION STATEMENT

**Detail per programme 5 – Skills Development**  
for the year ended 31 March 2017

Details per sub-programme	2016/17							2015/16	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1. Programme Management: Skills Development	2 207	(278)	-	1 929	1 601	328	83.0	2 724	2 645
2. SETA Coordination	147 760	503	-	148 263	147 961	302	99.8	89 218	88 823
3. National Skills Development Services	8 338	(225)	-	8 113	7 935	178	97.8	9 099	8 950
4. Quality Development and Promotion	23 138	-	-	23 138	23 138	-	100.0	22 506	22 480
Total	181 443	-	-	181 443	180 635	808	99.6	123 547	122 898

**DEPARTMENT OF HIGHER EDUCATION AND TRAINING**  
**VOTE 15**  
**APPROPRIATION STATEMENT**

**Detail per programme 5 – Skills Development**

for the year ended 31 March 2017

Programme 5 per economic classification	2016/17							2015/16	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>102 192</b>	<b>(864)</b>	-	<b>101 328</b>	<b>100 611</b>	<b>717</b>	<b>99.3</b>	<b>100 560</b>	<b>100 190</b>
Compensation of employees	90 347	(81)	-	90 266	89 558	708	99.2	86 794	86 634
Salaries and wages	60 294	17 492	-	77 786	77 200	586	99.2	74 853	74 819
Social contributions	30 053	(17 573)	-	12 480	12 358	122	99.0	11 941	11 815
Goods and services	11 845	(783)	-	11 062	11 053	9	99.9	13 766	13 556
Administrative fees	-	1	-	1	1	-	100.0	-	-
Advertising	50	(50)	-	-	-	-	0.0	-	-
Minor assets	1 277	(1 146)	-	131	129	2	98.5	75	67
Catering: Departmental activities	65	(14)	-	51	51	-	100.0	128	125
Communication (G&S)	1 202	352	-	1 554	1 543	11	99.3	1 322	1 297
Computer services	-	-	-	-	-	-	0.0	6	6
Consultants: Business and advisory services	416	396	-	812	813	(1)	100.1	855	833
Contractors	2	212	-	214	278	(64)	129.9	295	295
Agency and support / outsourced services	338	(120)	-	218	218	-	100.0	1 023	1 023
Fleet services (including government motor transport)	189	(17)	-	172	171	1	99.4	155	152
Inventory: Clothing material and accessories	10	(10)	-	-	-	-	0.0	-	-
Inventory: Food and food supplies	300	(300)	-	-	-	-	0.0	-	-
Inventory: Fuel, oil and gas	-	76	-	76	74	2	97.4	-	44
Inventory: Materials and supplies	1 044	1 037	-	2 081	2 080	1	100.0	-	1 371
Inventory: Medical supplies	35	(35)	-	-	-	-	0.0	-	-
Consumable supplies	1 971	(378)	-	1 593	1 581	12	99.2	4 664	3 240
Consumable: Stationery, printing and office supplies	944	(335)	-	609	617	(8)	101.3	654	627

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
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APPROPRIATION STATEMENT

**Detail per programme 5 – Skills Development**  
for the year ended 31 March 2017

Programme 5 per economic classification	2016/17							2015/16	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Operating leases	709	(107)	-	602	602	-	100.0	733	669
Property payments	651	(318)	-	333	333	-	100.0	605	603
Transport provided:									
Departmental activity	148	165	-	313	312	1	99.7	455	455
Travel and subsistence	2 270	(299)	-	1 971	1 923	48	97.6	2 326	2 283
Operating payments	95	7	-	102	100	2	98.0	165	164
Venues and facilities	93	69	-	162	161	1	99.4	254	251
Rental and hiring	36	31	-	67	66	1	98.5	51	51
<b>Transfers and subsidies</b>	<b>78 961</b>	<b>116</b>	<b>-</b>	<b>79 077</b>	<b>79 078</b>	<b>(1)</b>	<b>100.0</b>	<b>21 999</b>	<b>22 000</b>
Departmental agencies and accounts	78 865	35	-	78 900	78 901	(1)	100.0	21 946	21 947
Departmental agencies (non-business entities)	78 865	35	-	78 900	78 901	(1)	100.0	21 946	21 947
Households	96	81	-	177	177	-	100.0	53	53
Social benefits	96	81	-	177	177	-	100.0	53	53
<b>Payments for capital assets</b>	<b>290</b>	<b>746</b>	<b>-</b>	<b>1 036</b>	<b>944</b>	<b>92</b>	<b>91.1</b>	<b>705</b>	<b>426</b>
Machinery and equipment	290	746	-	1 036	944	92	91.1	705	426
Other machinery and equipment	290	746	-	1 036	944	92	91.1	705	426
<b>Payment for financial assets</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>100.0</b>	<b>283</b>	<b>282</b>
<b>Total</b>	<b>181 443</b>	<b>-</b>	<b>-</b>	<b>181 443</b>	<b>180 635</b>	<b>808</b>	<b>99.6</b>	<b>123 547</b>	<b>122 898</b>

## DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 15

## APPROPRIATION STATEMENT

## Detail per programme 6 – Community Education and Training

for the year ended 31 March 2017

Details per sub-programme	2016/17							2015/16	
	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	2 873	178	(1 400)	1 651	1 477	174	89.5	-	-
2. Community Education and Training Colleges Systems Planning, Institutional Support	1 883 555	48	(28 493)	1 855 110	1 849 487	5 623	99.7	1 653 416	1 653 166
3. Financial Planning	166 300	(8 564)	(27 949)	129 787	128 966	821	99.4	225 184	157 186
4. Education and Training and Development Support	17 049	8 338	(19 616)	5 771	1 763	4 008	30.5	14 089	14 027
<b>Total</b>	<b>2 069 777</b>	<b>-</b>	<b>(77 458)</b>	<b>1 992 319</b>	<b>1 981 693</b>	<b>10 626</b>	<b>99.5</b>	<b>1 892 689</b>	<b>1 824 379</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
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APPROPRIATION STATEMENT

**Detail per programme 6 – Community Education and Training**  
for the year ended 31 March 2017

Programme 6 per economic classification	2016/17						2015/16		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>1 969 072</b>	<b>(5 951)</b>	<b>(77 458)</b>	<b>1 885 663</b>	<b>1 875 245</b>	<b>10 418</b>	<b>99.4</b>	<b>1 798 598</b>	<b>1 731 281</b>
Compensation of employees	1 905 793	8 958	(54 209)	1 860 542	1 850 581	9 961	99.5	1 779 313	1 712 348
Salaries and wages	1 229 120	4 458	569 788	1 803 366	1 795 486	7 880	99.6	1 726 257	1 661 736
Social contributions	676 673	4 500	(623 997)	57 176	55 095	2 081	96.4	53 056	50 612
Goods and services	63 279	(14 909)	(23 249)	25 121	24 664	457	98.2	19 285	18 933
Administrative fees	1 000	(1 000)	-	-	-	-	0.0	19	18
Advertising	200	37	-	237	237	-	100.0	1 471	1 471
Minor assets	29	(15)	-	14	66	(52)	471.4	90	84
Bursaries: Employees	-	-	-	-	-	-	-	2 200	2 200
Catering: Departmental activities	371	454	-	825	814	11	98.7	738	687
Communication (G&S)	1 654	(1 568)	-	86	72	14	83.7	191	176
Computer services	-	-	-	-	-	-	0.0	3	3
Consultants: Business and advisory services	1 005	803	-	1 808	1 782	26	98.6	160	160
Legal services	-	151	-	151	151	-	100.0	15	15
Contractors	-	-	-	-	-	-	0.0	306	304
Agency and support /outsourced services	-	227	-	227	227	-	100.0	24	24
Consumable supplies	61	(2)	-	59	60	(1)	101.7	39	32
Consumable: Stationery, printing and office supplies	25 536	(10 922)	(11 600)	3 014	3 013	1	100.0	1 807	1 769
Operating leases	112	2 142	-	2 254	2 253	1	100.0	301	279
Property payments	-	-	-	-	-	-	0.0	1 757	1 752
Transport provided: Departmental activity	20	58	-	78	74	4	94.9	145	145
Travel and subsistence	5 054	8 685	-	13 739	13 290	449	96.7	8 098	7 906
Training and development	22 304	(10 655)	(11 649)	-	-	-	0.0	34	34
Operating payments	485	136	-	621	618	3	99.5	664	656
Venues and facilities	448	1 560	-	2 008	2 007	1	100.0	767	767
Rental and hiring	5 000	(5 000)	-	-	-	-	-	456	451

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 15  
APPROPRIATION STATEMENT

**Detail per programme 6 – Community Education and Training**  
for the year ended 31 March 2017

Programme 6 per economic classification	2016/17							2015/16	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Transfers and subsidies</b>	<b>100 197</b>	<b>4 667</b>	-	<b>104 864</b>	<b>104 709</b>	<b>155</b>	<b>99.9</b>	<b>93 959</b>	<b>93 062</b>
Departmental agencies and accounts	755	1 778	-	2 533	2 532	1	100.0	-	-
Departmental agencies (non-business entities)	755	1 778	-	2 533	2 532	1	100.0	-	-
Non-profit institutions	98 202	-	-	98 202	98 053	149	99.8	92 470	91 758
Households	1 240	2 889	-	4 129	4 124	5	99.9	1 489	1 304
Social benefits	1 240	2 889	-	4 129	4 124	5	99.9	1 489	1 304
<b>Payments for capital assets</b>	<b>508</b>	<b>1 284</b>	-	<b>1 792</b>	<b>1 739</b>	<b>53</b>	<b>97.0</b>	<b>132</b>	<b>36</b>
Machinery and equipment	508	1 284	-	1 792	1 739	53	97.0	132	36
Other machinery and equipment	508	1 284	-	1 792	1 739	53	97.0	132	36
<b>Total</b>	<b>2 069 777</b>	<b>-</b>	<b>(77 458)</b>	<b>1 992 319</b>	<b>1 981 693</b>	<b>10 626</b>	<b>99.5</b>	<b>1 892 689</b>	<b>1 824 379</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
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APPROPRIATION STATEMENT

**Detail – Direct Charges against the National Revenue Fund**  
for the year ended 31 March 2017

Statutory Appropriation							
2016/17				2015/16			
Direct charges	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %
1. Sector Education and Training Authorities	12 199 864	-	-	12 199 864	12 199 864	-	100.0
2. National Skills Fund	3 033 145	-	-	3 033 145	3 030 539	-	100.0
<b>Total</b>	<b>15 233 009</b>	<b>-</b>	<b>-</b>	<b>15 233 009</b>	<b>15 233 009</b>	<b>-</b>	<b>100.0</b>
					<b>15 156 433</b>	<b>15 156 433</b>	<b>15 156 433</b>

Statutory appropriation per economic classification							
2016/17				2015/16			
Economic classification	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %
<b>Transfers and subsidies</b>	<b>15 233 009</b>	<b>-</b>	<b>-</b>	<b>15 233 009</b>	<b>15 233 009</b>	<b>-</b>	<b>100.0</b>
Departmental agencies and accounts	15 233 009	-	-	15 233 009	15 233 009	-	100.0
Departmental agencies (non-business entities)	15 233 009	-	-	15 233 009	15 233 009	-	100.0
<b>Total</b>	<b>15 233 009</b>	<b>-</b>	<b>-</b>	<b>15 233 009</b>	<b>15 233 009</b>	<b>-</b>	<b>100.0</b>
					<b>15 156 433</b>	<b>15 156 433</b>	<b>15 156 433</b>



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

Detail of these transactions can be viewed in the note on Transfers and Subsidies 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	%
<b>Administration</b>	379 624	372 713	6 911	1.82

The under-spending is due mainly to attrition posts that became vacant during the year that could not be filled as projected as well as vacant funded posts that was advertised as part of the TVET and CET function shift process during 2015/16 that was only filled mid 2016/17 due to the large volume of applications received and the concomitant savings on goods and services and machinery and equipment.

<b>Planning, Policy and Strategy</b>	71 584	56 816	14 768	20.63
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The under-spending is due mainly to: 1) posts that became vacant during the year that could not be filled as projected as well as vacant funded posts that was advertised as part of the TVET and CET function shift process during 2015/16 that was only filled mid 2016/17 due to the large volume of applications received; (2) outstanding invoices for litigation matters that was not received on time; and 3) a saving on the transfer to the India-Brazil-South Africa Trilateral Commission as no invoice were received for services rendered during the financial year and the favourable Rand/Dollar Exchange rate that was applicable when payments were made to the Commonwealth of Learning.

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 15

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2017

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
<b>University Education</b>	39 531 687	39 515 718	15 969	0.04

The under-spending is due mainly to attrition posts that became vacant during the year that could not be filled as projected as well as challenges in finding suitable candidates for specific professional posts.

<b>Technical and Vocational Education and Training</b>	7 031 622	7 029 987	1 635	0.02
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There were no material variances.

<b>Skills Development</b>	181 443	180 635	808	0.45
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There were no material variances.

<b>Community Education and Training</b>	1 992 319	1 981 693	10 626	0.53
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The under-spending is due mainly to claims in respect of Community Education and Training lecturers that were not received on time, as well as uncertainties on the division of posts in regional offices and the post provisioning norms of the various payrolls that were transferred to the Department of Higher Education and Training.

**DEPARTMENT OF HIGHER EDUCATION AND TRAINING**  
**VOTE 15**  
**NOTES TO THE APPROPRIATION STATEMENT**  
for the year ended 31 March 2017

**4.2 Per economic classification:**

	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Variance as a % of Final Appropriation</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>
<b>Current expenditure</b>				
Compensation of employees	7 563 593	7 516 591	47 002	0.62
Goods and services	368 974	366 567	2 407	0.65
<b>Transfers and subsidies</b>				
Departmental agencies and accounts	26 819 210	26 819 212	(2)	(0.00)
Higher education institutions	27 964 818	27 964 560	258	0.00
Foreign governments and international organisations	2 896	2 648	248	8.56
Non-profit institutions	1 673 121	1 672 972	149	0.01
Households	17 978	17 968	10	0.06
<b>Payments for capital assets</b>				
Machinery and equipment	10 521	9 877	644	6.12
Software and other intangible assets	59	58	1	1.69
<b>Payment for financial assets</b>	<b>118</b>	<b>118</b>	<b>-</b>	<b>-</b>

**Compensation of Employees**

The under-spending is due mainly to: 1) attrition of posts that became vacant during the year that could not be filled as projected; 2) vacant funded posts that were advertised as part of the TVET and CET function shift process during 2015/16 that was only filled mid 2016/17 due to the large volume of applications received; 3) challenges in finding suitable candidates for specific professional posts; 4) claims in respect of Community Education and Training lecturers that were not received on time; and 5) uncertainties on the division of posts in regional offices and the post provisioning norms of the various payrolls that were transferred to the Department of Higher Education and Training.

**Goods and services**

There were no material variances on goods and services. However, the under-spending is due mainly to concomitant savings as a result of the slow filling of vacant funded posts.

**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 invoice were received for services rendered in the financial year and the favourable Rand/Dollar Exchange rate that was applicable when payments were made to the Commonwealth of Learning.

**Payments for capital assets**

The under-spending is due mainly to cost saving measures put in place with regards to the replacement of machinery and equipment.

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 15

STATEMENT OF FINANCIAL PERFORMANCE

as at 31 March 2017

		2016/17	2015/16
	Note	R'000	R'000
<b>REVENUE</b>			
Annual appropriation	1	49 188 279	41 880 138
Statutory appropriation	2	15 233 009	15 156 433
Departmental revenue	3	25 549	15 444
Aid assistance	4	98 001	46 813
<b>TOTAL REVENUE</b>		<b>64 544 838</b>	<b>57 098 828</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	5	7 516 591	7 166 395
Goods and services	6	366 567	364 903
Aid assistance	4	60 880	41 039
<b>Total current expenditure</b>		<b>7 944 038</b>	<b>7 572 337</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	8	56 477 360	49 358 600
Aid assistance	4	20 699	-
<b>Total transfers and subsidies</b>		<b>56 498 059</b>	<b>49 358 600</b>
<b>Expenditure for capital assets</b>			
Tangible assets	9	9 877	10 075
Software and other intangible assets	9	58	112
<b>Total expenditure for capital assets</b>		<b>9 935</b>	<b>10 187</b>
<b>Payments for financial assets</b>	7	118	51 902
<b>TOTAL EXPENDITURE</b>		<b>64 452 150</b>	<b>56 993 026</b>
<b>SURPLUS FOR THE YEAR</b>		<b>92 688</b>	<b>105 802</b>
<b>Reconciliation of Net Surplus for the year</b>			
Voted Funds		50 717	84 584
Annual appropriation		50 717	84 584
Departmental revenue and NRF receipts	15	25 549	15 444
Aid assistance	4	16 422	5 774
<b>SURPLUS FOR THE YEAR</b>		<b>92 688</b>	<b>105 802</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 15

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2017

		2016/17	2015/16
	Note	R'000	R'000
<b>ASSETS</b>			
<b>Current Assets</b>		<b>369 070</b>	<b>589 496</b>
Cash and cash equivalents	10	60	199 116
Prepayments and advances	11	35 391	40 387
Receivables	12	330 797	347 451
Loans	13	2 822	2 542
<b>Non-Current Assets</b>		<b>39 104</b>	<b>20 961</b>
Receivables	12	24 804	3 839
Loans	13	14 300	17 122
<b>TOTAL ASSETS</b>		<b>408 174</b>	<b>610 457</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>387 345</b>	<b>590 404</b>
Voted funds to be surrendered to the Revenue Fund	14	50 717	84 584
Departmental revenue to be surrendered to the Revenue Fund	15	2 728	1 005
Bank overdraft	16	282 480	431 375
Payables	17	34 998	67 666
Aid assistance repayable	4	16 422	5 774
<b>Non-Current Liabilities</b>			
Payables	18	2 400	248
<b>TOTAL LIABILITIES</b>		<b>389 745</b>	<b>590 652</b>
<b>NET ASSETS</b>		<b>18 429</b>	<b>19 805</b>
<b>Represented by:</b>			
Capitalisation reserve		17 122	19 664
Recoverable revenue		1 307	141
<b>TOTAL</b>		<b>18 429</b>	<b>19 805</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 15

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2017

	<i>Note</i>	2016/17 R'000	2015/16 R'000
<b>Capitalisation Reserves</b>			
Opening balance		19 664	21 967
Transfers:			
Other movements		(2 542)	(2 303)
Closing balance		<b>17 122</b>	<b>19 664</b>
<b>Recoverable revenue</b>			
Opening balance		141	381
Transfers:		<b>1 166</b>	<b>(240)</b>
Debts recovered (including in Departmental receipts)		(10 326)	(4 274)
Debts raised		11 492	4 034
Closing balance		<b>1 307</b>	<b>141</b>
<b>TOTAL</b>		<b>18 429</b>	<b>19 805</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 15

**CASHFLOW STATEMENT**

for the year ended 31 March 2017

		2016/17	2015/16
	Note	R'000	R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>64 544 838</b>	<b>57 098 656</b>
Annual appropriated funds received	1.1	49 188 279	41 880 138
Statutory appropriated funds received	2	15 233 009	15 156 433
Departmental revenue received	3	22 116	11 481
Interest received	3.2	3 433	3 791
Aid assistance received	4	98 001	46 813
Net (increase)/decrease in working capital		(31 983)	(45 399)
Surrendered to Revenue Fund		(108 410)	(15 946)
Surrendered to RDP Fund/Donor		(5 774)	(2 037)
Current payments		(7 944 038)	(7 572 337)
Payments for financial assets		(118)	(51 902)
Transfers and subsidies paid		(56 498 059)	(49 358 600)
<b>Net cash flow available from operating activities</b>	19	<b>(43 544)</b>	<b>52 435</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	9	(9 935)	(10 187)
Proceeds from sale of capital assets	3.3	-	172
(Increase)/decrease in loans		2 542	2 303
<b>Net cash flows from investing activities</b>		<b>(7 393)</b>	<b>(7 712)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		(1 376)	(2 543)
Increase/(decrease) in non-current payables		2 152	248
<b>Net cash flows from financing activities</b>		<b>776</b>	<b>(2 295)</b>
Net increase/(decrease) in cash and cash equivalents		(50 161)	42 428
Cash and cash equivalents at beginning of period		(232 259)	(274 687)
<b>Cash and cash equivalents at end of period</b>	20	<b>(282 420)</b>	<b>(232 259)</b>



## 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 comprise 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/or 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 as well as 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 when the goods are received or, in the case of services, when they are rendered to the Department or in the case of transfers and subsidies when they are due and payable.

Accruals and payables not recognised are measured at cost.

### 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 measures 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**

Loans and payables are recognised in the Statement of Financial Position at cost.

## **15. Capital Assets**

### **15.1 Immovable capital assets**

Immovable capital assets are initially recorded in the notes to the Financial Statements at cost. Immovable capital assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Where the cost of immovable capital assets cannot be determined reliably, the immovable capital assets are measured at fair value for recording in the asset register.

Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.

### **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 is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that Department.

### **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 that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that Department.

## **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 Commitments

Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the Financial Statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the Department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

## 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 for recovery.

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 therefore 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 is not recoverable.

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 policies that are effected by management have been applied retrospectively 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 change in policy. In such instances the Department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

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 Colleges 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**

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. 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.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Department. The number of individuals and their full compensation is recorded in the notes to the Financial Statements.

## **26. Inventories**

At the date of acquisition, inventories are recorded at cost price in the Statement of Financial Performance.

Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value at the date of acquisition.

Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and current replacement value.

Subsequent measurement of the cost of inventory is determined on the weighted average 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.

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## 1. Annual Appropriation

### 1.1 Annual Appropriation

Programmes	2016/17			2015/16	
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Final Appropriation	Appropriation Received
	R'000	R'000	R'000	R'000	R'000
Administration	379 624	379 624	-	354 958	354 958
Planning, Policy and Strategy	71 584	71 584	-	55 249	55 249
University Education	39 531 687	39 531 687	-	32 847 445	32 847 445
Technical and Vocational Education and Training	7 031 622	7 031 622	-	6 606 250	6 606 250
Skills Development	181 443	181 443	-	123 547	123 547
Community Education and Training	1 992 319	1 992 319	-	1 892 689	1 892 689
<b>Total</b>	<b>49 188 279</b>	<b>49 188 279</b>	<b>-</b>	<b>41 880 138</b>	<b>41 880 138</b>

*The Department had no specifically and exclusively appropriated amounts voted.*

## 2. Statutory Appropriation

Note	2016/17	2015/16
	R'000	R'000
Skills levy and sector education and training authorities	15 233 009	15 156 433
<b>Total</b>	<b>15 233 009</b>	<b>15 156 433</b>
Actual statutory appropriation received	<b>15 233 009</b>	<b>15 156 433</b>

## 3. Departmental Revenue

Sales of goods and services other than capital assets	3.1	10 262	8 998
Interest, dividends and rent on land	3.2	3 433	3 791
Sales of capital assets	3.3	-	172
Transactions in financial assets and liabilities	3.4	11 854	2 483
Total revenue collected		25 549	15 444
<b>Departmental revenue collected</b>		<b>25 549</b>	<b>15 444</b>

*Departmental revenue is understated with an amount of R259 253.99 due to funds received on 30 and 31 March 2017 only interfacing to the Department's PMG account during April 2017. The amount is reflected as Accrued Revenue as disclosed in Note 26.*

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		2016/17	2015/16
	Note	R'000	R'000
<b>3.1 Sales of goods and services other than capital assets</b>	3		
Sales of goods and services produced by the department		<b>10 218</b>	<b>8 983</b>
Sales by market establishment		520	475
Administrative fees		2 180	4 657
Other sales		7 518	3 851
Sales of scrap, waste and other used current goods		44	15
<b>Total</b>		<b>10 262</b>	<b>8 998</b>
<b>3.2 Interest, dividends and rent on land</b>	3		
Interest		3 433	3 791
<b>Total</b>		<b>3 433</b>	<b>3 791</b>
<b>3.3 Sales of capital assets</b>	3		
<b>Tangible assets</b>			
Machinery and equipment		-	172
<b>Total</b>		<b>-</b>	<b>172</b>
<b>3.4 Transactions in financial assets and liabilities</b>	3		
Other receipts including recoverable revenue		11 854	2 483
<b>Total</b>		<b>11 854</b>	<b>2 483</b>
<i>The main reason for the increase in other receipts is due to salary reversals for staff who resigned in the previous financial year.</i>			
<b>4. Aid Assistance</b>			
Opening Balance		5 774	2 037
Transferred from statement of financial performance		16 422	5 774
Paid during the year		(5 774)	(2 037)
<b>Closing Balance</b>		<b>16 422</b>	<b>5 774</b>
<b>4.1 Analysis of balance by source</b>	4		
Aid assistance from RDP		16 422	5 774
<b>Closing Balance</b>		<b>16 422</b>	<b>5 744</b>
<b>4.2 Analysis of balance</b>			
Aid assistance repayable	4	16 422	5 774
<b>Closing balance</b>		<b>16 422</b>	<b>5 774</b>

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		2016/17	2015/16
	Note	R'000	R'000
<b>4.3 Reconciliation of closing balance</b>	4		
Revenue		98 001	46 813
Expenditure		81 579	41 039
<b>Closing balance</b>		<b>16 422</b>	<b>5 774</b>
<b>5. Compensation of employees</b>			
<b>5.1 Salaries and wages</b>			
Basic salary		5 175 665	4 833 838
Performance award		41 631	17 691
Service based		6 095	5 110
Compensative/circumstantial		758 961	863 335
Periodic payments		-	188
Other non-pensionable allowances		723 879	813 023
<b>Total</b>		<b>6 706 231</b>	<b>6 533 185</b>
<i>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.</i>			
<b>5.2 Social contributions</b>			
<b>Employer contributions</b>			
Pension		550 525	430 909
Medical		257 386	199 314
UIF		386	321
Bargaining council		1 154	1 724
Official unions and associations		909	942
<b>Total</b>		<b>810 360</b>	<b>633 210</b>
<b>Total compensation of employees</b>		<b>7 516 591</b>	<b>7 166 395</b>
Average number of employees		28 200	28 184

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		2016/17	2015/16
	Note	R'000	R'000
<b>6. Goods and services</b>			
Administrative fees		1 084	1 024
Advertising		5 105	3 175
Minor assets	6.1	1 867	2 725
Bursaries (employees)		272	2 529
Catering		3 551	2 138
Communication		8 761	8 264
Computer services	6.2	85 136	65 030
Consultants: Business and advisory services		3 284	4 026
Legal services		9 405	1 972
Contractors		2 167	12 075
Agency and support /outsourcing services		14 597	17 061
Entertainment		38	52
Audit cost – external	6.3	11 181	9 525
Fleet services		1 111	1 286
Inventory	6.4	2 154	1 415
Consumables	6.5	33 423	40 861
Operating leases		5 256	3 348
Property payments	6.6	59 100	70 070
Rental and hiring		101	1 220
Transport provided as part of the Departmental activities		5 499	1 273
Travel and subsistence	6.7	84 203	88 580
Venues and facilities		11 100	10 157
Training and development		2 536	2 446
Other operating expenditure	6.8	15 636	14 651
<b>Total</b>		<b>366 567</b>	<b>364 903</b>

*The inventory amount for 2015/16 was restated from R0 to R1.415 million to include items previously classified as consumables and the consumable amount was restated from R42.276 million to R40.861 million to exclude inventory previously classified as consumables.*

<b>6.1 Minor assets</b>	6		
<b>Tangible assets</b>		<b>1 867</b>	<b>2 725</b>
Machinery and equipment		1 867	2 725
<b>Total</b>		<b>1 867</b>	<b>2 725</b>
<b>6.2 Computer Services</b>	6		
SITA computer services		82 862	61 394
External computer services providers		2 274	3 636
<b>Total</b>		<b>85 136</b>	<b>65 030</b>

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	Note	2016/17 R'000	2015/16 R'000
<b>6.3 Audit cost –external</b>	6		
Regularity audits		9 276	8 470
Performance audits		714	148
Computer audits		1 191	907
<b>Total</b>		<b>11 181</b>	<b>9 525</b>
<b>6.4 Inventory</b>	6		
Fuel, oil and gas		74	44
Materials and supplies		2 080	1 371
<b>Total</b>		<b>2 154</b>	<b>1 415</b>
<b>6.5 Consumables</b>	6		
Consumable supplies		3 032	4 930
Uniform and clothing		173	774
Household supplies		1 952	840
Building material and supplies		465	1 769
Communication accessories		2	158
IT consumables		292	279
Other consumables		148	1 110
Stationery, printing and office supplies		30 391	35 931
<b>Total</b>		<b>33 423</b>	<b>40 861</b>
<b>6.6 Property payments</b>	6		
Municipal services		6 222	10 484
Property management fees		52 059	58 307
Property maintenance and repairs		193	86
Other		626	1 193
<b>Total</b>		<b>59 100</b>	<b>70 070</b>
<b>6.7 Travel and subsistence</b>	6		
Local		76 089	80 466
Foreign		8 114	8 114
<b>Total</b>		<b>84 203</b>	<b>88 580</b>
<b>6.8 Other operating expenditure</b>	6		
Resettlement costs		2 964	1 477
Other		12 672	13 174
<b>Total</b>		<b>15 636</b>	<b>14 651</b>

*Other includes courier and delivery services, printing and publications and insurance payments.*



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	Note	2016/17 R'000	2015/16 R'000
<b>7. Payments for financial assets</b>			
Debts written off	7.1	118	51 902
<b>Total</b>		<b>118</b>	<b>51 902</b>
<b>7.1 Debts written off</b>			
<b>Nature of debts written off</b>			
Irregular expenditure written off			
Pension Fund Interest		-	15
Petty Cash Stolen through a Burglary at Indlela		2	-
<b>Total</b>		<b>2</b>	<b>15</b>
Recoverable revenue written off			
Gauteng Department of Education		-	51 346
World Bank Claims		-	12
Pension Fund (Old DOE cases)		-	144
South African Revenue Service		-	102
Quality Council for Trades and Occupations		-	270
<b>Total</b>		<b>-</b>	<b>51 874</b>
Other debt written off			
Stationery		-	13
Salary Overpayment Debt		112	-
Salary Tax Debt		4	-
<b>Total</b>		<b>116</b>	<b>13</b>
<b>Total debt written off</b>		<b>118</b>	<b>51 902</b>
<b>8. Transfers and subsidies</b>			
Departmental agencies and accounts	Annex 1A	26 819 212	21 745 547
Higher education institutions	Annex 1B	27 964 560	26 243 110
Foreign governments and international organisations	Annex 1C	2 648	2 588
Non-profit institutions	Annex 1D	1 672 972	1 362 040
Households	Annex 1E	17 968	5 315
<b>Total</b>		<b>56 477 360</b>	<b>49 358 600</b>

An amount of R8.023 million was surrendered by the provincial education department of Eastern Cape during 2015/16.

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		2016/17	2015/16
	Note	R'000	R'000
<b>9. Expenditure for capital assets</b>			
<b>Tangible assets</b>		<b>9 877</b>	<b>10 075</b>
Machinery and equipment	31	9 877	10 075
<b>Intangible assets</b>		<b>58</b>	<b>112</b>
Software	32	58	-
Patents, licences, copyright, brand names, trademarks	32	-	112
<b>Total</b>		<b>9 935</b>	<b>10 187</b>

**9.1 Analysis of funds utilised to acquire capital assets - 2016/17**

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
<b>Tangible assets</b>	<b>9 877</b>	<b>-</b>	<b>9 877</b>
Machinery and equipment	9 877	-	9 877
<b>Intangible assets</b>	<b>58</b>	<b>-</b>	<b>58</b>
Software	58	-	58
<b>Total</b>	<b>9 935</b>	<b>-</b>	<b>9 935</b>

**9.2 Analysis of funds utilised to acquire capital assets - 2015/16**

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
<b>Tangible assets</b>	<b>10 075</b>	<b>-</b>	<b>10 075</b>
Machinery and equipment	10 075	-	10 075
<b>Intangible assets</b>	<b>112</b>	<b>-</b>	<b>112</b>
Patents, licences, copyright, brand names, trademarks	112	-	112
<b>Total</b>	<b>10 187</b>	<b>-</b>	<b>10 187</b>

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	Note	2016/17 R'000	2015/16 R'000
<b>10. Cash and cash equivalents</b>			
Cash receipts		3	3
Disbursements		17	-
Cash on hand		40	40
Cash with commercial banks (Local)		-	199 073
<b>Total</b>		<b>60</b>	<b>199 116</b>

*Cash on hand includes a shortfall of R50.00 during the physical verification of cash, which is under investigation.*

## 11. Prepayments and advances

Travel and subsistence		76	100
Prepayments	11.2	2 004	2 308
Advances paid	11.1	33 311	37 979
<b>Total</b>		<b>35 391</b>	<b>40 387</b>

*The amount for advances paid for 2015/16 was restated from R15.936 million to R37.979 million to include an advance payment to the NSFAS for TRC Victims related funds.*

### 11.1 Advances paid

National departments	Annex 5A	13 055	15 936
Public entities	Annex 5A	20 256	22 043
		<b>33 311</b>	<b>37 979</b>

*The amount to Public Entities is in respect of a payment made to the NSFAS for TRC Victims related funds. The amount for 2015/16 was restated for comparison purposes.*

### 11.2 Prepayments (Not expensed)

Goods and services		2 004	2 308
		<b>2 004</b>	<b>2 308</b>

*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.*

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## 12. Receivables

	Note	2016/17			2015/16		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	12.1 Annex 3	315 586	11 296	326 882	332 881	2 332	335 213
Recoverable expenditure	12.2	7 363	5 644	13 007	8 846	830	9 676
Staff debt	12.3	4 306	3 480	7 786	2 881	475	3 356
Other debtors	12.4	3 542	4 384	7 926	2 843	202	3 045
<b>Total</b>		<b>330 797</b>	<b>24 804</b>	<b>355 601</b>	<b>347 451</b>	<b>3 839</b>	<b>351 290</b>

The current amount for claims recoverable for 2015/16 was restated from R354.924 million to R332.881 million to exclude an advance payment to the NSFAS for TRC Victims related funds. Claims recoverable includes claims for March 2017 for services rendered on behalf of the National Skills Fund, claims in respect of the NSF growth projects and the NSF infrastructure projects. Claims in respect of March 2017 were issued during April 2017.

### 12.1 Claims recoverable

	Note	2016/17 R'000	2015/16 R'000
	12		
National departments		159	4 493
Provincial departments		808	405
Public entities		325 374	320 002
Private enterprises		541	1 786
Higher education institutions		-	8 527
<b>Total</b>		<b>326 882</b>	<b>335 213</b>

The amount for National Departments for 2015/16 was restated from R26.536 million to R4.493 million to exclude an advance payment to the NSFAS for TRC Victims related funds. Claims recoverable includes claims for March 2017 for services rendered on behalf of the National Skills Fund, claims in respect of the NSF growth projects and the NSF infrastructure projects. Claims in respect of March 2017 were issued during April 2017.

### 12.2 Recoverable expenditure (disallowance accounts)

	Note	2016/17 R'000	2015/16 R'000
	12		
Salaries		12 819	8 857
No Shows		154	285
Miscellaneous		34	534
<b>Total</b>		<b>13 007</b>	<b>9 676</b>

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		2016/17	2015/16
	Note	R'000	R'000
<b>12.3 Staff debt</b>	12		
Motor accidents		271	270
Other		4 631	546
Pension Fund		283	175
Salary overpayment		-	1 091
Salary tax debt		1 387	1 274
Salary Income Tax		1 214	-
<b>Total</b>		<b>7 786</b>	<b>3 356</b>
<b>12.4 Other debtors</b>	12		
Tax Debt		80	-
Other debtors		7 846	3 045
<b>Total</b>		<b>7 926</b>	<b>3 045</b>
<b>12.5 Impairment of receivables</b>			
Estimate of impairment of receivables		1 104	410
<b>Total</b>		<b>1 104</b>	<b>410</b>
<i>Items older than three years were impaired.</i>			
<b>13. Loans</b>			
Higher education institutions		17 122	19 664
<b>Total</b>		<b>17 122</b>	<b>19 664</b>
<b>Analysis of balance</b>			
Opening balance		19 664	21 967
Repayments		(2 542)	(2 303)
<b>Closing balance</b>		<b>17 122</b>	<b>19 664</b>
Cape Peninsula University of Technology		2 132	2 553
Durban Institute of Technology		4 965	5 590
Nelson Mandela University		123	134
Tshwane University of Technology		4 917	5 519
Vaal University of Technology		1 690	1 994
University of Johannesburg		3 103	3 568
Stellenbosch University		192	306
		<b>17 122</b>	<b>19 664</b>
Current portion of loans		2 822	2 542

*The current portion of loans for 2015/16 was restated from R2.531 million to R2.542 million.*

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	Note	2016/17 R'000	2015/16 R'000
<b>14. Voted funds to be surrendered to the Revenue Fund</b>			
Opening balance		84 584	1 160
Transfer from Statement of Financial Performance		50 717	84 584
Voted funds not requested/not received	1.1	-	-
Paid during the year		(84 584)	(1 160)
<b>Closing balance</b>		<b>50 717</b>	<b>84 584</b>
<b>15. Departmental revenue and NRF receipts to be surrendered to the Revenue Fund</b>			
Opening balance		1 005	347
Transfer from Statement of Financial Performance		25 549	15 444
Paid during the year		(23 826)	(14 786)
<b>Closing balance</b>		<b>2 728</b>	<b>1 005</b>
<b>16. Bank overdraft</b>			
Consolidated Paymaster-General Account		282 480	431 375
<b>Total</b>		<b>282 480</b>	<b>431 375</b>
<i>The bank overdraft is due mainly in respect of March 2017 for services rendered on behalf of the National Skills Fund, the National Skills Fund Infrastructure projects and for the payment in respect of the NSF growth projects for the 2016/17 financial year. Claims in respect of March 2017 payments were only issued during April 2017.</i>			
<b>17. Payables - current</b>			
Amounts owing to other entities			
Advances received	17.1	29 355	57 293
Clearing accounts	17.2	5	67
Other payables	17.3	5 638	10 306
<b>Total</b>		<b>34 998</b>	<b>67 666</b>
<i>The decrease is due mainly to increased expenditure in the TVET Infrastructure projects.</i>			
<b>17.1 Advances received</b>	17		
Public entities	Annex 5B	29 355	57 293
<b>Total</b>		<b>29 355</b>	<b>57 293</b>
<b>17.2 Clearing accounts</b>	17		
Salary Claims: Limpopo and Mpumalanga		-	67
Other		5	-
<b>Total</b>		<b>5</b>	<b>67</b>

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		2016/17	2015/16
	Note	R'000	R'000
<b>17.3 Other payables</b>	17		
Unidentified deposits		-	462
Other payables		419	87
Bank rejected deposits		-	-
Salary Income Tax		3 421	6 249
Salary: Money Back		243	3 508
Salary: Pension Fund		1 555	-
<b>Total</b>		<b>5 638</b>	<b>10 306</b>

	2016/17				2015/16
	One to two years	Two to three years	More than three years	Total	Total
Note	R'000	R'000	R'000	R'000	R'000

**18. Payables – non-current**

Amounts owing to other entities		545	-	-	545	-
Other payables	18.1	1 232	570	53	1 855	248
		<b>1 777</b>	<b>570</b>	<b>53</b>	<b>2 400</b>	<b>248</b>

		2016/17	2015/16
	Note	R'000	R'000
<b>18.1 Other payables</b>	18		
Other payables		364	1
Salary Income Tax		-	68
Salary: Money Back		1 491	179
<b>Total</b>		<b>1 855</b>	<b>248</b>



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		2016/17	2015/16
	Note	R'000	R'000
<b>19. Net cash flow available from operating activities</b>			
Net surplus/(deficit) as per Statement of Financial Performance		92 688	105 802
Add back non cash/cash movements not deemed operating activities		(136 232)	(53 367)
(Increase)/decrease in receivables – current		(4 311)	(99 941)
(Increase)/decrease in prepayments and advances		4 996	(10 200)
Increase/(decrease) in payables – current		(32 668)	64 742
Proceeds from sale of capital assets		-	(172)
Expenditure on capital assets		9 935	10 187
Surrenders to Revenue Fund		(108 410)	(15 946)
Surrenders to RDP Fund/Donor		(5 774)	(2 037)
Voted funds not requested/not received		-	-
Other non- cash items		-	-
<b>Net cash flow generated by operating activities</b>		<b>(43 544)</b>	<b>52 435</b>

**20. Reconciliation of cash and cash equivalents for cash flow purposes**

Consolidated Paymaster-General account	(282 480)	(431 375)
Cash receipts	3	3
Disbursements	17	-
Cash on hand	40	199 113
<b>Total</b>	<b>(282 420)</b>	<b>(232 259)</b>

**21. Contingent liabilities and contingent assets**

**21.1 Contingent liabilities**

Liable to	Nature		
Other guarantees	Annex 2A	-	146
Claims against the department	Annex 2B	168 501	106 690
<b>Total</b>		<b>168 501</b>	<b>106 836</b>

*The large increase in contingent liabilities is attributable to the possible pension liability of 500 TVET College staff members and the interest accrued during 2016/17. There is uncertainties relating to the amount of the outflow in respect of claims for the possible pension liability of R113.120 million that relates to the employment status of staff previously remunerated by College Councils as well as against the Department for the cases of Vital vs Vista University (R4 million) as this case is dormant and it might not realise.*

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		2016/17	2015/16
	Note	R'000	R'000
<b>22. Commitments</b>			
<b>Current expenditure</b>			
Approved and contracted		31 933	28 374
		<b>31 933</b>	<b>28 374</b>
<b>Capital expenditure (including transfers)</b>			
Approved and contracted		1 140	399
		<b>1 140</b>	<b>399</b>
<b>Total Commitments</b>		<b>33 073</b>	<b>28 773</b>

Commitments to the amount of R0.948 million is longer than a year. The amount for 2015/16 was restated from R29.564 million to R28.773 million to exclude accruals (R0.482 million) and payables (R0.309 million).

## 23. Accruals and payables not recognised

### 23.1 Accruals

Listed by economic classification	30 days	30+ days	Total	Total
Goods and services	17 337	5 110	22 447	24 283
Capital assets	213	-	213	119
Other	15 267	14 334	29 601	39 060
<b>Total</b>	<b>32 817</b>	<b>19 444</b>	<b>52 261</b>	<b>63 462</b>
<b>Listed by programme level</b>				
Programme 1: Administration			11 594	10 913
Programme 2: Planning, Policy and Strategy			337	349
Programme 3: University Education			807	1 976
Programme 4: Technical and Vocational Education and Training			21 393	49 659
Programme 5: Skills Development			1 250	565
Programme 6: Community Education and Training			16 880	-
<b>Total</b>			<b>52 261</b>	<b>63 462</b>

Reasons for material accruals:

Claims in respect of the Rennie 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. The amount for 2015/16 was restated from R65.716 million to R63.462 million to include amounts previously regarded as commitments (R0.482 million) and to exclude amounts included as accruals to be reflected as payables (R2.736 million).

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### 23.2 Payables not recognised

	2016/17			2015/16
	R'000			R'000
Listed by economic classification	30 days	30+ days	Total	Total
Goods and services	3 518	7 463	10 981	3 045
Capital assets	216	-	216	-
Other	3 001	8 512	11 513	-
<b>Total</b>	<b>6 735</b>	<b>15 975</b>	<b>22 710</b>	<b>3 045</b>

	Note	2016/17	2015/16
		R'000	R'000
Listed by programme level			
Programme 1: Administration		4 586	1 267
Programme 2: Planning, Policy and Strategy		420	240
Programme 3: University Education		49	209
Programme 4: Technical and Vocational Education and Training		13 881	794
Programme 5: Skills Development		199	535
Programme 6: Community Education and Training		3 575	-
<b>Total</b>		<b>22 710</b>	<b>3 045</b>

*Reasons for material payables:*

*Claims in respect of the Rennies account, Community Education and Training lectures as well as examiners and moderators were not verified before closure of the financial year. Other payables include, claims from Community Education and Training lectures as well as examiners and moderators with queries on these claims. The amount for 2015/16 was restated from R0 to R3.045 million to include amounts previously regarded as accruals (R2.736 million) as well as amounts previously regarded as commitments (R0.309 million).*

### 24. Employee benefits

Leave entitlement	144 384	119 096
Service bonus (Thirteenth cheque)	184 428	146 336
Performance awards	75 383	79 139
Capped leave commitments	107 422	105 505
Other	5 108	4 997
<b>Total</b>	<b>516 725</b>	<b>455 073</b>

#### Negative leave balances

Differences in the reporting cycle for leave	567	1 004
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*Negative leave balances: Differences in reporting cycle for leave: 2015/16: R1.004 million; 2016/17: R0.567 million. The negative leave balance is due to pro-rata leave granted for the year by end of March.*

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## 25. Lease commitments

### 25.1 Operating leases expenditure

2016/17	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	14 879	1 782	16 661
Later than 1 year and not later than 5 years	-	1 743	1 743
<b>Total lease commitments</b>	<b>14 879</b>	<b>3 525</b>	<b>18 404</b>

2015/16	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	54 755	4 323	59 078
Later than 1 year and not later than 5 years	14 879	771	15 650
<b>Total lease commitments</b>	<b>69 634</b>	<b>5 094</b>	<b>74 728</b>

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 a period longer than a year for 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.

	2016/17	2015/16
Note	R'000	R'000

## 26. Accrued Departmental revenue

Other	259	-
	<b>259</b>	<b>-</b>

### 26.1 Analysis of accrued Departmental revenue

Opening balance	-	-
Add: Amount recognised	259	-
<b>Closing balance</b>	<b>259</b>	<b>-</b>

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		2016/17	2015/16
	Note	R'000	R'000
<b>27. Irregular expenditure</b>			
<b>27.1 Reconciliation of irregular expenditure</b>			
Opening balance		30 612	726
Prior period error		-	(696)
		30 612	30
Add: Irregular expenditure – relating to current year		63 817	31 308
Less: Prior year amounts condoned		-	(726)
<b>Irregular expenditure awaiting condonation</b>		<b>94 429</b>	<b>30 612</b>
<b>Analysis of awaiting condonation per age classification</b>			
Current year		63 817	30 612
Prior years		30 612	-
<b>Total</b>		<b>94 429</b>	<b>30 612</b>

*Prior period error: An amount of R696 449.70 was overstated for inclusion in the AFS of 2015/16 as identified by the Auditor-General.*

		2016/17	
		R'000	
<b>27.2 Details of irregular expenditure – current year</b>			
<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>		
Contract awarded to bidder not scoring the highest point in the evaluation process	Under investigation	58 931	
Procurement of suppliers not listed on the database	Under investigation	440	
Contract awarded after bid process was advertised for two weeks	Under investigation	3 370	
Correct procurement procedures were not followed due to time constraints	Under investigation	731	
Correct procurement procedure with regards to quotations were not followed	Under investigation	345	
<b>Total</b>		<b>63 817</b>	
			<b>2015/16</b>
			<b>R'000</b>
<b>27.3 Prior period error</b>			
Nature of prior period error			
Amount overstated during 2015/16		(696)	
<b>Total</b>		<b>(696)</b>	

*An amount of R696 449.70 was overstated for inclusion in the AFS of 2015/16 as identified by the Auditor-General.*

## 28. Related party transactions

List related party relationships

Ministerial Portfolio	Departmental Schedule 3 A	Public Entity
Higher Education and Training		<p>Council on Higher Education and Training</p> <p>National Student Financial Aid Scheme</p> <p>South African Qualifications Authority</p> <p>Quality Council for Trades and Occupations</p> <p>National Skills Fund</p> <p><b>Sector Education and Training Authorities (SETAs):</b></p> <p>Agriculture SETA</p> <p>Banking SETA</p> <p>Chemical Industries Education and Training Authority</p> <p>Construction SETA</p> <p>Culture, Arts, Tourism, Hospitality and Sports SETA</p> <p>Education, Training and Development Practices SETA</p> <p>Energy and Water SETA</p> <p>Fibre Processing and Manufacturing SETA</p> <p>Financial and Accounting Services SETA</p> <p>Food and Beverages SETA</p> <p>Health and Welfare SETA</p> <p>Insurance SETA</p> <p>Local Government SETA</p> <p>Manufacturing, Engineering and Related Services SETA</p> <p>Media, Information and Communication Technologies SETA</p> <p>Mining Qualifications Authority</p> <p>Public Services SETA</p> <p>Safety and Security SETA</p> <p>Services SETA</p> <p>Transport Education and Training Authority SETA</p> <p>Wholesale and Retail SETA</p> <p><b>Government Departments and other entities in the same sphere of government</b></p> <p>All government departments and public entities in the same sphere of government are related parties to the Department of Higher Education and Training</p>

*The Department did not have any transactions with these entities that is required to be disclosed in terms of the Departmental Reporting Framework.*

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	Note	2016/17 R'000	2015/16 R'000
<b>29. Key management personnel</b>			
	<i>No. of Individuals</i>		
Political office bearers	2	4 211	4 337
Officials:			
Level 15 to 16	11	14 532	13 113
Level 14	26	28 164	27 854
<b>Total</b>		<b>46 907</b>	<b>45 304</b>

Minister: 2016/17: R2.309 million (excludes travel and subsistence claims that was included up to 31 March 2016); 2015/16: R2.4 million.

Deputy Minister: 2016/17: R1.902 million (excludes travel and subsistence claims that was included up to 31 March 2016); 2015/16: R1.937 million.

### 30. Provisions

Examiner and moderator claims	-	5 852
CET claims	9 730	2 324
KZN CET examination claim	1 354	-
	<b>11 084</b>	<b>8 176</b>

#### 30.1 Reconciliation of movements in provisions - 2016/17

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance	5 852	2 324	-	8 176
Increase in provision	-	8 412	1 354	9 766
Settlement of provision	(5 852)	(1 006)	-	(6 858)
<b>Closing balance</b>	<b>-</b>	<b>9 730</b>	<b>1 354</b>	<b>11 084</b>

#### 30.2 Reconciliation of movements in provisions - 2015/16

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance	8 353	-	-	8 353
Increase in provision	5 852	2 324	-	8 176
Settlement of provision	(8 353)	-	-	(8 353)
<b>Closing balance</b>	<b>5 852</b>	<b>2 324</b>	<b>-</b>	<b>8 176</b>

Provision 1: Provision in respect of examination claims received in previous financial year that were returned to marking centres as these claims were incomplete.

Provisions 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 claims received during April 2017 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.



### 31. Movable Tangible Capital Assets

#### MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>45 364</b>	<b>(6)</b>	<b>10 619</b>	<b>3 985</b>	<b>51 992</b>
Transport assets	7 039	-	-	2 013	5 026
Computer equipment	28 918	-	8 572	1 642	35 848
Furniture and office equipment	6 212	(5)	796	133	6 870
Other machinery and equipment	3 195	(1)	1 251	197	4 248
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>45 364</b>	<b>(6)</b>	<b>10 619</b>	<b>3 985</b>	<b>51 992</b>

#### Movable Tangible Capital Assets under investigation

Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:

	Number	Value R'000
Machinery and equipment	6	28

*Assets under investigation are mostly due to officials travelling and in some instances offices being locked due to officials being on extended leave as well as assets that are moved such as trolleys, vacuum cleaners and urns due to their nature. Asset Management is still in the process of verifying these assets.*

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Additions

**31.1 ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

	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
<b>MACHINERY AND EQUIPMENT</b>	<b>9 877</b>	<b>-</b>	<b>-</b>	<b>742</b>	<b>10 619</b>
Transport assets	-	-	-	-	-
Computer equipment	7 915	-	-	657	8 572
Furniture and office equipment	772	-	-	24	796
Other machinery and equipment	1 190	-	-	61	1 251
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>9 877</b>	<b>-</b>	<b>-</b>	<b>742</b>	<b>10 619</b>

Disposals

**31.2 DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>-</b>	<b>3 985</b>	<b>3 985</b>	<b>-</b>
Transport assets	-	2 013	2 013	-
Computer equipment	-	1 642	1 642	-
Furniture and office equipment	-	133	133	-
Other machinery and equipment	-	197	197	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>3 985</b>	<b>3 985</b>	<b>-</b>

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Movement for 2015/16

**31.3 MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016**

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>37 543</b>	<b>-</b>	<b>9 600</b>	<b>1 779</b>	<b>45 364</b>
Transport assets	6 621	-	1 557	1 139	7 039
Computer equipment	23 769	-	5 782	633	28 918
Furniture and office equipment	4 746	-	1 466	-	6 212
Other machinery and equipment	2 407	-	795	7	3 195
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>37 543</b>	<b>-</b>	<b>9 600</b>	<b>1 779</b>	<b>45 364</b>

Minor assets

**31.4 MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Opening balance	743	7 794	8 537
Additions	2	1 522	1 524
Disposals	3	515	518
<b>TOTAL MINOR ASSETS</b>	<b>742</b>	<b>8 801</b>	<b>9 543</b>

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	22 330	22 330
Number of minor assets at cost	284	4 139	4 423
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>284</b>	<b>26 469</b>	<b>26 753</b>

**Minor Capital Assets under investigation**

	Number	Value R'000
<b>Included in the above total of the minor capital assets per the asset register are assets that are under investigation:</b>		
Machinery and equipment	17	13

*Assets under investigation are mostly due to officials travelling and in some instances offices being locked due to officials being on extended leave as well as assets that are moved such as trolleys, vacuum cleaners and urns due to their nature. Asset Management is still in the process of verifying these assets.*

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Minor assets

**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016**

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Opening balance	90	6 869	<b>6 959</b>
Additions	653	1 040	<b>1 693</b>
Disposals	-	115	<b>115</b>
<b>TOTAL MINOR ASSETS</b>	<b>743</b>	<b>7 794</b>	<b>8 537</b>

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	21 669	<b>21 669</b>
Number of minor assets at cost	284	3 402	<b>3 686</b>
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>284</b>	<b>25 071</b>	<b>25 355</b>

Movable assets written off

**31.5 MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2017**

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Assets written off	4	515	<b>519</b>
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>4</b>	<b>515</b>	<b>519</b>

**MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2016**

	Machinery and equipment R'000	Total R'000
Assets written off	115	<b>115</b>
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>115</b>	<b>115</b>

**32. Intangible Capital Assets**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

	Opening balance	Value adjustments R'000	Additions	Disposals R'000	Closing balance R'000
<b>COMPUTER SOFTWARE PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS TOTAL INTANGIBLE CAPITAL ASSETS</b>	11 651	1	58	3	11 707
	250	1	-	-	251
	<b>11 901</b>	<b>2</b>	<b>58</b>	<b>3</b>	<b>11 958</b>

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Additions

**32.1 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

	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	58	-	-	-	58
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	<b>58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58</b>

Disposals

**32.2 DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

	Sold for cash	Non-cash disposal	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	-	3	3	-
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>3</b>	<b>3</b>	<b>-</b>

Movement for 2015/16

**32.3 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016**

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	11 651	-	-	-	11 651
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	138	-	112	-	250
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>11 789</b>	<b>-</b>	<b>112</b>	<b>-</b>	<b>11 901</b>

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### 33. Agent-principal arrangements

#### 33.1 Department acting as the agent

##### 33.1.1 Revenue received for agency activities

National Skills Fund

2016/17	2015/16
R'000	R'000
-	-
-	-

The Department has been appointed by the National Skills Fund to project manage the TVET College Infrastructure Development 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.

##### 33.1.2 Reconciliation of agency funds and disbursements - 2016/17

Name of principal entity	Total agency funds received R'000	Expenditure incurred against funds R'000	Amount remitted to the principal R'000	Variance between amounts received and amounts remitted R'000	Explanation of the variance
National Skills Fund	-	167 158	-	(167 158)	Amounts are claimed back from the NSF as claims recoverable.
<b>Total</b>	<b>-</b>	<b>167 158</b>	<b>-</b>	<b>(167 158)</b>	

##### 33.1.3 Reconciliation of carrying amount of receivables and payables - 2016/17

###### Receivable

Name of entity	Opening balance R'000	Revenue principal is entitled to R'000	Less: Write-off/ settlement/ waivers R'000	Cash received on behalf of principal R'000	Closing balance R'000
National Skills Fund	50 121	-	-	167 158	(117 037)
	<b>50 121</b>	<b>-</b>	<b>-</b>	<b>167 158</b>	<b>(117 037)</b>

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. The following amounts have been incurred to date at the campus:

	R'000
Thabazimbi:	187 984
Nkandla A:	219 510 (Include accruals of R3.475 million)
Bhambanana:	137 015
Project management costs:	195 678
Municipal services:	3 398



## Part E: Annexures

### Unaudited Supplementary Annexures

*"Eternal glory to the martyrs of freedom!"*  
- *Oliver Tambo*



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**ANEXURE 1A**  
**STATEMENT OF TRANSFERS TO Departmental AGENCIES AND ACCOUNTS**

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2015/16
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of Available funds transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
Education Training and Development Practices SETA	46 325	-	-	46 325	16 186	35	23 093
Council on Higher Education	40 928	-	-	40 928	40 928	100	40 819
National Student Financial Aid Scheme	11 392 674	-	-	11 392 674	11 392 674	100	6 448 551
South African Qualifications Authority	56 895	-	-	56 895	56 895	100	54 757
Direct Charge: Sector Education and Training Authorities	12 370 513	-	-	12 370 513	12 199 864	99	12 640 707
Direct Charge: National Skills Fund	3 091 657	-	-	3 091 657	3 033 145	98	3 159 293
Claims against the State	-	-	-	-	655	-	360
Quality Council for Trades and Occupations	23 138	-	-	23 138	23 138	100	21 848
Public Services SETA	55 727	-	-	55 727	55 727	100	-
<b>Total</b>	<b>27 077 857</b>	<b>-</b>	<b>-</b>	<b>27 077 857</b>	<b>26 819 212</b>		<b>22 389 428</b>

*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 R229.161 million.*



## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

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### ANNEXURE 1B

#### STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION				TRANSFER			2015/16
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	Amount not transferred	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Cape Peninsula University of Technology	917 400	-	185 519	1 102 919	1 102 918	1	100	1 059 207
Central University of Technology, Free State	369 766	-	82 390	452 156	452 156	-	100	379 136
Durban University of Technology	726 076	-	197 688	923 764	923 764	-	100	800 455
Mangosuthu University of Technology	255 507	-	113 666	369 173	369 173	-	100	331 199
Nelson Mandela University	780 441	-	244 010	1 024 451	1 024 449	2	100	954 377
North West University	1 342 571	-	227 339	1 569 910	1 569 909	1	100	1 450 158
Rhodes University	341 651	-	70 179	411 830	411 829	1	100	476 620
Tshwane University of Technology	1 333 829	-	268 490	1 602 319	1 602 319	-	100	1 555 772
University of Cape Town	1 129 283	-	128 629	1 257 912	1 257 912	-	100	1 225 953
University of Fort Hare	425 531	-	179 753	605 284	605 283	1	100	448 309
University of the Free State	917 220	-	210 405	1 127 625	1 127 625	-	100	1 094 929
University of Johannesburg	1 394 826	-	170 429	1 565 255	1 565 254	1	100	1 523 839
University of KwaZulu-Natal	1 497 547	-	265 186	1 762 733	1 762 734	(1)	100	1 652 313
University of Mpumalanga	-	-	870 532	870 532	870 532	-	100	242 903
Sefako Makgatho Health Sciences University	232 934	-	389 593	622 527	622 527	-	100	521 329
Sol Plaatje University	-	-	498 094	498 094	498 094	-	100	159 773
University of Limpopo	552 621	-	178 281	730 902	730 901	1	100	681 073
University of Pretoria	1 726 424	-	431 303	2 157 727	2 157 726	1	100	1 976 860
University of South Africa	2 676 014	-	174 539	2 850 553	2 850 553	-	100	2 448 690
Stellenbosch University	1 230 573	-	153 802	1 384 375	1 384 375	-	100	1 282 539
University of Venda	381 619	-	141 427	523 046	523 047	(1)	100	453 836
University of the Western Cape	695 667	-	156 872	852 539	852 538	1	100	1 228 322
University of the Witwatersrand	1 221 595	-	182 541	1 404 136	1 404 135	1	100	2 437 315
University of Zululand	419 059	-	253 656	672 715	672 715	-	100	477 577
Vaal University of Technology	524 314	-	173 946	698 260	698 260	-	100	593 648

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### ANNEXURE 1B (continued)

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION				TRANSFER			2015/16
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	Amount not transferred	% of Available funds transferred	
	R'000	R'000	R'000	R'000	R'000	R'000	%	
Walter Sisulu University	585 630	-	338 202	923 832	923 832	-	100	786 978
Higher Education Institutions: Other Grants	2 142 927	-	(2 142 678)	249	-	249	100	-
Interest and redemption of private and government infrastructure loans	4 209	-	(4 209)	-	-	-	100	117
University infrastructure projects	2 422 013	-	(2 422 013)	-	-	-	100	-
Academic clinical training grants	452 406	-	(452 406)	-	-	-	100	-
New universities – Operations	290 429	-	(290 429)	-	-	-	100	-
New universities – building, maintenance and upgrading of infrastructure	974 736	-	(974 736)	-	-	-	100	-
<b>Total</b>	<b>27 964 818</b>	<b>-</b>	<b>-</b>	<b>27 964 818</b>	<b>27 964 560</b>	<b>258</b>		<b>26 243 227</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
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## ANNEXURE 1C

### STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANISATIONS

	TRANSFER ALLOCATION				EXPENDITURE		2015/16
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of Available funds transferred	
	R'000	R'000	R'000	R'000	R'000	%	
<b>FOREIGN GOVERNMENTS /INTERNATIONAL ORGANISATION</b>							
<b>Transfers</b>							
Commonwealth of Learning	2 796	-	-	2 796	2 648	95.0	2 656
India-Brazil-South Africa Trilateral Commission	100	-	-	100	-	0.0	500
<b>Total</b>	<b>2 896</b>	<b>-</b>	<b>-</b>	<b>2 896</b>	<b>2 648</b>		<b>3 156</b>

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**ANNEXURE 1D**  
**STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

	TRANSFER ALLOCATION				EXPENDITURE		2015/16
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of Available funds transferred	
	R'000	R'000	R'000	R'000	R'000	%	
NON-PROFIT INSTITUTIONS							
Transfers							
Universities South Africa	8 172	-	-	8 172	8 172	100	7 761
Community Education and Training Centres: Subsidies	98 202	-	-	98 202	98 053	100	91 758
Technical and Vocational Education and Training Colleges: Subsidies							
Buffalo City College	34 510	-	-	34 510	34 510	100	26 749
East Cape Midlands College	38 514	-	-	38 514	38 514	100	30 876
Ikhala College	19 072	-	-	19 072	19 072	100	18 863
Ingwe College	26 949	-	-	26 949	26 949	100	25 627
King Hintsa College	26 169	-	-	26 169	26 169	100	24 142
King Sabata College	35 023	-	-	35 023	35 023	100	28 678
Lovedale College	25 337	-	-	25 337	25 337	100	18 608
Port Elizabeth College	33 813	-	-	33 813	33 813	100	31 798
Flavius Mareka College	12 294	-	-	12 294	12 294	100	13 627
Gold Fields College	15 553	-	-	15 553	15 553	100	14 835
Maluti College	23 221	-	-	23 221	23 221	100	22 754
Motheo College	51 604	-	-	51 604	51 604	100	34 383
Central Johannesburg College	27 474	-	-	27 474	27 474	100	31 441
Ekurhuleni East College	32 568	-	-	32 568	32 568	100	33 618
Ekurhuleni West College	56 144	-	-	56 144	56 144	100	42 519
Sedibeng College	37 742	-	-	37 742	37 742	100	33 986
South West College	99 184	-	-	99 184	99 184	100	43 312
Tshwane North College	36 858	-	-	36 858	36 858	100	40 214
Tshwane South College	35 045	-	-	35 045	35 045	100	37 079
Western College	60 424	-	-	60 424	60 423	100	26 008
Coastal College	25 648	-	-	25 648	25 648	100	29 454
Elangeni College	16 792	-	-	16 792	16 792	100	21 446
Esayidi College	9 234	-	-	9 234	9 234	100	17 067
Majuba College	49 779	-	-	49 779	49 779	100	35 330

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**ANNEXURE 1D (continued)**

	TRANSFER ALLOCATION				EXPENDITURE		2015/16
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of Available funds transferred	
	R'000	R'000	R'000	R'000	R'000	%	
<b>NON-PROFIT INSTITUTIONS</b>							<b>R'000</b>
Mnambithi College	11 310	-	-	11 310	11 310	100	9 525
Mthashana College	5 629	-	-	5 629	5 629	100	10 784
Thekwini College	7 234	-	-	7 234	7 234	100	11 371
Umfolozo College	34 471	-	-	34 471	34 471	100	24 447
Umgungundlovu College	5 690	-	-	5 690	5 690	100	10 448
Capricorn College	32 313	-	-	32 313	32 313	100	23 566
Lephalale College	4 086	-	-	4 086	4 086	100	5 331
Letaba College	16 337	-	-	16 337	16 337	100	9 126
Mopani College	20 768	-	-	20 768	20 768	100	19 801
Sekhukhune College	11 204	-	-	11 204	11 204	100	11 782
Vhembe College	49 613	-	-	49 613	49 613	100	27 883
Waterberg College	11 480	-	-	11 480	11 480	100	12 097
Ehlanzeni College	49 754	-	-	49 754	49 754	100	30 660
Gert Sibande College	43 314	-	-	43 314	43 314	100	30 026
Nkangala College	52 008	-	-	52 008	52 008	100	33 458
Rural College	9 193	-	-	9 193	9 193	100	7 082
Urban College	8 880	-	-	8 880	8 880	100	6 841
Orbit College	51 206	-	-	51 206	51 206	100	25 684
Taletso College	16 143	-	-	16 143	16 143	100	12 213
Vuselela College	10 515	-	-	10 515	10 515	100	39 068
Boland College	33 920	-	-	33 920	33 920	100	29 174
Cape Town College	43 787	-	-	43 787	43 787	100	36 352
False Bay College	32 842	-	-	32 842	32 842	100	30 445
Northlink College	57 075	-	-	57 075	57 075	100	45 039
South Cape College	42 164	-	-	42 164	42 164	100	24 496
West Coast College	44 961	-	-	44 961	44 961	100	30 627
<b>Total</b>	<b>1 641 222</b>	<b>-</b>	<b>-</b>	<b>1 641 222</b>	<b>1 641 072</b>		<b>1 339 259</b>

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## ANNEXURE 1D (continued)

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2015/16
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of Available funds transferred	
	R'000	R'000	R'000	R'000	R'000	%	
<b>Transfers</b>							
<i>Technical and Vocational Education and Training Colleges for Skills Development</i>							
Buffalo City College	-	-	572	572	572	100	409
East Cape Midlands College	-	-	640	640	640	100	458
Ikhala College	-	-	402	402	402	100	288
Ingwe College	-	-	590	590	590	100	422
King Hintsa College	-	-	446	446	446	100	320
King Sabata College	-	-	634	634	634	100	454
Lovedale College	-	-	375	375	375	100	268
Port Elizabeth College	-	-	673	673	673	100	481
Flavius Mareka College	-	-	272	272	272	100	194
Gold Fields College	-	-	321	321	321	100	230
Maluti College	-	-	541	541	541	100	386
Motho College	-	-	946	946	946	100	675
Central Johannesburg College	-	-	797	797	797	100	570
Ekurhuleni East College	-	-	825	825	825	100	590
Ekurhuleni West College	-	-	1 104	1 104	1 104	100	788
Sedibeng College	-	-	823	823	823	100	588
South West College	-	-	1 186	1 186	1 186	100	846
Tshwane North College	-	-	1 084	1 084	1 084	100	774
Tshwane South College	-	-	938	938	938	100	670
Western College	-	-	705	705	706	100	504
Coastal College	-	-	1 007	1 007	1 007	100	718
Elangeni College	-	-	736	736	736	100	525
Esayidi College	-	-	663	663	663	100	473
Majuba College	-	-	1 155	1 155	1 155	100	824
Mnambithi College	-	-	419	419	419	100	298

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**ANNEXURE 1D (continued)**

	TRANSFER ALLOCATION				EXPENDITURE		2015/16
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of Available funds transferred	
	R'000	R'000	R'000	R'000	R'000	%	
<b>NON-PROFIT INSTITUTIONS</b>							<b>R'000</b>
Mthashana College	-	-	371	371	371	100	265
Thekwini College	-	-	444	444	444	100	316
Umfolozo College	-	-	807	807	807	100	576
Umgungundlovu College	-	-	384	384	384	100	274
Capricorn College	-	-	890	890	890	100	635
Lephalale College	-	-	186	186	186	100	133
Letaba College	-	-	358	358	358	100	255
Mopani College	-	-	538	538	538	100	384
Sekhukhune College	-	-	380	380	380	100	271
Vhembe College	-	-	1 066	1 066	1 066	100	760
Waterberg College	-	-	381	381	381	100	271
Ehlanzeni College	-	-	663	663	663	100	475
Gert Sibande College	-	-	771	771	771	100	551
Nkangala College	-	-	786	786	786	100	562
Rural College	-	-	270	270	270	100	192
Urban College	-	-	281	281	281	100	200
Orbit College	-	-	905	905	905	100	645
Taletso College	-	-	435	435	435	100	310
Vuselela College	-	-	479	479	479	100	342
Boland College	-	-	521	521	521	100	372
Cape Town College	-	-	686	686	686	100	491
False Bay College	-	-	511	511	511	100	366
Northlink College	-	-	947	947	947	100	677
South Cape College	-	-	412	412	412	100	295
West Coast College	-	-	573	573	573	100	410
<b>Total</b>	<b>-</b>	<b>-</b>	<b>31 899</b>	<b>31 899</b>	<b>31 900</b>		<b>22 781</b>
<b>Total</b>	<b>1 641 222</b>	<b>-</b>	<b>31 899</b>	<b>1 673 121</b>	<b>1 672 972</b>		<b>1 362 040</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
**VOTE 15**  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
 for the year ended 31 March 2017

**ANNEXURE 1E**  
**STATEMENT OF TRANSFERS TO HOUSEHOLDS**

	TRANSFER ALLOCATION				EXPENDITURE		2015/16
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of Available funds transferred	
	R'000	R'000	R'000	R'000	R'000	%	
<b>HOUSEHOLDS</b>							
<b>Transfers</b>							
Employee Social Benefits	7 627	-	8 580	16 207	16 198	100	5 500
Claims against the State	-	-	1 771	1 771	1 770	100	-
<b>Total</b>	<b>7 627</b>	<b>-</b>	<b>10 351</b>	<b>17 978</b>	<b>17 968</b>		<b>5 500</b>



**DEPARTMENT OF HIGHER EDUCATION AND TRAINING**  
**ANNEXURE 1F**  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2017

**ANNEXURE 1F**  
**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2016/17	2015/16
		R'000	R'000
<b>Received in kind</b>			
Government of Netherlands	Attendance of the NUFFIC study tour visit to CINOP global for training related to the implementation of the NUFFIC supported NICHE/ZAF/022 project	-	57
Public Sector Education and Training (PSETA) and Western Cape Department of Economic Development and Tourism	Attendance of workshop on Research Methodologies to identify Occupations in High Demand on 5 June 2015	-	51
CTP Printers	Printing of Apply now! booklet	-	11
SABC	SABC Education Learner Support	-	74 772
Department of Science and Technology	Attending Career Development Services project for the Ministerial Flagship project	-	45
Royal Bafokeng Holdings	Attending Career Development Services project for the Ministerial Flagship project	-	3
Nelson Mandela Metropolitan University	Attending the Marine and Maritime Partnership Development visit to Norway and Finland during June 2015	-	29
Kresge Foundation	Participate in the Annual Achieving the Dream Institute on student success conference in Atlanta, Georgia	37	19
European Union	Study tour of the European-South Africa Dialogue on Skills Planning	-	483
CATHSSETA and W&RSETA	Study tour of the European-South Africa Dialogue on Skills Planning	-	403
GIZ	Africa-Continent of the Opportunities: Bridging the Digital Divide conference in Berlin, Germany	-	2
Organisation for Economic Co-operation and Development (OECD)	Attending workshop on Skills Needs Indicators hosted by the OECD on 30 March 2016, in Paris	22	-
Durban University of Technology	Attending council dinner at Durban University of Technology on 3 June 2016	6	-
International Youth Foundation	Attending event on Generic Trade Preparation Programme in the United States of America	38	-
<b>TOTAL</b>		<b>103</b>	<b>75 875</b>

**DEPARTMENT OF HIGHER EDUCATION AND TRAINING**  
**VOTE 15**  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2017

**ANNEXURE 1G**  
**STATEMENT OF AID ASSISTANCE RECEIVED**

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDITURE R'000	PAID BACK ON/BY 31 MARCH R'000	CLOSING BALANCE R'000
<b>Received in cash</b>						
<b>Received in cash in the PMG Account</b>						
EU Budget Support	Career Guidance Services Project	5 774	72 709	57 665	5 774	15 044
EU Budget Support	Open Learning System for Post-School Education and Training	-	915	896	-	19
EU Budget Support	Teaching and Learning Development Sector Policy Support Programme	-	21 000	18 101	-	2 899
African Development Bank	Education for sustainable development in natural mineral resources management	-	1 807	1 807	-	-
USAID	Development of an updated solar energy resource map and data base and the African soil micro-organism as a critical resource for Agriculture and Biotechnology	-	1 570	3 110	-	(1 540)
<b>Total</b>		<b>5 774</b>	<b>98 001</b>	<b>81 579</b>	<b>5 774</b>	<b>16 422</b>
<b>Received in cash in the RDP Fund</b>						
EU Budget Support	Career Guidance Services Project	77 338	-	57 665	5 774	13 899
EU Budget Support	Open Learning System for Post-School Education and Training	18 800	-	896	-	17 904
EU Budget Support	Teaching and Learning Development Sector Policy Support Programme	-	158 290	18 101	-	140 189
African Development Bank	Education for sustainable development in natural mineral resources management	-	1 807	1 807	-	-
USAID	Development of an updated solar energy resource map and data base and the African soil micro-organism as a critical resource for Agriculture and Biotechnology	-	1 570	3 110	-	(1 540)
<b>Total</b>		<b>96 138</b>	<b>161 667</b>	<b>81 579</b>	<b>5 774</b>	<b>170 452</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
**VOTE 15**  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2017

**ANNEXURE 1G (CONTINUED)**

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDITURE R'000	PAID BACK ON/BY 31 MAR R'000	CLOSING BALANCE R'000
<b>Received in cash through the Department of Basic Education (Claims recoverable basis)</b>						
European Union	EU Foundation Phase Project	(7 658)	7 658	-	-	-
<b>Total</b>		<b>(7 658)</b>	<b>7 658</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Received in kind</b>						
Netherlands	Capacity building in Higher Education through Nuffic: Implementation of standardised Business Management System in 3 pilot TVET Colleges				<b>2016/17</b> R'000	<b>2015/16</b> R'000
Netherlands	Strengthening the National Certificate (NC(V)) programmes in line with labour market demands				10 250	592
Danish Government	Support for Education and Skills Development III (SESDIII)				-	434
<b>Total</b>					<b>10 250</b>	<b>27 800</b> <b>28 826</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 15  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2017

## 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	2016/17	2015/16
	R'000	R'000
<b>Made in kind</b>		
Farewell Gifts to staff who went on pension	-	6
Gift bought for the Switzerland Minister of Education, Research and Innovation for bilateral discussion	-	1
Gift bought for the Romanian Minister of Education and Scientific Research	-	1
Gift bought for the Swiss delegation	-	1
Gift bought for the European Union organisation hosting the Departmental team	-	1
Gift bought for the Cuban delegation	-	2
Farewell Gift	-	2
Gift bought for United States of America (USA) and Canada counterparts as a token of appreciation	2	-
Gift bought for the Hungarian Minister's visit to South Africa	1	-
<b>Total</b>	<b>3</b>	<b>14</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
**ANNEXURE 2A**  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2017

**ANNEXURE 2A**

**STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2017 – LOCAL**

GUARANTOR INSTITUTION	Guarantee in respect of	Original guaranteed capital amount 1 April 2016	Opening balance 1 April 2016	Guarantees drawdowns during the year	Guaranteed repayments/cancelled/reduced/released during the year	Revaluations	Closing balance 31 March 2017	Guaranteed interest for year ended 31 March 2017	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Employees	Housing	-	-	-	-	-	-	-	-
	Housing Subtotal	-	-	-	-	-	-	-	-
	Other								
University of Johannesburg University of the Witwatersrand	Tertiary Institutions	14 382	86	-	86	-	-	-	-
	Tertiary Institutions	4 075	55	-	55	-	-	-	-
	Subtotal	18 457	141	-	141	-	-	-	-
Total		18 457	141	-	141	-	-	-	-

**DEPARTMENT OF HIGHER EDUCATION AND TRAINING**  
**VOTE 15**  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2017

## **ANNEXURE 2B**

### **STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2017**

Nature of Liability	Opening Balance 1 April 2016	Liabilities incurred during the year	Liabilities paid/ cancelled/reduced during the year	Liabilities recoverable	Closing balance 31 March 2017
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>					
Damaged Cars	-	330	330	-	-
Pension fund liability for TVET lecturers	96 773	16 347	-	-	113 120
Johann Raath vs Minister of Higher Education and Training	1 900	-	-	-	1 900
Vital vs Vista University	4 000	-	-	-	4 000
Boss tables cc vs Minister of Higher Education and Training	800	-	800	-	-
N Taho vs Minister of Higher Education and Training	400	-	-	-	400
Hospital Association of SA vs Minister of Higher Education and Training	297	-	297	-	-
Business Unity SA vs Minister of Higher Education and Training (Case JR1110/2013)	267	785	267	-	785
Business Unity SA vs Minister of Higher Education and Training (Case JR1040/16)	-	874	189	-	685
MP Ntshangase vs Minister of Higher Education and Training	200	-	200	-	-
LM Mapeka (Pilane) vs Department of Higher Education and Training	973	-	-	-	973
Moses Sithole and others vs Mzukisi Dondole and others	400	97	297	-	200
MM Masisi vs Minister of Higher Education and Training	200	-	200	-	-
Jeppe college of commerce and computer studies (Pty) Ltd vs Minister of Higher Education and Training and others	180	-	180	-	-
Foodbev SETA vs Minister of Higher Education and Training	300	-	300	-	-
Mudau and others vs Minister of Higher Education and Training	-	103	103	-	-
Mxolisi Collin Mashabela vs Minister of Higher Education and Training and others	-	1 000	14	-	986
Nomsa Cecilia Motaung vs Department of Higher Education and Training and others	-	53	53	-	-
DJ Smith vs Minister of Higher Education and Training and others	-	61	61	-	-
EDUSA vs Minister of Home Affairs and others	-	300	300	-	-

**DEPARTMENT OF HIGHER EDUCATION AND TRAINING**  
**VOTE 15**  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2017

**ANNEXURE 2B (continued)**

**STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2017**

Nature of Liability	Opening Balance 1 April 2016 R'000	Liabilities incurred during the year R'000	Liabilities paid/ cancelled/reduced during the year R'000	Liabilities recoverable R'000	Closing balance 31 March 2017 R'000
Dlwathi Fatima vs Minister of Education and Training and others	-	34	34	-	-
Mogodi Matshidiso and eight others vs President of RSA	-	150	150	-	-
Sifiso Ndlovu vs Minister of Higher Education and Training and two others	-	27	27	-	-
Dr Thokozeni S Simelane vs Centre for Education Policy Development	-	1 003	-	-	1 003
Zakhele AT Zitha vs Minister of Higher Education and Training	-	35 500	32	-	35 468
Rand International Management and Training vs Department of Higher Education and Training	-	71	71	-	-
Bakone Bagolo Trading vs Minister of Higher Education and Training and others	-	450	450	-	-
Bafana Freddie Citi vs Minister of Higher Education and Training and others	-	25	25	-	-
Thiba Takalani vs Minister of Higher Education and Training	-	5 200	6	-	5 194
Nomsimelelo Mthintsilana vs Minister of Higher Education and Training	-	123	22	-	101
P P Gedze vs Nenga River Lodge and others	-	3 600	3	-	3 597
True Harvest (Pty) Ltd vs Minister of Higher Education and Training	-	50	-	-	50
Heher (Fees) Commission	-	158	158	-	-
Seadimo Tlale abo The Students vs the Minister of Higher Education and Training	-	13	13	-	-
Van Niekerk vs Department of Higher Education and Training – GPBC 1729/2016	-	39	-	-	39
<b>Total</b>	<b>106 690</b>	<b>66 393</b>	<b>4 582</b>	<b>-</b>	<b>168 501</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 15  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2017

**ANNEXURE 3**  
**CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Department</b>						
Department of Basic Education	-	-	7	5 083	7	5 083
Department of Health	-	-	-	6	-	6
Department of Justice	-	-	5	13	5	13
Department of Labour	-	-	18	18	18	18
Gauteng Department of Education	-	-	569	25	569	25
Limpopo Department of Education	-	-	146	106	146	106
Government Printers	-	-	2	2	2	2
Mpumalanga Culture, Sport and Recreation	-	-	42	37	42	37
Gauteng Department of Correctional Services	-	-	11	11	11	11
National Treasury Pensions	-	-	-	1	-	1
North West Provincial Administration	-	-	-	22	-	22
Western Cape Provincial Administration	-	-	-	3	-	3
Eastern Cape Department of Roads and Public Works	-	-	29	6	29	6
Telecommunication and Postal Services	-	-	8	8	8	8
The Presidency	-	-	21	5	21	5
Department of Transport	-	-	1	1	1	1
Department of Energy	-	-	1	1	1	1
Department of International Relations	-	-	-	27	-	27
Eastern Cape Department of Education	-	-	42	-	42	-
Gauteng Department of Health	-	-	7	-	7	-
Limpopo Department of Health	-	-	19	-	19	-
Free State Department of Human Settlements	-	-	22	-	22	-
Department of Water and Sanitation	-	-	17	-	17	-
	<b>-</b>	<b>-</b>	<b>967</b>	<b>5 375</b>	<b>967</b>	<b>5 375</b>



DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
VOTE 15  
for the year ended 31 March 2017

**ANNEXURE 3 (continued)**  
**CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	R'000	R'000	R'000	R'000	R'000	R'000
<b>OTHER GOVERNMENT ENTITIES</b>						
National Skills Fund	-	-	325 062	319 683	325 062	319 683
MERSETA	-	-	-	8	-	8
Services SETA	-	-	281	281	281	281
SITA	-	-	31	31	31	31
Ingwe TVET College (EC)	-	-	-	325	-	325
	-	-	<b>325 374</b>	<b>320 328</b>	<b>325 374</b>	<b>320 328</b>
<b>Total</b>	-	-	<b>326 341</b>	<b>325 703</b>	<b>326 341</b>	<b>325 703</b>

The difference between Note 12 and Annexure 3 is due to the fact that amounts included under Annexure 3 only refers to Government entities

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
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**ANNEXURE 4**  
**INVENTORIES**

	2016/17		2015/16	
	Quantity	R'000	Quantity	R'000
<b>Inventory</b>				
Opening balance	7 529	484	9 501	700
Add/(Less): Adjustments to prior year balances	-	568	-	-
Add: Additions/Purchases – Cash	112 034	1 758	395 646	19 755
Add: Additions – Non-cash	-	-	-	-
(Less): Disposals	-	-	-	-
(Less): Issues	(111 677)	(1 630)	(394 779)	(19 841)
Add/(Less): Adjustments	(6 533)	(1 017)	(2 839)	(130)
Closing balance	<b>1 353</b>	<b>163</b>	<b>7 529</b>	<b>484</b>

Additions include inventory bought through donor funds, NSF growth funds and NSF Infrastructure funds. The weighted average price variance value for inventory is (R555 656.38)

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
**VOTE 15**  
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**ANNEXURE 5A**  
**INTER-ENTITY ADVANCES PAID (note 11)**

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	R'000	R'000	R'000	R'000	R'000	R'000
<b>NATIONAL DEPARTMENTS</b>						
Department of International Relations and Cooperation	-	-	7 489	11 283	7 489	11 283
Government Communications and Information System	-	-	5 566	4 653	5 566	4 653
<b>Subtotal</b>	-	-	<b>13 055</b>	<b>15 936</b>	<b>13 055</b>	<b>15 936</b>
<b>PUBLIC ENTITIES</b>						
National Student Financial Aid Scheme: TRC Victims Funds	-	-	20 256	22 043	20 256	22 043
<b>Subtotal</b>	-	-	<b>20 256</b>	<b>22 043</b>	<b>20 256</b>	<b>22 043</b>
<b>Total</b>	-	-	<b>33 311</b>	<b>37 979</b>	<b>33 311</b>	<b>37 979</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
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## ANNEXURE 5B

### INTER-ENTITY ADVANCES RECEIVED (note 17 and note 18)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	R'000	R'000	R'000	R'000	R'000	R'000
<b>PUBLIC ENTITIES</b>						
<b>Current</b>						
National Skills Fund International Scholarship Grant	-	-	29 355	7 172	29 355	7 172
National Skills Fund TVET Infrastructure Grant	-	-	-	50 121	-	50 121
<b>Subtotal</b>	-	-	<b>29 355</b>	<b>57 293</b>	<b>29 355</b>	<b>57 293</b>
<b>Total</b>	-	-	<b>29 355</b>	<b>57 293</b>	<b>29 355</b>	<b>57 293</b>
<b>Current</b>	-	-	<b>29 355</b>	<b>57 293</b>	<b>29 355</b>	<b>57 293</b>
<b>Non-current</b>	-	-	-	-	-	-

# Notes



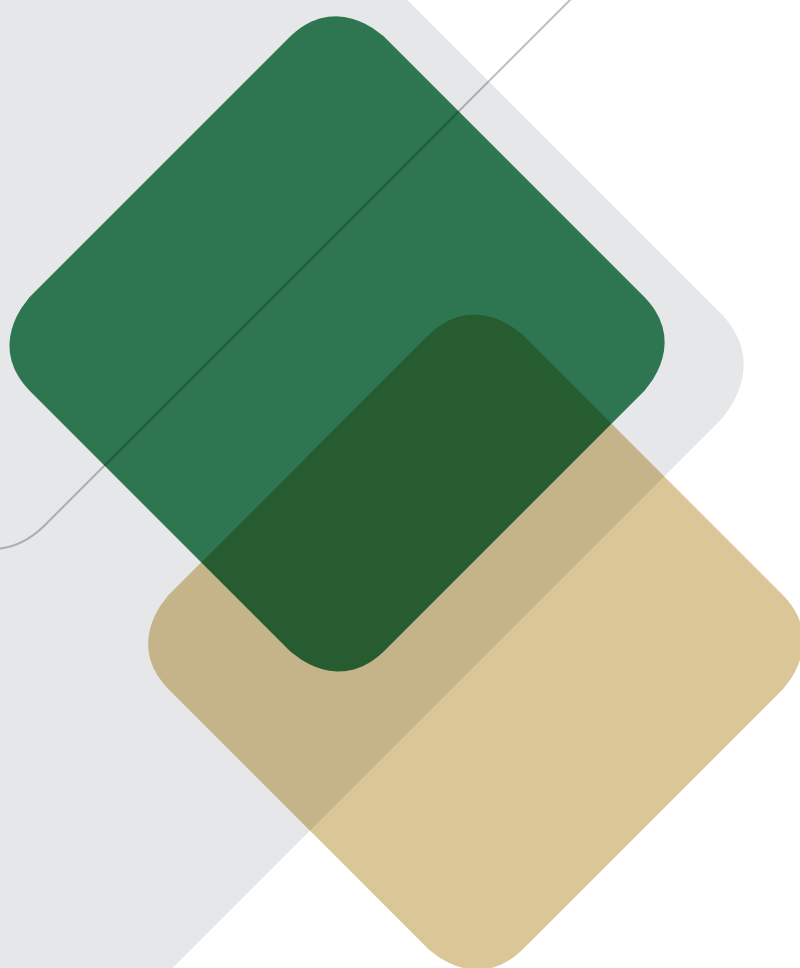
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# Notes



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