



COUNCIL ON HIGHER EDUCATION

Three-year Business Plan and MTEF Budget 2011-2014

CHE's three-year rolling business plan as approved by the Council on 2 December 2010, including the revised Budget for 2011-2014 based on the approved 2011-2014 MTEF revised allocation.

**CHE Building, 1 Quintin Brand Street, Persekor Technopark, Brummeria, Pretoria
PO Box 94 Persekor Technopark, 0020, South Africa
Tel: +27 12 349 3892 , e-mail : fisher.d@che.ac.za**

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Table of Contents

DETAILS	PAGE
1. Introduction	2
2. Purpose	3
3. Assumptions	4
4. Operating Principles	5
5. Mandates and Activity Areas (2011-2014)	5
6. Support Services	15
7. Materiality Framework	19
8. Risk Management and Fraud Prevention	20
9. Non-Financial Performance indicators (2011-2012)	25
10. Budget MTEF (2011-2014)	29

1. Introduction

The development and submission of the Council on Higher Education's (CHE) Strategic Plan and Budget for the Medium-Term Expenditure Framework for the financial years 2011/12 to 2013/14 is being done against the backdrop of a review of the CHE's organisational structure and a re-conceptualisation of its core functions, in particular, quality assurance and promotion and monitoring and evaluation. The underlying purpose of the review of the organisational structure is to assess its efficacy, including the skills set required, to enable the CHE to discharge its expanded mandate as the Quality Council for Higher Education in terms of the National Qualifications Act of 2008 (Act 67 of 2008). In terms of its expanded mandate, the CHE, in addition to its previous functions, namely, quality assurance and promotion, programme accreditation and institutional audits, is now responsible for the development and management of the Higher Education Qualifications Framework (HEQF), including the policy and criteria for the development of qualifications for its sub-framework, standards setting and the development of naming conventions for qualifications, including designators and qualifiers. There has been limited progress made in relation to the implementation of the expanded mandate, which is largely due to two factors; (i) the fact that funds for the expanded mandate were only made available in January 2010 and (ii) a vacuum at the senior management level – the previous Chief Executive Officer (CEO) resigned in November 2009 and the delay in the appointment of a new CEO until May 2010.

The re-conceptualisation of its core functions is informed by three factors. First, as the implementation of the framework of the first of cycle quality assurance and promotion which was introduced in 2004 is nearing completion it is an opportune moment to re-conceptualise the framework on the basis of the lessons learnt in preparation for the second cycle, which will begin 2012.

Second, the introduction of new functions, which flow from the CHE's role as a Quality Council, as outlined above. Third, the monitoring function of the CHE needs strengthening, especially as this role has remained undeveloped in the recent past in large part because of capacity constraints. And although, as indicated in the 2009/10 Strategic Plan, a revised approach to monitoring was beginning to take shape, the emerging framework has not been embedded because of the senior management vacuum referred to above.

It goes without saying that the underlying purpose of the re-conceptualisation of the core functions is to build on and strengthen current practice, including incorporating the new functions. It is not intended to lead to a fundamental departure in the way in which the CHE's core functions are performed. Similarly, it is not anticipated that the outcomes of the organisational review, which will be finalised in the last quarter of 2010, will result in a radical restructuring of the organisational structure of the CHE.

Thus, the point of departure of this strategic plan and budget is the existing organisational structure and functions as currently performed. However, where appropriate, anticipated changes that may flow from the organisational review and re-conceptualisation of functions are highlighted.

2. Purpose

The purpose of the Strategic Plan and Budget is to outline the planned activities and the resources required to give effect to the vision and mission of the CHE. The CHE operates as a national entity under Schedule 3A of the Public Finance Management Act (PFMA, Act 1 of 1999) as amended. It adheres to principles of good governance, financial and performance management, and is held accountable for these to the Parliament of the Republic of South Africa.

2.1 Vision

The CHE's vision for higher education in South Africa is a transformed, equitable, high quality, responsive and sustainable higher education system based on non-racialism, non-sexism, freedom of expression and other basic human and social rights.

2.2 Mission

The CHE's mission is to be an independent, intellectually engaged public body that advocates quality and equity, leads debate and influences policy in higher education. The CHE contributes to the development of higher education in South Africa through:

- Providing advice to the Minister of Higher Education and Training;
- Functioning as the Quality Council for higher education;
- Monitoring the state of higher education, and
- Promoting understanding of and debate about higher education

3. Assumptions

This Strategic Plan and Budget is based on the following assumptions:

- (i) The CHE has a dual function as an advisory body to the Minister of Higher Education and Training and as the Quality Council for Higher Education.
- (ii) The necessary financial support to enable the CHE to deliver its mandate will continue to be provided, including establishing an appropriate baseline budget in the Medium-Term Expenditure Framework (MTEF) in the light of the expanded mandate of the CHE as the Quality Council for Higher Education.

4. Operating Principles

The CHE is guided by the principles of generally accepted business practice, including compliance with applicable laws, commitment to organisational integrity, avoidance of conflicts of interest and observance of high ethical standards.

In addition, the CHE strives to provide a policy and work environment that will encourage intellectual creativity, non-discrimination, diversity, innovation, diligence and responsiveness.

5. Mandates and Activity Areas: 2011-2014

The CHE's organisational structure is based on Directorates linked to its core mandate and functions. The outcomes of the organisational review, which was discussed in the introduction, may result in the restructuring and re-alignment of existing directorates to facilitate the efficient and effective functioning of the CHE.

5.1 Advising and Monitoring

The Advice and Monitoring (A & M) Directorate is responsible for monitoring and interpreting trends and progress towards achieving agreed national policy goals and objectives in higher education in line with section 5 (d) of the Higher Education Act (Act 101 Of 1997), as amended, which stipulates that the CHE must "publish information regarding developments in higher education, including reports on the state of higher education, on a regular basis". In addition, it co-ordinates the processes for the preparation of advice to the Minister of Higher Education and Training either at the Minister's request or on the initiative of the CHE.

The priority of the A & M Directorate in the next three years, as indicated in the introduction, is to strengthen the monitoring role of the CHE, thus enabling the CHE to:

- Meet its commitment to providing advice that is informed, relevant, independent and strategic.
- Enhance public understanding of, and contribute to the public debate on, the role of the higher education system.
- Build confidence in the higher education system, in particular, in relation to quality.
- Influence and contribute to defining the parameters of the policy debates on higher education.

The key focus areas will be determined taking into account the outcomes of the Ministerial Summit on Higher Education, which was held in April 2010, and on the basis of dialogue and engagement with the Minister and Department of Higher Education and Training (DHET), the senior leadership of higher education and higher education constituencies and stakeholders.

The outputs of the A & M Directorate will include the following:

- “At a glance” booklets of key statistical data linked to key indicators, both national and disaggregated in terms of institutional types. These data will also be available on the CHE website.
- Seminars, workshops and colloquia on key issues, including the outcomes of research projects.
- A report on the State of Higher Education, which will analyse trends and reflect on systemic issues.
- Higher Education Monitor, a publication series, which report on the outcomes of research on a selected range of key issues.

The A & M Directorate will also continue to work with organisations, including the DHET, SAQA, UMALUSI and the NRF, to build its information database, including identifying new sources of information. In this regard, given the progress that has been made with the implementation of the CHE's Higher Education Quality Committee Information System (HEQCIS), which is a database for private higher education providers that feeds into the National Learner Records Database, the CHE will be engaging with the DHET, SAQA and private providers about the need to broaden and expand the HEQCIS, including the form in which the data is collected, to enable comparative analysis between the public and private higher education systems.

The collection and curation of information resources for the CHE, and which is also available to researchers in higher education is the responsibility of the Resource Centre, which is managed by the A & M Directorate. The Resource Centre is in the process of building its holdings of books and periodicals, including expanding its online services such as access to research databases and electronic news feeds.

5.2 Development and Management of the HEQF and Standards Setting

The CHE in terms of its expanded mandate is now also responsible for the development and management of the Higher Education Qualifications Framework (HEQF), including the policy and criteria for the development of qualifications for its sub-framework, standards setting and the development of naming conventions for qualifications. Although these additional responsibilities came on stream in 2009, as indicated in the introduction, there has been limited progress in implementation because funds for this purpose were only allocated in January 2010 and because of the management vacuum. This meant in effect that other than some initial conceptual work, the planned establishment of a new Directorate to perform these functions was put on hold.

The CHE is currently in the process of developing a conceptual framework and the associated processes required that would inform the way in which the CHE gives effect to the expanded mandate, including the organisational form that this should take. In terms of the latter, although at this stage it is planned to establish a new Directorate, the option of a project approach for the initial setting of standards at the macro-level may be more appropriate and is under consideration. This is based on the understanding that standards setting is a periodic exercise – probably every five years - and does not therefore warrant the establishment of a permanent directorate. In between the five-yearly review, the ongoing maintenance and monitoring functions relating to standards setting, including the management of the HEQF, could be managed through the National Reviews Directorate, which focuses on standards setting at the programme level. It is anticipated that the conceptual framework and the organisational form will be finalised towards the latter half of 2010, with implementation beginning in early 2011. However, it is important to emphasise that irrespective of the final organisational form, the implementation of the expanded mandate will take at least the next three years to complete.

This means in effect that the additional R 9m that was allocated in January 2010 for the expanded mandate, specifically, for standards setting, will be spent over the MTEF period covering 2011/12 to 2013/14 financial years. In order to ensure that the funds for the expanded mandate are reflected in the CHE's baseline budget, the R 9m has been distributed in the budget across the 2011/12 to 2013/14 financial years. It is important to emphasise, however, that the adequacy of the funds allocated for the expanded mandate would have to be monitored over the MTEF period and adjustments made to the baseline should this be necessary.

The main priorities in 2011/12 include the following:

(i) Review of the HEQF

A range of concerns have been raised by the Universities of Technology and various Professional Councils, relating to the number, nature and purposes of the qualification types set out in the HEQF, including, inter-alia:

- The appropriateness of the nine qualification types, including the designated variants, in the light of different institutional missions and labour market expectations, in particular, the lack of a degree variant unique to the Universities of Technology.
- The coherence and consistency in the designation, credit value and pegging of some qualifications in the context of the needs of different professions, in particular, the lack of 240 credit diplomas, which may be required, for example, in a range of auxiliary health professions.
- The articulation pathways between undergraduate diploma and postgraduate programmes in terms of the time required to complete a masters degree, for example, a student with an undergraduate diploma would require two additional years of study prior to being considered for entry into a masters programme.
- The appropriateness of a number of postgraduate qualifications in different professional fields and their international comparability such as the MMed.
- The extent to which the range of qualifications available, in particular, at levels 5 and 6 are appropriate to support the goal of expanded access.

In the light of these concerns, the CHE will be initiating a review of the HEQF, which may result in the revision of the HEQF to enable the development of new qualification types to facilitate access, ensure responsiveness to emerging skills and knowledge needs and enhance the coherence of the higher education system.

(ii) Alignment of Existing Programmes and Qualifications

The continued offering of existing programmes and qualifications is subject to these programmes and qualifications meeting the requirements of the HEQF within a time-frame to be determined by the Minister of Higher Education and Training by notice in the Government Gazette.

The CHE is currently in the process of finalising an implementation plan for the alignment of existing programmes and qualifications, which will be released for consultative purposes in October 2010. It is anticipated that the alignment process, which will begin in early 2011, will be completed by the end of 2013.

(iii) Standards Setting

In relation to standards setting and the development of naming conventions for qualifications, the CHE is currently in the process of developing a draft framework for standards setting and for naming conventions, which will be released for consultative purposes towards the end of 2010.

As indicated, the standards setting framework will take at least three years to implement beginning in early 2011.

5.3 Quality Assurance and Promotion

The CHE through the Higher Education Quality Committee (HEQC), which is a permanent committee in terms of the Higher Education Act, is responsible for (i) promoting quality assurance in higher education; (ii) auditing the quality assurance mechanisms of higher education institutions and accrediting programmes offered by higher education institutions. As indicated in the introduction, the implementation of the framework of the first cycle of quality assurance and promotion, which was introduced in 2004, is coming to an end – the last institutional audits will be completed in the course of 2011. In the light of this, and on the basis of the lessons learnt, including the external evaluation of the HEQC, which was undertaken in 2008, the HEQC is currently in the process of developing a new quality assurance framework for the second cycle, which will begin in 2012.

The key shift envisaged in conceptual terms is a move away from the first-cycle focus on the institutional systems, processes and policies required to assure the quality of the institutions' core functions to a narrower focus on the conceptual assumptions informing institutional approaches to teaching and learning and their translation into practice at the level of curriculum and educational processes. Although this shift would impact on all aspects of the quality assurance functions of the HEQC, its main impact would be on the institutional audit framework and process. In addition to the development of a new conceptual framework for quality assurance, the HEQC is also in the process of finalising a framework for aligning existing higher education programmes in line with the requirements of the HEQF, as indicated in 5.2 above. In organisational terms, the Executive Director for Quality Assurance is responsible for co-ordinating the development and implementation of the CHE's quality assurance and promotion functions. This is done through four Directorates, namely, Institutional Audits, Programme Accreditation, National Reviews and Quality Promotion and Capacity Development.

5.3.1 Office of the Executive Director: Quality Assurance

The office of the Executive Director (ED) is responsible for developing the strategic direction of the quality assurance system and the conceptual and operational integration of the sub-systems in relation to institutional audits, programme accreditation, national reviews and quality promotion. Its main priority going forward is the development of the conceptual framework for the second cycle of quality assurance, as well as for contributing to the system-level understanding of quality issues, including the policy implications, which could serve as a basis for advice to the Minister of Higher Education and Training. In this regard, the Office of the ED is finalising the meta-analysis of the salient issues that have emerged in the context of the first cycle of institutional audits.

The CHE has decided that the quality promotion function, which includes facilitating stakeholder understanding of the role of quality assurance, including building capacity amongst stakeholders, in particular, students, will in future be undertaken from within the Office of the ED rather than through a separate Directorate – the Quality Promotion and Capacity-Building Directorate, as is the case currently. This is based on the fact that as the quality assurance system has matured and is well integrated into institutional systems and processes, a dedicated directorate is no longer necessary. In practical terms, there are limited staffing implications, as the majority of posts in the current directorate are vacant.

The major portion of the resources that are freed as a result will be redirected to the National Reviews Directorate, which has been inadequately funded in the past. In addition the Office of the ED continues to co-ordinate stakeholder liaison with national, regional and international organisations involved in quality assurance.

5.3.2 Institutional Audits

The Institutional Audits Directorate (IAD) is responsible for the implementation of the framework for institutional audits. As indicated, the first cycle of institutional audits comes to an end in 2011 – the two outstanding audits of the Walter Sisulu University and Mangosuthu University of Technology will be in mid-2011. In 2011/2012, the main focus of the IAD, aside from completing the remaining two audits, will be on:

- The follow-up activities linked to the first cycle of audits relating to the development and implementation of institutional improvement plans.
- Refining the institutional audit framework for the second cycle and preparing for piloting the framework in 2012, which would include the production of audit manuals and the training of auditors.

It is anticipated that two pilot audits to test the new system would be undertaken in 2012, which would enable the full-scale implementation of the second cycle beginning in 2013.

The directorate will conduct between three and five audits per year. In any given year the directorate will be conducting new audits, dealing with institutions whose audits will be done in the following year and managing the follow up activities from the previous year's audits. The conduct of an audit includes a number of preparatory activities in support of the audited institution, preparatory activities in relation to the site visit and the site visit itself.

5.3.3 Accreditation Directorate

The Accreditation Directorate is responsible for the processing of applications for the accreditation of programmes submitted by public and private providers.

The AD's main focus in 2011/12, aside from continuing with its routine programme accreditation function, will include the following:

- Alignment of existing programmes in line with the requirements of the HEQF. As indicated above, the AD is in the process of finalising an implementation framework, which will be released for consultation with higher education institutions in October 2010. The proposed framework involves new modalities for the evaluation of programmes, which will require expanding the capacity of the *heqc-online system* to capture information. In addition, the re-accreditation of private provider programmes will be continued in 2011/2012.
- Improvement and further development of the *heqc-online system*, which includes, in addition to the new modalities outlined above, the development and operationalisation of a range of functionalities in order to make the accreditation process more efficient and effective. Work in this area constitutes an important part of systems maintenance and development.

5.3.4 National Reviews

This directorate has been dormant since 2008 when the Director resigned. The reason for not filling the vacant post and putting the Directorate's work on hold was related to budgetary constraints. However, in the organisational review discussions it has become clear that national reviews have an important role to play. Aside from the impact of national reviews on the improvement of quality, which was highlighted by the external review of the HEQC in 2008, it also has a central to role in the establishment of standards at the disciplinary level. In fact it is arguable whether both a Standards Setting Directorate and a National Reviews Directorate is warranted in the long-term. It is precisely because of this that, as indicated above, consideration is being given to a project approach to the initial setting of standards at the macro-qualification level.

The underlying assumption is that the ongoing functions relating to standards setting and the management of the HEQF could be managed through the National Reviews Directorate. In relation to National Reviews, as indicated above, it has been agreed to re-establish the Directorate with the funds freed from closing down the Quality Promotion and Capacity-Building Directorate.

6. Support Services

The efficient and effective functioning of the CHE in discharging its core mandate is dependent on the provision of a range of professional, technical and administrative support services, including financial administration, human resources management (HR), supply chain management, information technology management (IT), building maintenance, security and cleaning services.

The services are either provided internally, specifically in relation to finance, HR and supply chain management or externally through outsourcing on the basis of Service Level Agreements, specifically in relation to internal audit, ICT and building maintenance, security and cleaning services.

The role of support services is to add value to the CHE's operations with the emphasis on quality, integrity, compliance, efficiency, effectiveness and economy, thus ensuring that the CHE:

- Is compliant with the requirements of the PFMA, relevant Treasury regulations and laws.
- Is guided by sound HR and business practices, including the procurement and management of assets and services
- As a public entity can effectively discharge its reporting responsibilities on all levels and to all its stakeholders.

6.1 Financial Administration

The financial administration of the CHE is managed by the Finance Department (FD), which is responsible for the overall management, control, reconciliation and monitoring of, and reporting on, financial performance across the organisation, including payroll administration. It is also responsible for ensuring that the different Directorates take responsibility for managing their own budgets within the parameters of the CHE's financial delegations framework. Apart from ensuring that the CHE complies with all the necessary PFMA requirements and Treasury regulations, the FD is also responsible for the regular updating of financial policies and procedures and the upgrading and renewal of software licenses as and when necessary.

There are no significant changes foreseen in the FD's current structure and functions, other than ongoing alignment with basic audit requirements and treasury regulations. In the context of an increasingly complex and comprehensive financial reporting environment, which the CHE complies with in practice, the main focus in the next three years will be on the further adjustment and refinement of the internal financial recording and reporting systems. A four-layered reporting structure has already been successfully implemented. This system allows for hierarchical reporting on four levels of budget management, that is, performance against budget on project level, directorate level, senior management level and on the accounting (CHE Council) and executive authorities (Department of Higher Education and Training) levels. To ensure further consistency and reliability between the VIP Payroll system and the Pastel Evolution accounting system, the two financial systems will be integrated in the next financial year. The result will not only be time saving, but will reduce the risk as the processing of manual salary journals and reconciliations will be eliminated.

6.2 Supply Chain Management

A fairly comprehensive Supply Change Management (SCM) policy and system is in place, which enables the CHE to introduce best practices whilst at the same time addressing government's preferential procurement policy objectives linked to increasing Broad Based Black Economic Empowerment and SMME development. SCM procedures, which currently provides for demand management, acquisition management, logistics management, disposal management and supply chain performance will be further developed and refined over the next three years.

6.3 Internal and External Audits

The contract for three-year internal audit plan, which was introduced in 2008 to provide for regular annual internal audits, comes to an end this year. This internal audit function will continue to be outsourced going forward and a new tender for the service will be awarded in the latter half of 2010. In addition, Charters for both the internal and external audit committees were reviewed in 2010 and will continue to be reviewed on an annual basis to ensure ongoing relevance.

6.4 CHE Investments

The CHE Investment Policy, which was approved by the Council in 2009 provides the framework within which investments are currently managed. In line with the policy, investments are exposed mainly to interest rate risk that varies with prime. The major portfolios are invested in appropriate products at the following institutions:

- (i.) Standard Bank – Marketlink accounts;
- (ii.) Reserve Bank – Corporation for Public Deposits; and
- (iii.) Investec – Business Top 5

6.5 Information Technology

The management of the CHE's IT infrastructure is outsourced to a specialist service provider and its internet access and bandwidth is provided by TENET, which is owned by and provides services to all higher education institutions in South Africa. The CHE is developing an IT strategy to ensure optimal use of information technologies to support the organisation's current and future work. The following changes are anticipated in the course of the next three years:

- The backup capacity and procedures will be improved by upgrading both software and hardware facilities.
- There will also be an increased need for integrated reporting and information sharing.
- The intranet, which was restructured in 2010 to enable the streamlining of internal communications, specifically, workforce productivity and employee communications, will be further refined from 2011 onwards to support the CHE file plan and to enhance access and document repository.

6.6 Human Resources Management

An initial review of the CHE's human resources management policies by the new CEO revealed gaps and inconsistencies in the application and implementation of policies.

In the light of this, a detailed review of the policies has been initiated under the leadership a newly appointed HR Manager with a view to developing a coherent set of policies and a Human Resources Plan to ensure that the CHE's human resources policies are geared to meet the expanding organisational mandate and changing operational requirements while promoting best practice.

The review, which is being done in conjunction with the review of the organisational structure, will include the following:

- Assessing the skills set needed to enable the CHE to discharge its core mandate.
- Developing a recruitment and retention strategy, including benchmarking the CHE remuneration framework with that of the public and higher education sectors to ensure that it is commensurate with the relevant market.
- Finalising job descriptions and the grading of posts.
- Refining the operational efficiency of the performance management system to ensure greater cohesion among and across directorates in achieving organisational goals. This will include ensuring that all staff understands the principles and purpose of the performance management system.
- Development and implementation of a staff development plan, which would enable staff to meet the requirements of the post, as well as provide for individual self-development through further study where appropriate.

7. Materiality Framework

Section 28.1.5 of Treasury Regulations requires that Public Entities achieve the following objective: *“For purposes of material [section 55(2) of the Public Finance Management Act (PFMA), and significant [section 54(2) of the PFMS), the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority in consultation with the external auditors.”*

On the basis of the Auditor-General's guidelines, the CHE assessed the level of 'a material loss' as follows:

- Every amount in respect of criminal conduct.
- R10,000 and above in respect of irregular, fruitless and wasteful expenditure involving gross negligence.
- R795 000 and above in respect of any other irregular, fruitless and wasteful expenditure.

In determining the said materiality value of R795 000, cognisance has been taken of the following factors:

- Nature of the CHE's core business.
- The relevant statutory requirements, specifically, the Public Finance Management Act.
- The control and inherent risks associated with the work of the CHE.

8. Risk Management and Fraud Prevention

8.1 Fraud Prevention

The CHE views fraud of whatever nature and irrespective of the magnitude as extremely serious and has adopted a 'zero tolerance' attitude to such acts. This is based on the firm commitment of Council and Management to:

- The highest standard of personal and corporate ethics.
- Compliance with all laws and regulations.
- Integrity, honesty, openness and transparency in all organisational activities, both internal and external.

The sanction in the case of any disciplinary action taken with respect to proven fraudulent acts by CHE staff will in most cases be dismissal.

The Fraud Prevention Policy of the CHE is supported by regular risk assessment, education, training and awareness programmes for the staff.

8.2 Risk Management

The CHE Council has committed the CHE as a public entity to a process of Risk management that is aligned to the principles of good corporate governance, in line with the **Public Finance Management Act (PFMA) 1 of 1999 as amended**. This is reflected in the CHE's Risk Management Policy, which emphasizes the importance of effective risk management as a precondition for enabling the CHE to fulfill its mandate.

All directorates, sections, operations and processes are subject to the risk management policy and they all work together in a consistent and integrated manner, with the overall objective of reducing risk, as far as reasonably practicable.

The CHE's risk register included in the business plan shows the top 13 risks identified and managed by the CHE. Except for the HR's function the internal control effectiveness of the other risks is perceived to be good and in some instances very good.

The CHE has recently appointed an HR Manager who is currently reviewing and revising the organisation's HR policies, including a staff development plan.

It is anticipated that the successful implementation of these strategies will eventually minimize the HR risk significantly.

	Risk category	Risk	Impact		Likelihood		Inherent risk		Current controls	Perceived control effectiveness	
1	Fraud and corruption	1) A systematic approach to fraud and corruption prevention, detection and control 2) Breach of confidentiality 3) Conflict of interest 4) Suppliers/Service Providers and Employee collusion 5) Lack of integrity	Major	4	Unlikely	2	Low	8	1) Approved Fraud Prevention Policy & Plan in place 2) Confidentiality clause included in employment contract 3) Declarations of interest administered at Council and Committee meetings 4) Code of Good Conduct Policy which includes anonymity mechanism (Hotline). 5) Approved policy for delegations of authority 6) Approved financial policies and procedures	Good	0.40
2	Information and document management	1) Proper implementation of file plan may not be optimal because of lack of commitment or awareness and expertise 2) Safekeeping of information	Moderate	3	Likely	5	Moderate	15	1) Approved file plan and document management policy and procedures 2) Electronic version of file plan available on O-drive 3) Assignment of duties and ongoing training for relevant staff members 4) Facilities in place for safekeeping of documents - All existing files have been archived, indexed and safely stored in basement	Good	0.40
3	Business continuity	1) Destruction of building (fire, earth quake) 2) Compensation and indemnity risks 3) IT server room destroyed 4) One or more servers crash simultaneously	Critical	5	Rare	1	Very Low	5	1) Business continuity policy and plan 2) Health and safety policy in place and evacuation procedures finalised 3) Property and indemnity insurance 4) IT disaster recovery plan recently reviewed 5) Backup software recently upgraded and successfully installed. 6) Additional server to be purchased soon.	Good	0.40

	Risk category	Risk	Impact		Likelihood		Inherent risk		Current controls	Perceived control effectiveness	
4	Litigation	1) HEQC decisions can be challenged 2) Credibility of audit processes and reports can be challenged	Minor	2	Rare	1	Very Low	2	1) Relevant Policies and procedures established 2) Considering legal advice that the policies and procedures should be gazetted in the form of regulations	Good	0.40
5	Financial	1) History of under spending may eventually result in downward adjustment of MTEF allocation 2) Inadequate government funding	Moderate	3	Moderate	3	Low	9	1) Monthly variance reporting and cash flow projections 2) Monthly management meetings 3) Approved CAPEX and operational budgets 4) Review of budget process underway	Good	0.40
6	Human Resources	1) Inadequate skills at SM level to achieve CHE's objectives 2) Attraction and retention of critical skills 3) Lack of staff training and development	Moderate	3	Likely	4	Low	12	1) Benchmarking process underway to align structure to market related remuneration 2) Staff development linked to Annual HR Business Plan. 3) Revised Performance Management system linked to individual development plans implemented	Satisfactory	0.65
7	Outsourcing and contracting	1) Contracts not specific enough about performance indicators 2) Service providers not meeting delivery targets and dates 3) Non-compliance with legislative targets (e.g. BBBEE Policies)	Minor	2	Moderate	3	Low	6	1) Project Management system in place and operational 2) Contract ownership established 3) Contractor/consultants performance ratings done regularly 4) Review of current policies and contracts to ensure compliance	Good	0.40
8	Assets	Destruction/theft and sabotage related to: 1) Open plan offices with no lockup facilities 2) Increased crime in Persequor Park	Moderate	2	Moderate	3	Low	6	1) 13 Surveillance cameras installed 2) Laptops issued with tethers for security purposes 3) Access to storerooms and safes controlled 4) Building monitored by Security Company after working hours	Good	0.40

	Risk category	Risk	Impact		Likelihood		Inherent risk		Current controls	Perceived control effectiveness	
9	Information Technology	1) Server crash 2) Virus/spam ware infection 3) Information security leak 4) Backup failure	Major	4	Unlikely	2	High	8	1) ICT Committee in place to monitor and advise on IT matters 2) IT disaster recovery plan recently reviewed and updated 3) Backup software recently upgraded 4) Replacement of obsolete servers planned and provided for in annual budget	Good	0.40
10	Political and Policy environment	1) Emerging new priorities	Major	4	Moderate	3	Moderate	12	1) Regular meetings with DHET 2) Establishment of the NQF Forum to coordinate the activities of the Quality Councils	Very good	0.20
11	Health & Safety	1) Injuries at work 2) Not complying with OH&S Act	Minor	2	Unlikely	2	Very Low	4	1) Health and Safety (H&S) committee in place 2) A H&S audit completed and weaknesses addressed 3) Evacuation plan in place 4) Safe working conditions defined	Good	0.40
12	Labour Relations	1) Labour instability 2) Redundancies	Moderate	3	Rare	1	Very Low	3	1) Staff Union in the process of being established 2) Awareness programmes relating to policies and procedures 3) Retrain and redeploy staff where possible	Good	0.40
13	Social environment	1) Unhealthy and unsafe environment 2) Racial and gender issues	Moderate	3	Rare	1	Very Low	3	1) Programmes are being developed to create a conducive and professional work environment	Good	0.40

11. NON-FINANCIAL PERFORMANCE INDICATORS 2011/12

Strategic Objective	Programme	Baseline at the beginning of the year/ previous year's performance 2009/2010	Performance Indicator	Annual Target as per Strategic Plan 2010/11	Annual Target as per Strategic Plan 2011/12	QUARTERLY TARGETS 1 April 2011 – 31 March 2012				Comments
						April – June 2011	Jul – Sept 2011	Oct – Dec 2011	Jan – March 2012	
Meeting of governance body	HEQC			Not included	8	2	2	2	2	
Accredit programmes of higher education	Accreditation of new programmes	6	Number of Accreditation Committee meetings to be conducted	6	5	1	1	2	1	In the previous financial year 7 Accreditation Committee meetings were held. The planned April meeting has been moved to March to accommodate audits and public holidays.
		110	Number of new programmes to be assessed and/or to be completed	100	400	100	100	100	100	
	Re-accreditation of programmes	250	Number of re-accreditations to be assessed and/or to be completed	130	70	0	0	0	70	No formal decision has been taken as to when the agricultural colleges will be included in this process.
	HEQF implementation number of programmes assessed			n/a	12000	0	0	0	12000	This is an approximate number, there is no way of identifying what institutions will submit.
Review the accreditation status of higher education programmes in specific areas	Analysis of improvement plans	83	Number of improvement plans to be analysed	5	0	0	0	0	0	All Improvement Plans relevant to the National Reviews which have been undertaken have been received.
	Monitoring of teach-out plans	4	Number of teach-out plans to be implemented	11	14	0	7	0	7	

11. NON-FINANCIAL PERFORMANCE INDICATORS 2011/12

Strategic Objective	Programme	Baseline at the beginning of the year/ previous year's performance 2009/2010	Performance Indicator	Annual Target as per Strategic Plan 2010/11	Annual Target as per Strategic Plan 2011/12	QUARTERLY TARGETS 1 April 2011 – 31 March 2012				Comments
						April – June 2011	Jul – Sept 2011	Oct – Dec 2011	Jan – March 2012	
Audit the quality assurance mechanisms of higher education institutions	Conduct audits of public higher education institutions	2	Number of audits to be conducted	6	2	2	0			These are the last audits in the first cycle
	Analyse and approve institutional improvement Plans.	9	Number of improvement plans that will be submitted and analysed	3	3	0	1	1	1	
			Number of new improvement plans to be submitted for approval	3	3	0	1	1	1	
Promote quality assurance in higher education	Training workshops for auditors	2	Number of Auditor preparation Workshops to be conducted	1	2	1	0	0	1	Training will commence during the first quarter to cover the second cycle of quality assurance
	Training workshops	2	Number of Information and training workshops to be conducted	4	4	1	1	1	1	Evaluator training
	Holding of quality assurance forums	2	Number of forums to be conducted	4	1	0	0	1	0	
	Implementation of student participation in quality assurance	2	Number of workshops to be organized	2	0	0	0	0	0	Programme completed


11. NON-FINANCIAL PERFORMANCE INDICATORS 2011/12

Strategic Objective	Programme	Baseline at the beginning of the year/ previous year's performance 2009/2010	Performance Indicator	Annual Target as per Strategic Plan 2010/11	Annual Target as per Strategic Plan 2011/12	QUARTERLY TARGETS 1 April 2011 – 31 March 2012				
						April – June 2011	Jul – Sept 2011	Oct – Dec 2011	Jan – March 2012	Comments
Implementing of expanded mandate as Quality Council	Review of the HEQF		Gazetting of revised HEQF by the Minister of HET	N/A	1		1			It is anticipated that the process will be completed in July-September 2011
	Development and implementation of standards setting framework		Development of implementation plan							This is in the early stages of conceptualization. The indicators and targets will be adjusted as soon as the framework is finalized.
Advising the minister	Advise the Minister on request or on own initiative	3	Number of responses to requests	N/A		N/A	N/A	N/A	N/A	Advice to be submitted depends on requests made.
			Number of proactive pieces of advice given	N/A		N/A	N/A	N/A	N/A	
Monitoring the state of higher education	Research projects	1	Number of new projects to be initiated	1	2	0	1	0	1	Two projects will be initiated during the year.
		1	Number of ongoing projects in progress	2	2	1	1	1	2	One project will be in progress at start of 2011.
		0	Number of projects to be completed successfully	1	1	1	0	0	0	One project will complete in Quarter one
	Database of HE researchers	95	Number of researchers to be recorded on CHE database	300	340	10	10	10	10	This database has been populated. Small increases can be expected.
	Collecting data from private institutions	0	Number of private providers that will be contributing to the HEQCIS database	50% (about 50 providers)	90%	90%	90%	N/A	90%	N/A

11. NON-FINANCIAL PERFORMANCE INDICATORS 2011/12

Strategic Objective	Programme	Baseline at the beginning of the year/ previous year's performance 2009/2010	Performance Indicator	Annual Target as per Strategic Plan 2010/11	Annual Target as per Strategic Plan 2011/12	QUARTERLY TARGETS 1 April 2011 – 31 March 2012				Comments
						April – June 2011	Jul – Sept 2011	Oct – Dec 2011	Jan – March 2012	
	Establishing a network of data sources	5	Number of established data source relationships to be signed	7	2	1	0	1	0	Expect to negotiate new agreement with SAQA and investigate other relationships (UMALUSI, Stats SA, HSRC)
Contributing to the higher education sector	Dissemination of research findings	1	Number of new books to be published	3	3	1	0	1	1	
		517	Number of copies of publications to be distributed	2000	2000	500	500	500	500	
	Promote debate and influence policy	1	Number of events to be organized (i.e. conferences, seminars, colloquia)	4	4	1	1	1	1	
		36	Total number of people who will attend CHE events	200	200	50	50	50	50	
		18	Presentations to be made by CHE Directors / CEO at HE events by invitation	6	6	1	2	1	2	

COUNCIL ON HIGHER EDUCATION

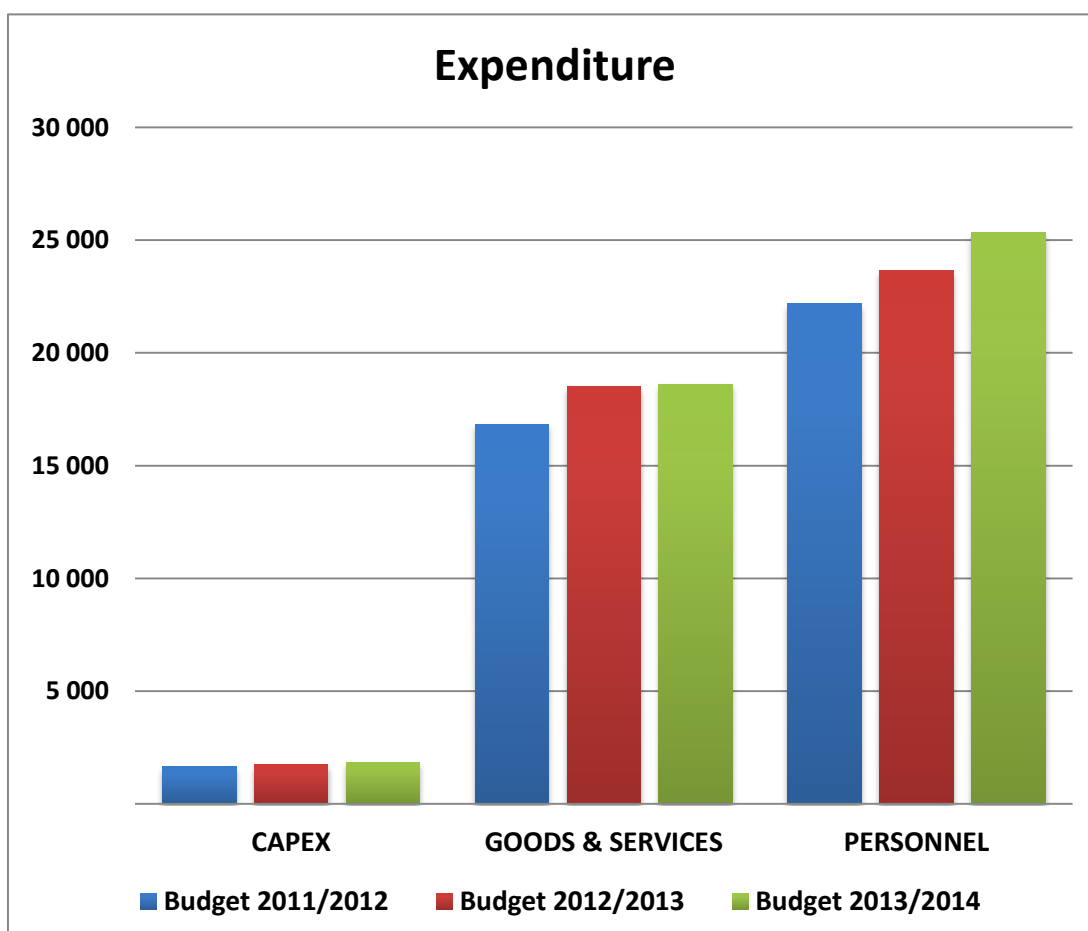
	Medium Term Expenditure		
	Budget 2011/2012	Budget 2012/2013	Budget 2013/2014
	R'000	R'000	R'000

SUMMARY

INCOME	40,671	43,928	45,810
DHET - Government grant	36,772	39,237	40,832
Realisation of Deferred transfers - New Mandate : Standards Setting	2,263	2,951	3,128
Private Accreditation - Cost Recovery	1,096	1,320	1,640
Interest Income	540	420	210

EXPENDITURE	40,671	43,928	45,810
CAPEX	1 635	1 739	1 851
GOODS & SERVICES	16 841	18 517	18 614
PERSONNEL	22 195	23 672	25 345

INCOME LESS EXPENDITURE	-	-	-
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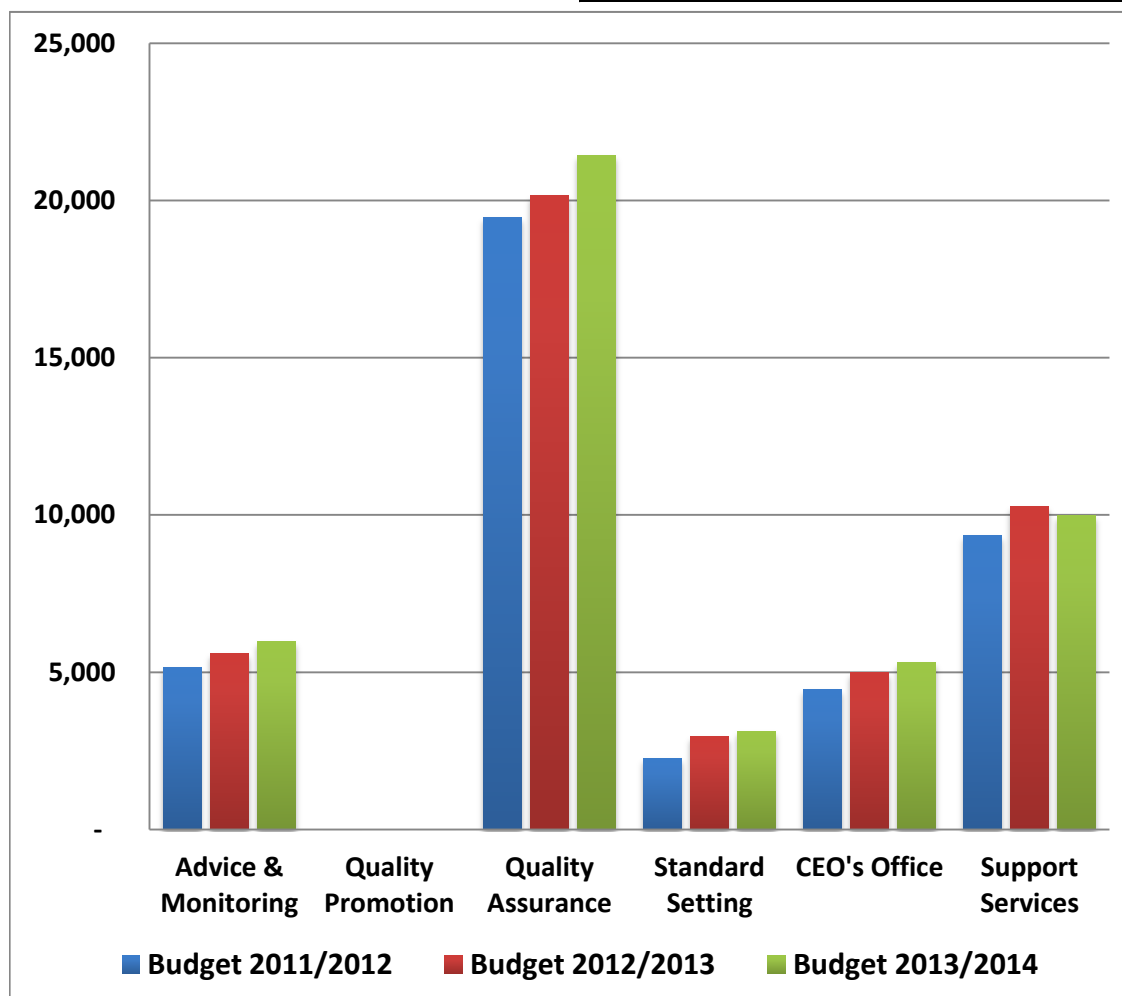


COUNCIL ON HIGHER EDUCATION

Summary of budget for 2011-2014 MTEF

A. MTEF : Budget Allocation per Mandate area (including personnel cost)

<u>Mandate area</u>		Budget 2011/2012 R'000	Budget 2012/2013 R'000	Budget 2013/2014 R'000
AM	Advice & Monitoring	5,160	5,587	5,970
QP	Quality Promotion	-	-	-
QA	Quality Assurance	19,443	20,151	21,419
SG	Standard Setting	2,263	2,951	3,128
<u>Corporate Services</u>				
CS	CEO's Office	4,458	4,983	5,298
SS	Support Services	9,346	10,257	9,994
Total		40,671	43,928	45,810



COUNCIL ON HIGHER EDUCATION

Summary of budget for 2011-2014 MTEF

B. MTEF : Budget Allocation per Operational level (including personnel cost)

<u>Operational level</u>			Budget 2011/2012 R'000	Budget 2012/2013 R'000	Budget 2013/2014 R'000
CS	001	CEO's Office	4,458	4,983	5,298
CS	002	Support Services	9,346	10,257	9,994
AM	003	Advice & Monitoring	5,160	5,587	5,970
QP	004	ED's Office	3,961	4,217	4,009
QP	005	QPCD	*	*	*
OA	006	Institutional audits	6,256	5,568	6,365
QA	007	Accreditation	6,807	7,271	7,768
QA	008	National Reviews	2,419	3,094	3,277
SG	009	Standard Setting	2,263	2,951	3,128
Total			40,671	43,928	45,810

* No Quality Promotion planned independantly. Included in ED's Budget.

