



# ANNUAL REPORT

## 2018/19



higher education  
& training

Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA





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Department of Higher  
Education and Training  
Vote 15



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**PART A**  
**General  
Information**

# Part A: General Information

## 1. Department's General Information

The Department of Higher Education and Training

### PRETORIA OFFICE

**Postal Address:**

Private Bag X174, Pretoria, 0001

**Physical Address:**

117 - 123 Francis Baard Street, Pretoria, 0002

**Tel:** 012 312 5911

**Fax:** 012 321 6770

### CAPE TOWN OFFICE

**Postal Address:**

Private Bag X9192, Cape Town, 8000

**Physical Address:**

103 Plein Street, Cape Town, 8001

**Tel:** 021 469 5175

**Fax:** 021 461 4761

**Call Centre 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)

**Fraud Hotline:** 0800 701 701

## 2. General Information of Regional Managers

Provincial Clusters	Regional Managers	E-mail Address	Cell-phone/Tel: Number	Physical Address
<b>Eastern Cape</b>	Mr L Ngubelanga Ms Vuyokazi Ncedani	Luvuyo.ngubelanga@lovedale.org.za vuyokazincedani@gmail.com	043 604 0701/00 072 540 4854	Eastern Cape Provincial Education Complex Steve Vukile Tshwete Street Zone 6, Zwelitsha
<b>KwaZulu-Natal</b>	Dr SJ Nzimande	Nzimande.S@dhet.gov.za Phungula.n@dhet.gov.za	082 775 6834/ 033 684 0110	Provincial 19 Wigford Road Mansons Mill Pietermaritzburg, KwaZulu-Natal
<b>Limpopo</b>	Mr FL Ramonyatse	Ramonyatse.F@dhet.gov.za Sesanashingange@gmail.com	082 544 2848 / 015 291 2662	Limpopo Provincial Education Building Corner 113 Biccard and 24 Excelsior Street
<b>Gauteng and Free State</b>	Ms H Ntlatleng	Hellenn@ewc.edu.za	082 924 2862	Provincial Education Building 111 Commissioner Street Johannesburg Gauteng
<b>Mpumalanga and North West</b>	Dr N Balkrishen	Balkrishen.P@dhet.gov.za Madoo.g@dhet.gov.za	082 808 7351 / 018 388 2563	Provincial Department of Education Building Dr Albert Luthuli Drive Mafikeng North West Mafikeng
<b>Western Cape and Northern Cape</b>	Mr C Kruger	Kruger.c@dhet.gov.za Noxolo.Siyathula@westerncape.gov.za	082 577 6550 / 021 467 2000/ 2614	Golden Acre Floor No 18 9 Adderley Street Cape Town

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### 3. List of Abbreviations/Acronyms

#### Abbreviations/Acronyms

<b>AGSA</b>	Auditor-General South Africa
<b>APP</b>	Annual Performance Plan
<b>ARPL</b>	Artisan Recognition of Prior Learning
<b>AU</b>	African Union
<b>BRICS</b>	Brazil, Russia, India, China, South Africa
<b>BNU</b>	BRICS Network Universities
<b>CAS</b>	Central Application Service
<b>CDS</b>	Career Development Services
<b>CET</b>	Community Education and Training
<b>CHE</b>	Council on Higher Education
<b>CIEG</b>	Capital Infrastructure and Efficiency Grant
<b>CPI</b>	Consumer Price Index
<b>DBSA</b>	Development Bank of Southern Africa
<b>DDG</b>	Deputy Director-General
<b>DPME</b>	Department of Performance, Monitoring and Evaluation
<b>DPSA</b>	Department of Public Service Administration
<b>DUT</b>	Durban University of Technology
<b>EDHE</b>	Entrepreneurship Development in Higher Education
<b>ELRC</b>	Educator Labour Relations Council
<b>GDP</b>	Gross Domestic Product
<b>GENFETQA</b>	General and Further Education and Training Quality Assurance
<b>GITO</b>	Government Information Technology Officer
<b>GPSSBC</b>	General Public Services Sector Bargaining Council
<b>GTAC</b>	Government Technical Advisory Centre
<b>HDIs</b>	Historically Disadvantaged Individuals
<b>HEAIDS</b>	Higher Education HIV/Aids Programme
<b>HEI's</b>	Higher Education Institutions
<b>HEQC</b>	Higher Education Quality Committee
<b>HIV/Aids</b>	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
<b>IT</b>	Information Technology
<b>ICT</b>	Information and Communication Technology
<b>IEG</b>	Infrastructure Efficiency Grant

## Abbreviations/Acronyms

<b>IIPSA</b>	Infrastructure Implementation Programme for South Africa
<b>ILO</b>	International Labour Organisation
<b>INDLELA</b>	Institute for the National Development of Learnerships, Employment Skills and Labour Assessments
<b>MIF</b>	Macro-Infrastructure Framework
<b>MoA</b>	Memorandum of Agreement
<b>MP</b>	Member of Parliament
<b>MTEF</b>	Medium-Term Expenditure Framework
<b>MTSF</b>	Medium-Term Strategic Framework
<b>MUT</b>	Mangosuthu University of Technology
<b>NAMB</b>	National Artisan Moderation Body
<b>NASCA</b>	National Senior Certificate for Adults
<b>NC(V)</b>	National Certificate (Vocational)
<b>NDP</b>	National Development Plan
<b>nGAP</b>	New Generation of Academics Programme
<b>NIHSS</b>	National Institute for the Humanities and Social Sciences
<b>NQF</b>	National Qualifications Framework
<b>NRF</b>	National Revenue Fund
<b>NSDP</b>	National Skills Development Plan
<b>NSDS</b>	National Skills Development Strategy
<b>NSF</b>	National Skills Fund
<b>NSFAS</b>	National Student Financial Aid Scheme
<b>OHS</b>	Occupational Health and Safety
<b>PERSAL</b>	Personnel Salary System
<b>PFMA</b>	Public Finance Management Act
<b>PLP</b>	Pre-Vocational Learning Programme
<b>PHEI</b>	Private Higher Education Institutions
<b>PMDS</b>	Performance Management Development System
<b>PPP</b>	Public Private Partnership
<b>PSET</b>	Post-School Education and Training
<b>QCTO</b>	Quality Council for Trades and Occupations
<b>RDP</b>	Research Development Programme
<b>RPL</b>	Recognition of Prior Learning
<b>SABEN</b>	South African National Research Network

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## Abbreviations/Acronyms

<b>SADC</b>	Southern African Development Community
<b>SAICA</b>	South African Institute of Chartered Accountants
<b>SAIVCET</b>	South African Institute for Vocational and Continuing Education and Training
<b>SAQA</b>	South African Qualifications Authority
<b>SAUS</b>	South African Union of Students
<b>SETA</b>	Sector Education and Training Authority
<b>SDPs</b>	Skills Development Providers
<b>SITA</b>	State Information Technology Agency
<b>SMS</b>	Senior Management Service
<b>SPU</b>	Sol Plaatje University
<b>SSAUF</b>	Staffing South Africa's Universities Framework
<b>TLDCIP</b>	Teaching and Learning Development Capacity Improvement Programme
<b>TVET</b>	Technical and Vocational Education and Training
<b>UCDP</b>	University Capacity Development Programme
<b>UFH</b>	University of Fort Hare
<b>UMP</b>	University of Mpumalanga
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organisation
<b>USAf</b>	Universities South Africa
<b>USDP</b>	University Staff Doctoral Programme
<b>VUT</b>	Vaal University of Technology
<b>WIL</b>	Work Integrated Learning

## 4. Foreword by the Minister



I am honoured to present the Annual Report of the Department of Higher Education and Training for the 2018/19 financial year, this edition being the ninth report of the Department since its establishment. The report represents the achievements and financial information regarding the Departments continued efforts towards the development and improvement of the Post-School Education and Training system.

The year under review saw a significant improvement and positive impact on the Post-School Education and Training system linked to the significantly larger financial allocation received for fee-free education to qualifying students. The advent of 2018 academic year, therefore, also marked the first cycle for the roll-out of the new funding scheme for poor and working-class students in Universities and Technical and Vocational Education and Training colleges.

The primary focus of the year under review was geared towards the implementation of the new student funding programme and rigorous oversight of processes at the National Student Financial Aid Scheme in an effort to ensure the effective and efficient implementation thereof. In addition, substantive additional baseline funding requirements were experienced within the university and Technical and Vocational Education and Training sectors.

2018 was also the first year in which the Technical and Vocational Education and Training sector received a dedicated infrastructure development grant that was initially utilised for maintenance projects within the sector. However, I am of the view that infrastructure spending and the delivery model for TVET may require a serious evaluation and rethink going forward.

Within the university sector, the total number of university graduates produced per annum increased to 210 931 during the 2017 academic year, representing an annual average growth in output since 2012 above 5%. Research publication outputs from the universities also increased exponentially from 7 230 publications to 18 872 in 2017.

“  
*The achievement of an unqualified audit report on an ongoing basis since the establishment of this Department, is an indication of the dedication and commitment of the Department in promoting a clean administration regarding the activities of the Department.*”

The implementation of Centers of Excellence at Technical and Vocational Education and Training colleges was a crucial process and critical building block in moving colleges towards becoming institutions of first choice.

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The Community Education and Training sector also received greater attention in ensuring an increase in youth and adult participation within the sector. A crucial focus in this regard, going forward, is to improve the governance and administration structures and processes at Community Education and Training colleges in an effort to ensure improved responsiveness to geographic needs and challenges on a more inclusive and coherent basis.

The achievement of an unqualified audit report on an ongoing basis since the establishment of this Department, is an indication of the dedication and commitment of the Department in promoting a clean administration regarding the activities of the Department.

I wish to thank my predecessors, the senior management team, and the staff in ensuring that the Department realised its objectives to the benefit of our students and the country in general.

I trust that even greater levels of success will be achieved going forward and that we can continue to rely on the much-appreciated support from international and local partners aimed at implementing critical programmes and increasing success within the system.

I also wish to express my appreciation to all our institutions and students in ensuring the expansion of our valuable Post-School Education and Training system. Let us all be reminded of the need for good governance and administration, dedicated lecturing of our youth and adults, as well as a true learning culture engendered among our students.

I hereby present the 2018/19 Annual Report of the Department of Higher Education and Training to Parliament.



**Dr BE Nzimande, MP**  
**Minister of Higher Education, Science and Technology**

## 5. Accounting Officer's overview



The Annual Report of the Department for the 2018/19 financial year reflects the status of the Department's financial management acumen and concomitant processes, as well as the achievements on pre-determined objectives. The Department has once again achieved an unqualified audit outcome in relation to financial reporting and compliance processes with requisite legislation.

While the usefulness and reliability of some performance information requires further improvement, the Department continues striving towards a Post-School Education and Training System with increased access and success for students. The year will certainly be remembered for the implementation of fully subsidised higher education and training for poor and working class South African students, which commenced at the advent of the 2018 academic year. The Department also received a substantial increase in baseline funding for the University and Technical and Vocational Education and Training sectors during the year under review. This funding will undoubtedly result in improved efficiency within these sectors and be monitored closely on a continuous basis.

The university sector continued with the improvement of teaching, learning, research and leadership capacity and the Department has implemented decisive actions towards supporting historically disadvantaged institutions in improving management and governance functions alongside an improvement of quality learning. Further attention was also directed towards governance, performance reporting, financial management and a funding framework for Technical and Vocational Education and Training colleges. The appointment of dedicated academic and financial managers, and actions aimed at improved student services is proceeding as planned and its impact should become evident from 2019 onwards.

Continued attention during the year was directed at improving governance structures, policy and funding frameworks for Community Education and Training colleges. Following on these initiatives implemented across the country, Community Education and Training colleges will become independently operational and fully functional at the advent of the 2019/20 financial year.

“

*The year will certainly be remembered for the implementation of fully subsidised higher education and training for poor and working class South African students, which commenced at the advent of the 2018 academic year.*

”

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A number of events in promoting the objectives of the Post-School Education and Training System as a whole were hosted during the year, including the BRICS Academic Forum, the third BRICS Network Universities Conference and a National Workshop on Enrolment Planning for South African Universities. Other significant events linked to the Department's operational mandate such as the Mandela Day Career Festival and various career development service projects were also convened.

I wish to thank the Minister and Deputy Minister for providing leadership during the past year, as well as all staff for their continued support in ensuring an improved Post-School Education and Training System. I would also like to express a special word of appreciation to my Senior Management team for the achievements attained during the year, which required a high level of dedication and hard work.

I hereby present the Annual Report for the 2018/19 financial year to be tabled in Parliament.



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

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

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

- All information and amounts disclosed throughout the Annual Report are consistent.
- The Annual Report is complete, accurate and is free from any omissions.
- The Annual Report has been prepared in accordance with the Guidelines on the Annual Report as issued by National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the Modified Cash Standard and the relevant frameworks and guidelines issued by the National Treasury.
- The Accounting Officer is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.
- The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements.
- The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2019.

Yours faithfully



**Mr GF Qonde**  
**Accounting Officer**  
**Date: 31 May 2019**

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## 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 Value Statement

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

### 7.4 Medium-Term Strategic Framework

The 2019 Medium-Term Strategic Framework is structured around fourteen 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. A credible institutional mechanism for labour market and skills planning;
2. Increased access and success in programmes leading to intermediate and high-level learning;
3. Increased access to and efficiency of high-level occupationally-directed programmes in needed areas; and
4. Increased access to occupationally-directed programmes in needed areas and thereby expand the availability of intermediate level skills, with a special focus on artisan skills.

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

<b>Goal 1</b>	<b>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 review of 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 assessment services, teaching and learning and student support services by 31 March 2020
<b>Goal 3</b>	<b>Improved 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>A 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 operations 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, the Constitution and within the purport of Section 29, read with Schedule 4, which lists education at all levels, excluding tertiary education as a functional area of concurrent national and provincial legislative competence, whereas section 29 states the following:

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



## Legislative and Other Mandates

Legislation	Principal Minister	Relevant to the Minister of Higher Education and Training
<p><b>Continuing Education and Training Act, 2006 (Act No. 16 of 2006), (CET Act) previously known as Further Education and Training Act, 2006 (Act No. 16 of 2006) (FET Act)</b></p> <p>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</p>	Minister of Higher Education and Training	Entire Act
<p><b>General and Further Education and Training Act, 2001 (Act No. 58 of 2001) (GENFETQA Act)</b></p> <p>Provides for the General and Further Education and Training Quality Assurance Council (GENFETQA) and for quality assurance of continuing education and training in TVET and CET colleges</p>	Act primarily assigned to the Minister of Basic Education - except for those sections relevant to continuing education and training assigned to the Minister of Higher Education and Training	In as far as public CET and TVET colleges, as well as private colleges offering continuing education; Relevant sections: 2(b) and (c), 3, 16 to 21, 23, 26 and 28
<p><b>Higher Education Act, 1997 (Act No. 101 of 1997), (HE Act)</b></p> <p>Provides for a unified and nationally planned system of higher education and for the Statutory Council on Higher Education (CHE)</p>	Minister of Higher Education and Training	Entire Act
<p><b>National Qualifications Framework Act, 2008 (Act No. 67 of 2008) (NQF Act)</b></p> <p>Provides for the National Qualifications Framework (NQF), the South African Qualifications Authority (SAQA) and the Quality Councils (CHE, Qualification Council for Trades and Occupations (QCTO) and UMALUSI), for qualifications and quality assurance of qualifications required on the sub-frameworks of the NQF</p>	Minister of Higher Education and Training	Entire Act
<p><b>National Student Financial Aid Scheme Act, 1999 (Act No. 56 of 1999) (NSFAS Act)</b></p> <p>Provides for the granting of loans and bursaries to eligible students attending Public Higher Education Institutions (PHEIs), as well as for the administration of such loans and bursaries</p>	Minister of Higher Education and Training	Entire Act
<p><b>South African Council for Educators Act, 2000 (Act No. 31 of 2000)</b></p> <p>Provides for the continued existence of the South African Council for Educators; the functions of the said Council; and the composition of the said Council</p>	Minister of Higher Education and Training	Minister of Higher Education and Training in-so-far as the administration and the powers and functions pertain to the powers of the South African Council for Educators in relation to adult learning centres, as defined in Section 1 of the Act, including, but not limited to the powers and functions entrusted by Section 5 of the Act in relation to those centres

Legislation	Principal Minister	Relevant to the Minister of Higher Education and Training
<p><b>Skills Development Levies Act, 1999 (Act No. 9 of 1999) (SDL Act)</b></p> <p>Provides for the imposition of skills development levies and matters related thereto</p>	Minister of Higher Education and Training	Entire Act
<p><b>Skills Development Act, 1998 (Act No. 97 of 1998) (SD Act)</b></p> <p>Provides for the National Skills Authority, the QCTO, regulates apprenticeships, learnerships and matters related to skills development</p>	The Act primarily 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 to the Minister of Labour: sections 2(1) g and h, 2(2)(a)(v), (vi) and (xii), 5(4) (only with respect to Productivity South Africa), 22(1), 23(1)(a) and (d), (2), (3), 24, 25, 26, 26K, 26L, 26M, 26N, 32(2), 36(o), (p) and (q), Item 7 of Schedule 2A and Schedule 4; and Section 32(1), 33 and 36(a) and (s) and any other provision to the extent that these provisions apply to employment services, as defined in Section 1, or Productivity South Africa, as established by Section 26K, but excluding Section 23(1)(b) and (c)

### Key Policy Developments and Legislative Changes

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

#### ▪ **The Central Application Service Bill**

Cabinet approved the publication of the draft *Central Application Service Bill, 2019*, for the Post-School Education and Training (PSET) system in the Government Gazette for public comment on 27 February 2019. After receiving public comments, a final version of the Bill will be presented to Cabinet for consideration and approval, prior to submission to Parliament for further processing.

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

The *National Qualifications Framework Bill 20B-2018* was introduced to the National Assembly on 12 June 2018, passed by the National Assembly on 27 November 2018 and subsequently passed by the National Council of Provinces on 19 March 2019. It was then forwarded to the President for assenting and promulgation.

#### ▪ **Litigation Management**

During the 2018/19 financial year, the Department dealt with a total of 59 litigation matters in regard to which either the Minister and/or the Department were cited as parties. Of the 59 litigation cases, 11 were finalised either by way of court order, settlement agreement between the parties, or withdrawal of court action by the plaintiffs' attorneys.

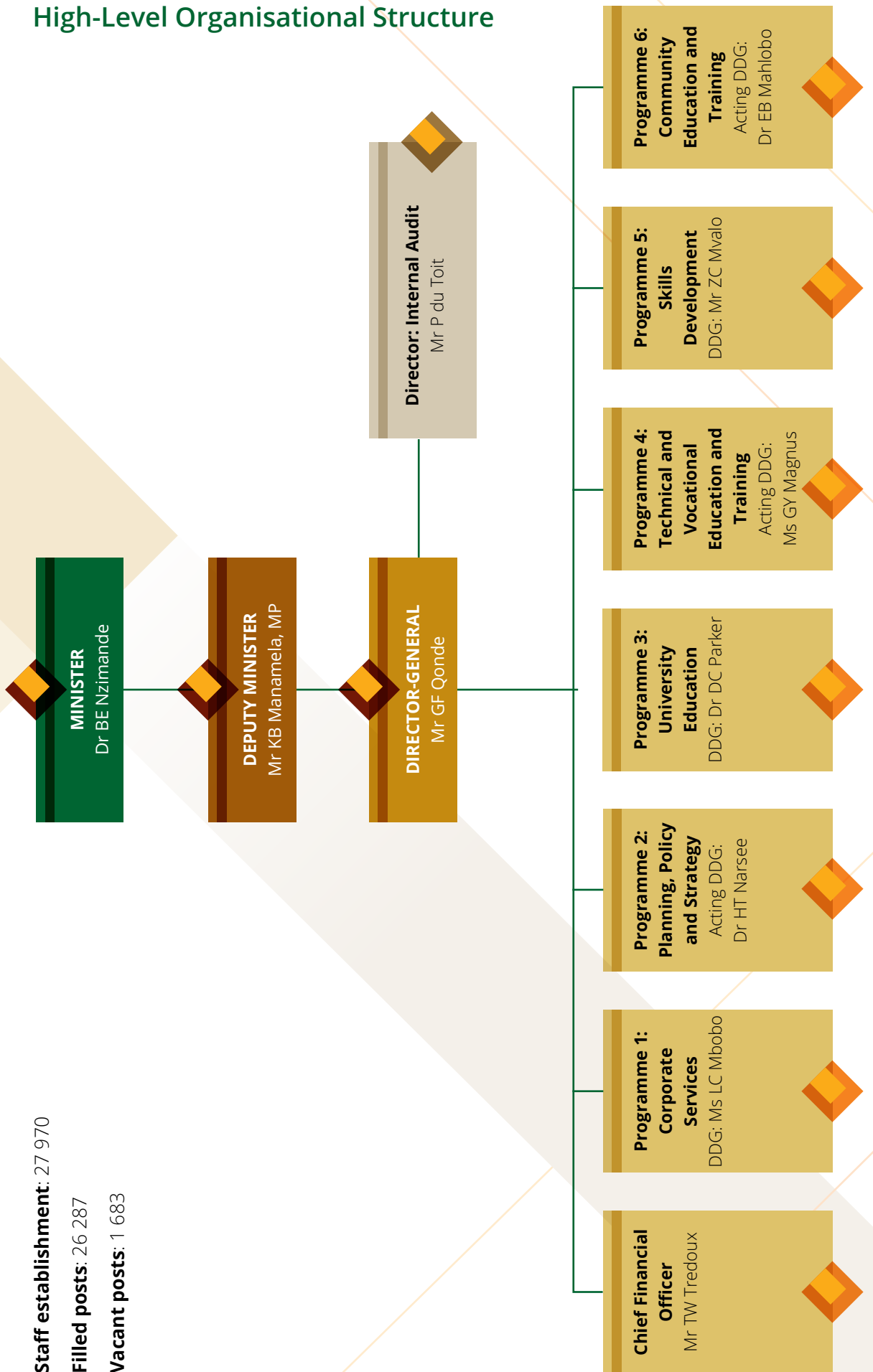
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## 9. High-Level Organisational Structure

**Staff establishment:** 27 970

**Filled posts:** 26 287

**Vacant posts:** 1 683



## 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
Agriculture Sector Education and Training Authority (AGRISETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in both primary and secondary agriculture sectors
Banking Sector Education and Training Authority (BANKSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the banking and micro-finance sector
Chemical Industries Education and Training Authority (CHIETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the chemical industries sector
Construction Sector Education and Training Authority (CETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the construction industry
Council on Higher Education (CHE)	Higher Education Act 101 of 1997	Transfer payments	Advises the Minister of Higher Education 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
Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority (CATHSSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the tourism, hospitality and sport sector
Education, Training and Development Practices Sector Education and Training Authority (ETDP-SETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the education, training and development sector
Energy and Water Sector Education and Training Authority (EWSSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the energy and water sector
Fibre, Processing and Manufacturing Sector Education and Training Authority (FP&M SETA)	Skills Development Act 97 of 1998	Transfer payments	Facilitate, coordinate and monitor the implementation of the National Skills Development Strategy (NSDS) in the fibre, processing and manufacturing sector
Financial Accounting Services Sector Education and Training Authority (FASSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the financial and accounting services sector
Food and Beverages Sector Education and Training Authority (FOODBEV-SETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the food and beverages sector
Health and Welfare Sector Education and Training Authority (HWSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the health and welfare sector
Insurance Sector Education and Training Authority (INSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the insurance sector
Local Government Sector Education and Training Authority (LGSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the local government sector
Manufacturing, Engineering and Related Services Sector Education and Training Authority (MERSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the manufacturing, engineering and related services sector

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Name of Entity	Legislation	Financial Relationship	Nature of Operations
Media, Information and Communication Technologies Sector Education and Training Authority (MICT-SETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the information system, electronics and telecommunications technologies sector
Mining Qualifications Authority (MQA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the mining and minerals sector
National Skills Fund (NSF)	Skills Development Act 97 of 1998	Transfer payments	To fund national skills development priority projects as identified in the National Skills Development Strategy and projects related to achieving the purpose of the Act, as determined by the Accounting Authority
National Student Financial Aid Scheme (NSFAS)	NSFAS Act 56 of 1999	Transfer payments	NSFAS is responsible for administering loans and bursaries and allocating these to eligible students, developing criteria and conditions for the granting of loans and bursaries to eligible students in consultation with the Minister of Higher Education 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
Public Services Sector Education and Training Authority (PSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the public services sector
Quality Council for Trades and Occupations (QCTO)	National Qualifications Framework Act 67 of 2008 and Skills Development Act 97 of 1998	Transfer payments	To develop and quality assure occupational qualifications that are responsive to labour market and developmental state initiatives
Safety and Security Sector Education and Training Authority (SASSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the safety and security sector
Services Sector Education and Training Authority (SERVICES SETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the services sector
South African Qualifications Authority (SAQA)	SAQA Act 58 of 1995	Transfer payments	SAQA focuses on the further development and implementation of the NQF, which includes upholding the principles and objectives of the National Qualifications Framework, ensuring access, quality, redress and development for all learners, through an integrated national framework of learning achievements
Transport Education and Training Authority (TETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the transport sector
Wholesale and Retail Sector Education and Training Authority (W&RSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the wholesale and retail sector



**PART B**  
**Performance  
Information**

# Part B: Performance Information

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

Refer to the 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 2019, 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 and 2018/19 Annual Performance Plans. The attainment of pre-determined objectives and targets as planned for the year under review, were realised by way of 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 Overview of the context and environment within which the Department operated during the 2018/19 financial year

##### 2.1.2.1 Planning, Policy and Strategy

#### **Macro-Indicator Trends**

Monitoring of performance trends across the PSET system constitutes one of the central mechanisms by way of which Government measures progress towards achieving desired education goals. Reliable information on macro-trends within the ambit of the PSET system as a result, remains critical for evidence-based decision making and policy development processes aimed at improving educational outcomes throughout our country. Hinged on the National Development Plan (NDP), the White Paper on Post-School Education and Training authenticates and concretises key proposals aimed at improving the PSET system in achieving the pre-determined education goals. In acknowledging the value of understanding key trends in relation to the country's PSET system, the Department produced the first issue, *PSET Monitor: Macro Indicator Report*.

The Report, published by the Department on its website during March 2019, provides an analysis of the macro-trends in the PSET system, while tracking performance made and measured against pre-determined goals of the system as identified in the NDP and White Paper on Post-School Education and Training. This analysis has been informed by a set of indicators that measure the performance of the PSET system in terms of among other, access, equity, success, quality and efficiency goals. Selection of the fore-mentioned indicators was guided by best practices adopted by several international institutions, such as the United Nations Educational, Scientific and Cultural Organisation (UNESCO) and the Organisation for Economic Cooperation and Development. The Report contains information aimed at improving the design and implementation of educational policies, alerting policy makers to prevailing problems, highlighting the causes of these problems, as well as tracking, benchmarking and comparing educational progress against developments apparent in the strategies and mechanisms endorsed by international counterparts.

## Skills Supply and Demand in South Africa

The supply of appropriate skills is a necessary requirement in supporting inclusive long-term economic growth for our country. Sustainable development of a skilled and capable workforce therefore, provides one of the central channels through which the country can deal with the triple socio-economic challenges of unemployment, poverty and inequality, as well as correcting historical and discriminatory labour practices alongside injustices inherited from the apartheid epoch. Consistent with the country's NDP, the White Paper for Post-School Education and Training endorses the need for an education and training system that responds appropriately to skills needs identified within the labour market and economy, while promoting collaboration between employers within both the private and public sectors towards the creation of a skilled labour force. In recognition of the importance towards the provision of credible information, analysis and signals on the demand for and supply of skills aimed at the establishment of an institutional mechanism for skills planning in South Africa, the Department published the second issue of a report on *Skills Supply and Demand in South Africa*.

The Report acts as a crucial resource toward informing the planning and provisioning of education and training, as well as assisting individuals in making appropriate career and educational choices. This Report is expected to improve the responsiveness of the PSET system regarding skills needs within the economy and society at large, by supporting decision-making on matters pertaining to improved skills planning. Furthermore, the Report is to be used as a strategic resource informing supply-side planning in PSET with regard to the allocation of funds and development of strategies in ensuring an improvement in educational outcomes by way of the development and review of qualifications and programmes that are relevant to the needs of the labour market and access to information for career development.

### Policy Research and Evaluation

During the year under review, the Department, together with its partner entities comprising of 21 Sector Education and Training Authorities (SETAs), three Quality Councils, SAQA and NSFAS hosted an annual Research Colloquium on PSET. This has been the fifth annual Research Colloquium of its kind and was convened on 12 to 13 September 2018.

The purpose of the Research Colloquium was focussed toward deepening conversations around PSET among stakeholders by sharing research findings and promoting research utilisation and dissemination.

The 2018 Research Colloquium focused on TVET and the topic of *“Radically Transforming TVET Colleges through Empirical Research”* was the theme proposed by the Eastern Cape Research Round Table, comprising of TVET college lecturers who were keen on undertaking further research within the TVET environment. The Colloquium aimed to showcase and share new and cutting-edge research on key dimensions within TVET, providing an opportunity for stakeholders to reflect on policy and practice. Given the numerous challenges confronting the TVET sector, it was hoped that the Colloquium would shed some light on possible solutions identified by good quality research in an effort to address these issues.

### Social Inclusion, Access and Quality

Strengthening the system of collaboration of the NQF was one of the focus areas during 2018/19. Ministerial Guidelines for 2018/19 were published on 11 May 2018 in the Government Gazette Vol 635, No 41621 and the *Improvement Plan on the Implementation of the NQF Act* as approved by the Director-General on 12 April 2018, culminating in the amendment of the *NQF Act (Act 67 of 2008)*. A Recognition of Prior Learning (RPL) Reference Group was appointed by the Minister on 20 July 2018.

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There has been a concerted effort to further develop the policy environment for social inclusion in the PSET sector. The *Strategic Policy Framework on Disability in the PSET System* was approved and published on 6 April 2018 and the draft *Policy Framework to Address Gender-Based Violence in the Post-School Education and Training System* was finalised for public comments during April 2019. The Director-General also presented the *Report on Gender Transformation in Higher Education Hearings* to the Commission for Gender Equality on 26 February 2019.

The Khetha National Career Development Service is fully operational and provides several services comprising of the Career Helpline that reached 24 983 beneficiaries; the Training and Support Unit reaching 100 948 beneficiaries; a Career Counselling (assessment) Service which reached 751 beneficiaries; the Khetha Radio Programme reaching 2.9 million listeners per week; the Career Website facilitating 110 342 sessions, assisting 86 381 users and logging 425 921 page views; as well as the National Career Advice Portal that facilitated 57 474 sessions, reached 45 379 users and registered 472 619 page views during the year. During the Annual Career Development Stakeholder Conference convened on 28 and 29 June 2018, the Minister launched the *National Policy for an Integrated Career Development System for South Africa*.

The Department, in partnership with the Government Technical Advisory Centre (GTAC) developed a business case to determine the feasibility and recommendation of a suitable institutional mechanism for sustainability in relation to the national coordination of Career Development Services (CDS) throughout the country. The Minister of Public Service and Administration was requested to designate the national coordination of the CDS function to an appropriate Government Department.

The development of the National Open Learning System, collectively comprising of a Content Repository, as well as a Learning Management System and Student Record Management System was prioritised and the State Information Technology Agency (SITA) was appointed to develop the system since August 2018. The system development process is proceeding and delivery is expected during September 2020.

Learning and teaching support materials are being developed for priority programmes of the Department and comprising of the Occupational Certificate for Electricians; five subjects of the National Senior Certificate for Adults (NASCA) and two subjects of the National Vocational Certificate programme. These learning materials will be made available as self-directed learning opportunities on the National Open Learning System.

### **International Relations**

The Department as a co-signatory, is responsible for ensuring that South Africa meets its international obligations in terms of all PSET-related, bi-lateral and multi-lateral agreements and conventions. In addition, the Department also accesses international resources to support the programmes of the Department.

For the period under review, the Department participated in multi-lateral engagements, such as hosting the sixth Brazil, Russia, India, China, South Africa (BRICS) Senior Officials and Ministerial Meeting in Cape Town, as well as co-hosting the Southern African Development Community (SADC) Annual Joint Meeting of Ministers responsible for Education and Training including Science, Technology and Innovation in Durban.

Various meetings between the Minister, Ambassadors and High Commissioners of Syria, Palestine, France, Finland, China, the United Arab Emirates, Portugal, Spain and Brazil were convened during the period under review. These meetings were essentially focussed on reviewing existing cooperation programmes.

The Department participated in various continental and international workshops and hosted several orientation visits for incoming incumbents of delegations from Cyprus, Somalia, Iran and Germany among other, which were aimed at exchanging and learning about best practices in relation to policy making. The

Minister also met with the Secretary-General of the Commonwealth where existing and future areas of cooperation were explored. Officials from various branches also participated in consultative fora hosted by UNESCO, the International Labour Organisation (ILO) and the African Union (AU).

### 2.1.2.2 University Education

The higher education sector comprises of the public higher education sector consisting of 26 universities, a National Institute for Higher Education, the private higher education sector consisting of registered PHEIs, as well as the CHE which implements a system of quality assurance for higher education, advises the Minister on aspects of higher education and undertakes research to inform the ongoing development of the system.

The Department's service delivery environment covers both the public and private sectors, although the public sector is the larger of the two and has greater focus. The higher education sector, both public and private, is governed in terms of the *Higher Education Act 101 of 1997*, as amended.

The public higher education sector consists of 26 universities, differentiated into 11 general academic universities, nine comprehensive universities and six universities of technology, as well as one National Institute for Higher Education.

In 2018/19 the private higher education sector consisted of 135 registered PHEIs, of which 105 are fully registered and 30 provisionally registered. The number of PHEIs changes from time to time, depending on the economy, the accreditation status of programmes and compliance with regulations. The Department monitors the system for compliance on an ongoing basis and monthly publishes an updated Register of Registered Private Higher Education Institutions on the Department's website, which includes details of the accredited programmes the PHEIs may legally offer.

#### **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 is mandated to quality assure the system. The NSFAS provides funding for financially needy, academically qualifying students to access university education.

The total audited student headcount enrolments at universities, all of which are public higher education institutions, was 1 036 984 in the 2017 academic year (verified by October 2018), which includes both full-time and part-time enrolments for contact and distance studies. While this is an increase in enrolments of 61 147 over the 2016 academic year, or a 6.3% growth, it constitutes 2 516 fewer student enrolments than targeted by the system. During 2016, 975 837 students were enrolled, which represented a decline of 9 375 students (1%) from the 2015 academic year enrolments. The average annual growth in enrolments over the past five years, from the 2012 (953 373 students) to the 2017 academic years, was 1.75%. While there was what looks like a healthy growth in enrolments in the 2017 academic year, this needs to be contextualised in relation to the earlier slow-down in the system.

However, growth of student enrolments in the system needs to be understood in terms of access to higher education for previously disadvantaged student groups and the success of students in terms of graduates and throughput rates. The student demographic profile within the system is transforming and slowly moving towards the overall South African demographic, with almost three quarters of the students identified as African (73.7% or 763 767), 14.3% White (148 802), 6.2% Coloured (64 772) and 4.8% Indian/Asian (50 131). This can be compared to 2012, where the proportions comprised of 70% African, 6% Coloured, 6% Indian/Asian and 18% White and 2007, when they constituted 63% African, 6% Coloured, 7% Indian/Asian and 24% White.

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In terms of gender, 58.5% of students were female (606 898), while 41.5% were male (430 065) in 2017. This can be compared to 58% female and 42% male students in 2012 and 56% female and 44% male students in 2007. The gap between the proportions of male to female students has been slowly widening and some research needs to be undertaken to understand why the proportion of male students is dropping at universities. In addition, as discussed hereafter, females are more successful than males in their studies across all demographic groups.

The total Gross Enrolment Ratio in the public system, sometimes referred to as the participation rate, was 20.6% during the 2017 academic year. However, this participation is differentiated across gender and demographic lines, with female participation at 24% being substantially higher than that of males at 17.2% and participation of White students at 55.9% far exceeding that of other demographic groups (Indian student participation was 47.4%, African student participation 18.1% and Coloured student participation verified at 15.1%).

In addition to growth in enrolments, the public higher education sector has also seen improvements in graduations. The total number of university graduates produced per annum increased to 210 931 in the 2017 academic year, which exceeded the anticipated target of 202 821 by 8 110 graduates. The annual number of graduates increased from 165 995 during the 2012 academic year, a growth of 27.07% over the five-year period to 2017, representing an average annual growth in graduates of 5.4%. This can be compared to the average annual growth in enrolments over the same period which was only 1.75%. This signals that the system is improving its efficiency, as output (graduates) is growing at a substantially higher rate than inputs (enrolments).

The number of Research Masters and Doctoral graduates increased at a higher rate than the overall number of graduates, which is critical because it is on the success of these post-graduates that the country depends for its future academics, researchers and other leaders within the knowledge-intensive professions. The number of Research Masters' graduates increased from a total of 6 076 graduates during the 2012 academic year to 8 010 during the 2017 academic year, a 31.83% increase spanning the five-year period, or an annual average growth of 6.4%. The number of Doctoral graduates increased by 62.78% from 1 878 to 3 057 over the same period, at an average annual growth rate of 12.6%.

The system has also improved significantly in terms of its research productivity. Since the introduction of the *Policy and Procedures for Measurement of Research Output of Public Higher Education Institutions* in 2004 (and the first reporting by institutions in 2005), research publications outputs from universities have grown exponentially. Universities produced 7 230 publication units during 2005 and in 2017 they produced 18 872.27 units, a 161% increase, or an average annual growth of 13.4% over the 12-year period. The positive impact of the policy can be observed at each institution, all of whom have significantly improved their research productivity. The policy was revised in 2016, encouraging the production of scholarly books through improved subsidies. A major focus in the system going forward, must be focused towards ensuring that only quality publications are approved and subsidised by the Department.

The Department has commissioned a study on the quality of research publications in this regard. Moreover, the Department is working with the journal indices and academics internationally, in an effort to weed out predatory publishing. Ethical practices are required at institutional level to ensure the integrity of publications that are put forward for subsidies.

The system, while improving on its graduate output at all levels, did not achieve all the targets set out in the Annual Performance Plan (APP) for the scarce skills areas. While it exceeded the system targets set for Engineering Sciences, Natural and Physical Sciences, as well as Teacher Education, it did not achieve the target set for Animal and Human Health graduates. The system during 2017 produced 12 955 Engineering graduates (365 more graduates than the target), 10 456 Animal and Human Health graduates (174 less graduates than the target), 8 601 Natural and Physical Science graduates (111 more graduates than the target) and 25 113 Initial Teacher Education graduates (2 333 graduates above the target).

While there has been an improvement in graduate outputs, it is also important to monitor student success across the system by undertaking cohort studies to track throughput rates.

The annual undergraduate cohort reports show that while there has been a general improvement in the throughput rates when comparing the 2000 cohort to that of 2008 where ten years of data is available and the 2011 cohort where only seven years of data is available, the overall throughput remains low with 58% of the 2008 cohort graduating after ten years and 55.2% of the 2011 cohort graduating after seven years. This means that just under half of the young people who register for undergraduate degrees or diplomas (in either contact or distance modes of tuition) may never graduate. This is a major challenge for the system as it not only is costly in monetary terms, seen in terms of the huge investment made towards subsidies and bursaries that do not result in graduates, but also in human terms, as these young people leave the system without qualifications.

When comparing the undergraduate dropout and throughput rates between contact and distance modes of tuition, a stark difference is noted. Students studying through distance tuition have a very low throughput rate over ten years of study, with 19.3% of students entering the 2008 cohort in contact mode graduating after three years of study, 61.4% after six years of study and 69.1% after ten years of study. By comparison, 11.3% of students entering in the 2008 cohort in distance mode had graduated after six years of study and 20.3% after ten years of study.

From a systems perspective, the poor throughput rates in distance education remain a major challenge. Approximately one third of all enrolments in the system are facilitated through distance education. It is therefore imperative for research to be undertaken to better understand how these students can be supported to succeed when studying from a distance and the pedagogic model accordingly required, if the Department is to consider further expansion of the system through this mode of study. Given the changes being heralded by the fourth industrial revolution, there is a need to transform the way in which institutions deliver such educational opportunities and support students at a distance to succeed.

Transformation imperatives within the system are also further challenged by the differential success in relation to demographic groups, with African and Coloured students performing very poorly when compared to their Indian and White counterparts. While all students need to improve their throughput rates within minimum time, support for African and Coloured students in an effort to improve their performance remains a critical equity issue. This phenomena is apparent across all undergraduate programmes whether three-year diplomas, or three- or four-year degrees.

By example, when the cohort of students that entered three-year degrees during 2008 are considered, only 13.4% of the 2008 African cohort graduated in minimum time, with 45.4% having graduated by year six and 54.4% by year ten. This can be compared to 15.5% of the 2008 Coloured cohort by year three, 43.9% by year six and 53.1% by year ten; 16.6% of the 2008 Indian cohort by year three, 48.7% by year six and 57.9% by year ten; while 33.9% of the 2008 White cohort graduated by year three, 65.1% by year six and 72.4% by year ten.

When considering the 2008 cohort in relation to four-year degrees; 30.2% of the 2008 African cohort graduated in minimum time, with 61.3% having graduated by year eight and 65.1% by year ten, as compared to 32.6% of the 2008 Coloured cohort by year four, 62.5% by year eight and 66.0% by year ten, 33.1% of the 2008 Indian cohort by year four, 79.6% by year eight and 83.0% by year 10 and 48.1% of the 2008 White cohort by year four, 79.9% by year eight and 81.6% by year ten.

The throughput rates of African and Coloured students are significantly lower than their Indian and White counterparts and remains a major transformation issue for the system. Many of these students would have come from disadvantaged communities and as a consequence, require various forms of additional support to succeed.

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In addition, another issue identified is the differential performance by gender, with female students outperforming male students in all under-graduate cohort studies. This is best illustrated using the results of the 2008 cohort study of three-year degree programmes. With regard to three-year degree qualifications 23.1% of the 2008 female cohort had graduated by year three, 54.8% by year six and 63.6% by year ten, compared to 17.1% of the 2008 male cohort by year three, 48.7% by year six and 56.2% by year ten.

The Department is engaging with institutions to identify ways in which the quality of higher education can be improved and how especially first generation students and students from economically disadvantaged backgrounds, can be better supported to succeed. An aspect of the University Capacity Development Programme (UCDP), which was implemented during the 2018 academic year for the first time, is therefore focused on student success.

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

There were 19 631 permanent instructional research staff at universities during 2017, of which 9 322 (47.4%) were female and 10 309 (52.5%) were male. In terms of the demographic profile of staff, 7 511 (38.2%) were African, 1 347 (6.9%) were Coloured, 1 619 (8.2%) were Indian and 8 745 (44.5%) were White. In terms of staff qualifications, a total 9 033 (46%) incumbents held Doctoral degrees.

Clearly African, Coloured and female staff are under-represented among instruction/research staff of universities. The number of staff that hold Doctoral degrees must also be increased so that the teaching, learning, research and innovation agenda can be driven more productively by universities. The NDP sets a target of 75% of staff acquiring Doctoral degrees by 2030 and while the proportions of staff with Doctoral degrees are increasing (during 2012 it was 39%), there is still a long way to go and all universities are setting processes in place to improve staff qualifications.

The UCDP was implemented from the beginning of the 2018 academic year and is the primary Departmental programme aimed at promoting student and staff development and success through its focus on student and staff, as well as programme/curriculum development. It is anticipated that the full implementation of the UCDP over the next few years will enable significant and more rapid progress in terms of student and staff access and success.

Staffing South Africa's Universities Framework (SSAUF) is the staff development component of the UCDP and provided that adequate financial resources can be directed towards its implementation, it will have a significant impact on staff transformation. The New Generation of Academics Programme (nGAP) is one of the sub-programmes of the SSAUF that is already well established within the university system and is starting to make a significant contribution in the system. To date, 373 nGAP lecturer posts have been allocated to universities and 326 lecturers have thus far been recruited into permanent posts with further recruitment processes underway to recruit the balance. Of these nGAP scholars, 263 (80%) are African, 36 (11%) are Coloured, 19 (6%) are Indian and eight (2%) are White. In terms of gender, 136 (42%) are male, while 190 (58%) are female. All nGAP scholars are South African citizens.

The nGAP is clearly meeting its transformation goals and is enabling the employment of academics that in the long-term will contribute to transforming the demographic profile of academics interred at universities. As the other SSAUF sub-programmes are established within the university system, it is anticipated that further progress will be apparent.

In an effort to boost the expansion of the public higher education system and ensure enhanced access to university education in all provinces, Sol Plaatje University (SPU) and the University of Mpumalanga (UMP) were established in August 2014. SPU and UMP are both developing at the envisioned pace and opened their doors to their fifth intake of students for the 2018 academic year.

This rapid expansion is supported by an intensive infrastructure development programme at each institution. Both institutions have since developed their own capacity in managing their infrastructure programmes and the Department is now only playing an oversight role regarding their further development. A further R1.0 billion was allocated for infrastructure development at the two universities during 2018/19. The campuses of both universities are developing in leaps and bounds in line with their long-term development plans and this pace of development will continue for the foreseeable future, with R1.04 billion allocated in 2019/20 and R1.1 billion during 2020/21.

The strengthening and expansion of the public higher education system is supported by the Department's Infrastructure and Efficiency Grant (IEG) Programme in tandem with improved infrastructure planning and development supported across the public system. During 2017/18 the Macro-Infrastructure Framework (MIF), a web-based platform that includes a number of resources for the management and oversight of university infrastructure development, was finalised and implemented. All universities uploaded their proposed infrastructure projects for the 2018/19 to 2020/21 funding cycle onto the MIF during January 2018 and allocations for the cycle were recommended and informed by the analysis of these plans and past performance. A total amount of R8.4 billion is allocated across the system for the period 2018/19 to 2020/21 towards the 24 established universities.

The shortage of decent student housing to support students in universities has come under the spotlight and was one area of protest action, especially during the 2019 registration period. The Department has been implementing the Student Housing Infrastructure Programme in order to accelerate the provision of housing for the system. During 2018/19, the programme gained momentum with support from the Infrastructure Implementation Programme for South Africa (IIPSA) and the Development Bank of Southern Africa (DBSA), which together with funding made available through the IEG, has resulted in planning for the provision of facilities catering for 18 000 new beds over the next three-year period, with the first, large scale projects being implemented during 2019.

Higher Education fees and the affordability of university education has been in the spotlight since 2015 with the *#FeesMustFall* Campaign and a demand by students for free quality higher education. The President established a Commission of Inquiry on Higher Education and Training (the Fees Commission) during January 2016 to assess the feasibility of fee-free higher education and training in South Africa. The Commission submitted its report to the President on 31 August 2017 and after an intensive technical process, there was a Presidential announcement on 16 December 2018 regarding Government's response to the recommendations of the Commission.

The outcome of the Fees Commission and Government's response to its report, included confirming that a cost-sharing model for university funding would be maintained with student fees remaining one of the key mechanisms for funding universities. In addition, substantial new funding would be provided to fully support poor and working class students from families earning up to R350 000 per annum, in an effort to better facilitate access to and success in university studies. This new scheme was introduced for first-time entry students at universities during the 2018 academic year and will be phased in over a five-year period until all poor and working class students who qualify academically are supported. In addition, improved funding in baseline subsidies to universities will be implemented, with the additional funding resulting in direct subsidies from the Department to universities increasing from 0.68% of GDP to 1% of GDP over the five-year phase-in period.

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This additional funding would enable a process to ensure affordable university fees for all students over the medium to long-term. Finally, the President also announced that the Department, together with National Treasury and the Department of Performance, Monitoring and Evaluation (DPME), will undertake a due diligence process on university debt (often referred to as historic debt) owed by NSFAS qualifying students.

This announcement had a major effect on the university education service delivery environment.

There have been many policy implications linked to the roll-out of the new funding scheme for first-time entry students in the 2018 academic year. The new funding scheme for poor and working-class students in universities and TVET colleges had to be implemented with immediate effect during the 2018 academic year and the Branch had to urgently put in place processes for implementing the new bursary scheme, without time to develop a fully-fledged policy. Engagements with the sector commenced immediately after the President's announcement in December 2017. A joint consultative process with NSFAS, tasked with implementing the extended funding and Universities South Africa (USAf), was required. A set of frequently asked questions approved by the Minister, was developed and disseminated to guide NSFAS and universities in implementing the new scheme. These questions provided a description of the initial set of policy decisions identified for subsequent implementation.

A Joint Task Team was established between the Department, NSFAS and USAf with the aim of examining the underlying issues that resulted in the failure of the NSFAS student-centred model to effectively disburse funds to students during the 2017 academic year and, with the aim of ensuring that the system was more effectively implemented for the 2018 academic year. Despite these efforts during the 2018 registration period, it became clear that NSFAS systems were unable to effectively and efficiently manage the allocation of funds to students, with major data integration problems marring the implementation of the new bursary scheme. Functionaries across the system worked collaboratively to manage the crisis and there was a relatively stable start to the 2018 academic year, with the registration period commencing with relatively few disruptions. However, challenges with NSFAS persisted into the 2018/19 financial year.

Implementation of the scheme in its first year of operation was severely hampered by very serious administrative and governance challenges at NSFAS related to various failures of systems, processes and policy at the entity, as well as several human resource and management challenges. Related to these challenges were difficulties in data exchange and administrative collaboration with public universities, which resulted in serious delays in relation to students being confirmed for funding and receiving funding allocations on time. The problems have varied from university to university. However, NSFAS remains a significant source of many difficulties, in particular a serious problem with effective data management and controls. The latter were managed through active engagement from the University Education Branch, support teams identified to assist the NSFAS with urgent matters and ultimately, the entity being placed under administration in August 2018.

There have been significant improvements in operations at NSFAS since the appointment of the Administrator and improved working relationships between NSFAS and institutions, which have resulted in a relatively successful registration period during early 2019. The Administrator has undertaken the key immediate tasks to close-out the 2017 and 2018 funding cycles and developed a credible implementation plan for the 2019 process. A full assessment and investigation into the root causes of the systems, processes and policy as well as capacity problems at NSFAS still needs to be undertaken. This assessment must make recommendations regarding the medium and long-term changes required for the management and oversight of an effective student financial-aid system.

In relation to the development of a new student funding policy, work was done by the Department to develop a set of Guidelines for the new Departmental Bursary Scheme, which were effected during January 2019. Unfortunately, the administrative challenges at the NSFAS have impeded the development of a final policy. However, work commenced to facilitate and enable the necessary research and set in

place controls at the NSFAS to ensure a more effective policy regime for 2020. The implementation of the Guidelines in the fourth quarter of 2018/19 required daily engagement with NSFAS and universities to ensure a common understanding of the policy regime and correcting areas of policy incorrectly implemented during 2018. Nevertheless, collective efforts have resulted in a relatively calm registration period for the 2019 academic year.

An area of major contestation at the beginning of the 2019 academic year was the issue of the policy regarding student allowances. Detailed research in areas such as student accommodation and transport, approved qualifications for funding and related areas is currently underway to properly inform the policy development process for 2020, onwards.

In line with the December 2017 Presidential announcement the Department, in collaboration with National Treasury and the DPME, undertook a due diligence exercise to quantify the historic debt of NSFAS qualifying senior students (who qualified in terms of the R122 000 family income threshold per annum) that were registered in the 2018 academic year. In terms of an agreement between universities and the Department, all returning NSFAS qualifying students with university debt were allowed to register in 2018, provided that they signed an Acknowledgement of Debt form. The information attached to the Acknowledgement of Debt forms had to be submitted to the Department through a database with a letter confirming that the debt owed was for legitimate tuition fees, university-managed accommodation fees and allowances for NSFAS registered and qualifying students in the 2018 academic year. This debt was quantified and funding allocated to NSFAS during March 2018 to enable the historic debt for students registered in the 2018 and 2019 academic years, to be effectively dealt with so that they graduate debt-free.

The sector remained fairly stable during the 2018 academic year, though NSFAS delays continued to cause problems at some institutions. There were significant incidents at two universities during the 2018 academic year. At Tshwane University of Technology, there were major disruptions of examinations as a result of the closure of the Soshanguve campus following contested Student Representative Council elections and the tragic death of a student. The University of Fort Hare (UFH) also experienced a disruptive strike for a period of six weeks due to wage negotiations that deadlocked.

The start of the 2019 academic year was also marred by a call for a total shutdown in KwaZulu-Natal linked to demands for free postgraduate studies, challenges linked to student housing shortages and pertaining to the policy on allowances for qualifying NSFAS students. Violent incidents were recorded with the tragic loss of life at Durban University of Technology (DUT) and some destruction of property at the University of Zululand and the University of KwaZulu-Natal.

The additional funding in the baseline to universities has made a process aimed at developing a regulatory framework for university fees possible. The process for development of this framework began in 2016 with work undertaken by the CHE following the zero percent increase in fees for the 2016 academic year following the *#FeesMustFall* campaign in 2015.

This resulted in a compact between Government and universities regarding fee increases for the 2017 and 2018 academic years together with a fee adjustment grant offered to students with family incomes of up to R600 000 per annum, introduced in 2017/18 and which continued during 2018/19. Therefore, over the three academic years from 2016 to 2018 fee increases across public universities have been based on agreements between Government and university councils, which in effect resulted in a zero percent increase for all enrolled students in 2016, with Government contributing an additional R2.3 billion, a maximum fee increase of 8% in 2017, together with a fee adjustment grant, also known as a 'gap grant', which Government provided for students from families earning up to R600 000 per annum to cover the fee increase. During 2017, the Consumer Price Index (CPI) was 4.9%, representing a fee increase of the CPI +3.1%. In 2018, the agreed increase remained at 8%, while the CPI was 5.5%, resulting in a fee increase of CPI +2.5%.

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

During 2018, a strategic decision was taken to incorporate the fee adjustment grant into the subsidy for universities for 2019/20. This allowed universities to manage the tuition fee arrangements for the group of students who benefited from the grant during the 2017 and 2018 academic years, until they graduate. It also means that in the long run the fee regime could be stabilised, while at the same time ensuring that universities are better funded to enable keeping fees affordable for all. Work towards a fee regulatory framework in ensuring certainty within the system in relation to fee increases could not be completed during 2018. Therefore, a further one-year compact was agreed to for the 2019 academic year, keeping tuition fee increases at CPI, with accommodation fees increasing to CPI+2%. A process is underway to allow for a fee regulation policy framework to be developed for implementation during the 2021 academic year.

Finally, the state of governance and management across the university sector has been of concern with some institutions experiencing ongoing challenges. During the financial year under review, the Minister endorsed an Independent Assessment at one institution, while a number of other institutions experiencing similar challenges, received directives to deal with these issues. The assessment of governance across the system suggests that 80% of universities are adequately governed, with 20% experiencing challenges.

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

Since its registration during 2000, the private higher education sector has consolidated itself within the higher education and technical and vocational space, offering a range of programmes in diverse fields, ranging 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 in areas such as business, commerce, Information Technology (IT), media and graphic design, collectively aligned and responsive to current industry needs.

By the end of March 2019, there were 135 registered PHEIs (105 fully and 30 provisionally registered). Newly registered institutions made up 8% or a total of 12 of the institutions, while six institutions had their registration cancelled during the financial year, three due to poor financial performance.

Enrolment figures indicate that 185 046 students were enrolled across the 135 registered PHEIs in 2017, an increase from 167 408 students enrolled in 122 institutions in 2016. This is a significant increase of 10.5% in headcount enrolments from 2016 to 2017. It is noted that during the previous year headcount enrolments also increased significantly at 13.7% in relation to 2015 enrolments. The average annual growth from the 2015 to 2017 academic years was 12.85%. The private higher education sector is growing at a far greater rate than the public sector and during 2017, it accounted for approximately 15.14% of the 1 222 030 headcount enrolments in the higher education sector as a whole. This represents an increase from 14.6% of total higher education enrolments during 2016.

The highest concentration of enrolment in PHEIs was apparent in Bachelor degrees (34.5%) followed by the 360-Credit diplomas (29.5%). NQF Field 3, Business, Commerce and Management studies reported the highest number of students at 113 287, followed by NQF Field 10: Physical, Mathematical, Computer and Life Sciences at 17 017. With regard to student enrolment, African students were the highest and the number of female students exceeded male student enrolments. A substantial number of students (16 387) came from other African countries. The number of graduates reported was 35 922, with the highest percentage being awarded in Bachelor's degree (31.6%), followed by the Higher Certificate at 28.9%.

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 efforts by the Department to register institutions with a view to 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 over the last few years has been the number of 'bogus' colleges that have appeared, providing unaccredited programmes to unsuspecting students. Moreover, some registered PHEIs offer unaccredited and unregistered programmes. This focussed monitoring of the system by the Department has yielded results in that registered PHEIs appear to be complying with the regulations issued during 2018.

The Department continued its campaign to raise public awareness on the importance of checking the status of an institution prior to enrolment during 2018/19. For the third time during 2018, the Statement of National Senior Certificate Results included a warning on 'bogus' colleges and provided information on how to verify the credentials of a private post-school institution.

In tandem with the interventions, the public awareness campaign comprises of publishing a list of 'bogus' colleges identified through the Department's monitoring processes, alongside the ongoing updating of the Register of Registered Private Higher Education Institutions. These details are published and updated on the Department's website on a monthly basis. The Department continues to engage 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 identified to be operating illegally alongside visible monitoring in partnership with the South African Police Services, is also being implemented. The Department has strengthened links with authorities in the United Kingdom and the United States of America and is working closely with the latter to combat the proliferation of 'bogus' colleges and degree fraud linked to institutions operating in South Africa from these countries.

The Department's campaign against illegal colleges has gained momentum and only one illegal college was shut down during 2018.

The growth in registered PHEIs offering accredited programmes, together with the Department's work to curb illegal and unregistered colleges and the CHE's quality assurance function, has resulted in improved integrity within the private higher education sector over time.

#### 2.1.2.2.1 Significant achievements during 2018/19

The performance information reported in paragraph 4.3, refers specifically to the APP targets. In this section significant achievements, many of which are reported in the annual monitoring reports that form the main performance targets, are identified.

#### **Implementation of the DHET Bursary Scheme**

The DHET Bursary Scheme was implemented during 2018. While there were major challenges regarding the implementation of the scheme as described in earlier paragraphs, leading to the Minister placing the NSFAS under administration, substantial new funding was made available to provide for the full cost of study bursaries for poor and working class students to access university studies and these students were supported in ways never possible before. Substantial additional funding for enabling full-cost of study bursaries for new first-time entry university students into undergraduate studies over the 2018 Medium-Term Expenditure Framework (MTEF) period amounted to R4.581 billion in 2018/19, R13.124 billion in 2019/20 and R15.315 billion is estimated for 2020/21. A further R16.2 billion will be provided in the 2020/22 financial year. The total funding to support poor and working class university students therefore increased from R9.849 billion in 2017/18 to R14.901 billion in 2018/19 and is set to increase to R24.023 billion in 2019/20 and R28.236 billion in 2020/21, respectively. This is a significant investment towards supporting the success of poor and working class university students, most of whom are of the first in their families to be provided with the opportunity in achieving a university education.

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Bursary Guidelines for university students were developed for 2019 and provide a framework for the implementation of the DHET Bursary Scheme in 2019. The Guidelines outline the scope and detail of the Bursary Scheme and the processes necessary in giving effect to student funding provided through the Department and the NSFAS.

### **Councils and Governance**

A Standard Operating Procedure for the nomination of candidates for appointment by the Minister to Councils of Public Higher Education Institutions was approved,

An Independent Assessment was concluded at the Mangosuthu University of Technology (MUT) and the report was discussed during a meeting with the Council and the Minister of Higher Education and Training in early 2019. The Department will continue to support the university in implementing the recommendations of the report.

The first submission of the self-assessment scorecard by public universities in line with the *Guidelines for Good Governance Practice and Governance Indicators for Councils of South African Public Higher Education Institutions* were received. These, together with other information, submitted as part of university Annual Reports, were utilised to develop a report on system-wide university governance and the assessment of the state of governance across the university sector as a whole.

### **Student Leadership Development**

The Department provided financial and administrative support to the South African Union of Students (SAUS) to assist in hosting their Congress during July 2018. The new National Executive Committee of SAUS was also supported to enable the SAUS leadership to participate effectively in a number of processes and meetings, including student funding policy discussions, the Ministerial roundtable on campus safety and security, the Transformation Colloquium on Higher Education Transformation and meetings pertaining to the 2019 registration period with Registrars and Finance Executives. In addition, the Branch facilitated a workshop with SAUS to identify a strategic direction for the development of a SAUS' sustainability plan.

### **Campus Safety and Security**

A Ministerial Roundtable on Campus Safety and Security was successfully hosted on 19 October 2018.

### **International Scholarships**

The Department established an International Scholarships Forum, in which all relevant National and Provincial Government departments participated. Under the auspices of the Department, the forum developed a set of *National Guidelines for Coordination and Implementation of International Scholarships*, which will be finalised and tabled before Cabinet for approval during the next reporting period.

### **Implementation of the University Capacity Development Programme**

The UCDP was fully implemented from the start of the 2018 academic year. This programme is focused on transforming teaching, learning, researching and leading within public higher education and is one of the Department's key strategic interventions for strengthening and developing the university education sector over the next ten-year period. A number of collaborative programmes were developed and implemented under the umbrella of the UCDP during the 2018 academic year.

The nGAP, which was first introduced in 2015, also falls under the umbrella of the UCDP. The fifth phase of the nGAP, involving the recruitment of 111 new academics, was initiated in March 2019. This brings the total number of posts for new black and women academics within the system to 484 academics.

The Deputy Minister of Higher Education and Training launched the University Staff Doctoral Programme (USDP) and the first phase of its implementation cycle at a launch dinner on 25 July 2018. The USDP aims to support existing academics at South African universities to obtain Doctoral degrees. Phase 1 is being implemented by way of the United States-South Africa Higher Education Network. Further phases of the USDP were also initiated during March 2019 facilitated through a number of new partnerships. Phase 2, involves a partnership with the British Council and will be implemented through partnerships established between South African universities and universities from the United Kingdom, which will support 60 to 120 academics in achieving Doctorates and Phase 3, comprising of a partnership with the South African Technology Network and involving participation by the Universities of Technology, will support approximately 50 academics in achieving Doctorates. Finally, Phase 4 involves a partnership with Higher Education Teaching and Learning South Africa, which will support ten academics to achieve their respective Doctorates.

In addition, the Future Professors' Programme was initiated in March 2019 and the project will support 75 capable academics over a three-year period in making successful applications for professor positions.

A collaborative project with the CHE was approved during March 2019. The Integrated Quality Assurance Framework Project aims to develop an integrated quality assurance framework for the South African higher education sector.

There are a number of other collaborative programmes that were initiated across the system during the 2018 academic year. These include two partnerships with USAf to develop the Higher Education Leadership and Management and the Entrepreneurship Development in Higher Education (EDHE) programmes.

The second annual EDHE Lekgotla was successfully convened from the 27 to 29 June 2018 and brought together leaders in entrepreneurship development within higher education, sharing best practices and fostering collaboration for the benefit of South African youth and the economy.

### **Teaching and Learning Development Capacity Improvement Programme**

The 2018/19 reporting period marked the third year of implementation of the Teaching and Learning Development Capacity Improvement Programme (TLDCIP) and it forms part of the Teaching and Learning Development Sector Reform Contract, a budget support programme supported by the European Union. In addition to the programme largely meeting its pre-determined objectives, noteworthy achievements during the year under review, are indicated as follows:

- The Advanced Diploma in Technical and Vocational Teaching was offered for the first time by Nelson Mandela University (NMU) in 2019. This is the first initial professional qualification specifically designed for TVET college lecturers.
- The first edition of the *Journal of Vocational, Adult and Continuing Education and Training* was published in November 2018.

In addition, a number of key TLDCIP events were successfully convened during 2018/19, including:

- The Annual National Dialogue of the College Lecturer Education Project was hosted during March 2019 with 106 delegates from across the TVET and CET sectors attending the event, including the Principals from these colleges.
- The Primary Teacher Education project hosted a stakeholder meeting in March 2019, aimed at presenting the language and literacy knowledge and practice standards, as well as resources and materials developed as part of the project deliverables.

A *Framework for Enhancing Academics as University Teachers* was developed and approved by the Minister during November 2018 and is the culmination of a process that began as a dialogue in partnership with the CHE and the European Union.

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### **Central Application Service**

Cabinet approved the publication of the draft *Central Application Service Bill, 2019*, for the PSET system in the Government Gazette for public comment on 27 February 2019. After receiving public comments, a final version of the Bill will be presented to Cabinet for consideration, approval and further processing by Parliament.

### **Infrastructure**

The MIF, a web-based platform that includes a number of resources for the management and oversight of university infrastructure development, was strengthened and extended during the 2018/19 financial year. The platform was utilised by all universities to upload quarterly and Annual Reports and has strengthened monitoring and oversight of projects funded by the Department during the 2018/19 financial year.

Linked to the MIF development, an Infrastructure Development Support Programme was introduced. The programme includes monitoring progress on all university infrastructure funded through the Department by way of monitoring and oversight visits to each institution, as well as a development support programme offered at three levels of intensity, depending on the circumstances at the institution. At the first level, advice and information-sharing is provided, while the second level renders pro-active support and the third, a more intensive level of assistance. A proposal for the implementation of an Infrastructure Development Support Unit for the PSET system was also finalised and a process for the approval of its implementation is underway.

### **The Student Housing Infrastructure Programme**

The Student Housing Infrastructure Programme was bolstered through significant additional funding being allocated by National Treasury from the Budget Facility for Infrastructure, including R31.25 million to SMU, R33.5 million to NMU and R38.68 million to Vaal University of Technology (VUT). IIPSA also approved R28 million for UFH and R24 million for SMU. The DBSA approved a loan of R278 million for UFH, with a total project cost of R407.988 million for the provision of 1 437 beds. The DBSA also approved a loan of R245 million for SMU, with a total project cost of R564.398 million for the provision of 2 000 beds, which the Minister approved. Major student housing projects for the University of Limpopo, VUT, the North West University and the University of the Western Cape are also in progress.

### **Enrolment Planning**

A process for developing an enrolment plan for the system spanning the 2020 to 2025 academic years was initiated during 2018/19. A National Workshop on Enrolment Planning for Universities was hosted on 31 October 2018. The Department also followed up with a series of individual meetings with universities during November and December 2018 with a view to engage on preliminary enrolment plans submitted by each university. The enrolment plan for 2020 to 2025 will be finalised during 2019/20.

### **Research Outputs**

Research output units for 2017, which amounted to 18 872.27, represent a 3.56% increase in outputs for 2016, with more than half (53.52%) of the units being produced within the field of Science, Engineering and Technology.

## BRICS Events

The National Institute for the Humanities and Social Sciences (NIHSS) supported by the Department, successfully hosted the BRICS Academic Forum and the BRICS Think Tank from 28 to 31 May 2018. This was the second time South Africa hosted the BRICS event.

The Department, from 3 to 7 July 2018, also successfully hosted the third BRICS Network Universities (BNU) conference at Stellenbosch University. The conference culminated in a declaration which further commits the member states to research on the agreed themes and facilitation of a postgraduate programme, among others. The BNU International Governing Board meeting, which took place on the last day of the conference was chaired by the Department and consolidated aspects of the declaration into its Workplan going forward and in preparation for the next meeting in Brazil, scheduled to take place in 2019.

The BRICS Ministers of Education meeting was successfully hosted from 9 to 10 July 2018 in Cape Town.

Through these BRICS meetings, South Africa was able to place strategic issues that are of national interest on the BRICS agenda. These included defining the BRICS research agenda and knowledge programme with regard to six thematic areas identified for the BRICS Network University, namely: Energy, Ecology and Climate Change, Economics, Computer Science and Information Security, Water Resources and Pollution Treatment and BRICS Studies. A BNU staff Doctoral Programme concept document as agreed to, was developed and shared with BRICS partner countries during the July meeting of the International Governing Body.

## Transformation Oversight Committee

The Department together with the Transformation Oversight Committee, USAf and the CHE successfully convened a Colloquium on the Transformation of Higher Education on 5 November 2018.

### 2.1.2.2.2 Significant developments that impacted on the work of the programme

The Student Leadership Capacity Development Programme had to be delayed during 2018 following the closure of the Centre for Education Policy Development, which had been allocated funds to work with the Department to implement the programme. The Branch is working on the development of a new, comprehensive programme for student leadership capacity development that will provide support and engagement across the sector.

Significant developments which may impact on progress and implementation of BRICS education projects relate to the change of political administrations regarding some of the BRICS member states, notably, Brazil and Russia. The changes have resulted in the replacement of key personnel responsible for the coordination of projects, which may result in a loss of institutional memory and as a result, impact negatively on the roll-out of key projects, specifically the BNU. The mid-term meeting of the International Governing Board of the BNU due to these changes, was unable to convene during January 2019 and this has resulted in a delay in the approval of the BRICS Staff Doctoral Programme.

The National Site License initiative was halted due to developments related to the Open Access 2020 (OA2020) movement, which is driving an international process for free access and ownership of knowledge production by producers who are academics in this field. The Department is pursuing the OA2020 initiative in collaboration with USAf as it has prospects of being a better option for the sector. Eleven research funders in Europe during 2018, announced the "Plan S" initiative that aims to publish all research papers funded by themselves within an open access environment from 2020, onwards. This decision boosts the OA2020 movement and improves the chances for better access to database sets of journal publications.

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Finally, key staff vacancies in the Branch had a significant impact on the work of the programme, specifically in relation to the Chief Directorate: Institutional Planning and Funding, which had vacancies in the positions of Chief Director and two Directors for much of the financial year. The Chief Directorate: Governance and Management Support was also highly constrained with two vacant Director posts only being filled in December 2018.

### **2.1.2.3 Technical and Vocational Education and Training**

#### **2.1.2.3.1 Performance Overview**

The TVET sector comprises of 50 TVET colleges located across the country. Their mandate is to provide vocational education and training thereby preparing students for work.

A Presidential announcement was made on the implementation of free higher education during December 2017. This resulted in a significant increase in the funding allocations to TVET colleges, but also provided little time to make the necessary adjustments for implementation during the 2018 academic year.

This funding announcement brought significant relief to an under-funded sector and added substantial funding resources to the NSFAS component, specifically to the benefit of poor and marginalised students. Soon after the announcement, the NSFAS was placed under administration and this resulted in a turbulent start to the year, in turn negatively affecting student enrolments at colleges. However, the situation improved significantly during the latter part of 2018.

Problems associated with the migration of colleges from a provincial to a national competence in 2015 have since been largely resolved and as a consequence, has provided a much more stable environment during the 2018/19 financial year.

Access to vocational education remains a critical need with numerous communities requesting support for the development of infrastructure. The subsequent construction of 13 new college campuses have addressed some of these identified needs, while in respect of the new Infrastructure Maintenance Grant refurbishment, work on existing sites has commenced.

#### **2.1.2.3.2 Significant achievements during 2018/19**

##### ***Infrastructure Management***

The TVET college system received its first allocation for infrastructure maintenance through a dedicated Capital Infrastructure and Efficiency Grant (CIEG), totalling R1.3 billion during 2018/19.

Extensive training was provided at all 50 TVET colleges during 2018/19 with a view to familiarise staff with infrastructure maintenance planning and Departmental approval processes linked to the CIEG.

The Department has also developed and implemented TVET college infrastructure maintenance training, as well as the development of TVET college maintenance plans. These processes are underpinned by the establishment of a National Infrastructure Asset Management System for TVET colleges in support of the maintenance of teaching and learning facilities at all 50 TVET colleges.

A system of standardised student allowances for qualifying bursary recipients was implemented during the year under review and marks closer alignment with students receiving allowances in universities. Following the Presidential announcement in December 2017 regarding the introduction of fee-free education for the poor and working class students, the financial eligibility threshold of the combined gross family income used by NSFAS to process student applications was increased from R122 000 to R350 000 per annum. This means more students who were previously excluded are now eligible for financial aid.

The 112% increase in the allocation from R2.437 billion in 2017 to R5.164 billion in 2018, as well as the increase of 26.2% in the 2019/20 allocation of R6.517 billion, for the introduction of fee-free education, presented a good opportunity for the Department to introduce standardised allowances in the TVET college sector.

The Department deemed it appropriate to standardise rates for allowances in an effort to ensure that TVET students are not far behind university students in having their needs met in order to be successful in their studies. The proposal, however, took into account that the needs of TVET students are not exactly the same as university students, given the larger geographical footprint of TVET campuses and the economic status of such locations. In this regard, the Department standardised the rates for travel and college accommodation inclusive of meals. Private accommodation, including meals, was also standardised into three categories, i.e. urban, peri-urban and rural locations. A new category of allowances, the personal care allowance, was introduced to assist all bursary recipients with their personal necessities.

Historically, youth enrolled in TVET courses of study do not have the requisite foundational academic knowledge to be successful in their studies. As a result, they either drop-out or repeat several subjects. The general trend in TVET colleges is that students take twice as long to complete a qualification of choice. This is costly to the State. Given the status quo, a need for a Pre-Vocational Learning Programme (PLP) was identified as a result of research undertaken by a Ministerial Task Team focussing on studies in Mathematics and Science.

One of the major achievements during this period was the review of Report 191 subjects. This process was undertaken on a significant scale towards making existing TVET qualifications more relevant and current. More than 30, Report 191 curricula were updated to make these qualifications relevant and responsive to current labour market needs.

Research was also undertaken into the establishment of a Continuing Professional Development process for lecturers and extensive consultations have taken place and processes set in place to prepare for a pilot project implementation phase of the programme.

A Disabilities Task Team was established and a draft policy developed to guide colleges in admitting and supporting students with disabilities.

The development of new IT Examinations processes by a service provider is still underway and progress made thus far includes student management, registration, irregularities, resulting and certification modules.

All College Council terms of office expired during the 2018/19 financial year. A rigorous screening process was initiated in a search of new council members and was successfully concluded.

The Centre of Specialisation project was conceptualised, planned and initiated during the reporting period under review. This programme aims to establish links with employers and colleges to seamlessly facilitate and coordinate apprenticeship programmes.

#### 2.1.2.4 Skills Development

##### 2.1.2.4.1 Performance Overview

##### ***NSDS III and SETA Performance***

After going through an intensive process of consultation on the draft National Skills Development Plan (NSDP), the Minister promulgated the NSDP in a Government Gazette published on 7 March 2019. The plan will come into effect from 1 April 2020 to replace the National Skills Development Strategy (NSDS) III.

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The NSDP places SETAs at the centre of skills development to facilitate and broker the linkages between the labour market, employers and sectors within the field of education and training institutional supply.

The proposed *SETA Landscape* was published in the Government Gazette for public comment during August 2018. In realising the NSDP goals, it is important to reconfigure and reposition the SETAs in a manner by which they are able to respond to and perform their envisaged roles. The reconfiguration will bolster their overall performance to the benefit of their respective sectors and the economy as a whole. The proposed *SETA Landscape* is expected to be finalised and implemented from 1 April 2020.

One of the many interventions that were introduced by the Department to steer SETAs towards clean governance was the introduction of the *SETAs Good Governance Charter and Standards*. These standards were approved by the Director-General in March 2016 for implementation during 2016/17, going forward. Although a lot still needs to be done to improve the performance of SETAs, various interventions by the Department are yielding good results as is manifested in the unqualified audit outcomes attained by SETAs during the 2017/18 financial year and their previous Annual Reports.

### **Artisan Development**

The NDP requires that by 2030 at least 30 000 qualified artisans must be produced on an annual basis. The current achievement of 29 982 and 19 627 for artisans that registered and qualified respectively, is a good indication that the Department is on track in meeting its NDP target. The production of mid-level skills such as artisans is seen as one of the avenues that will ensure that more South Africans access work opportunities.

It is therefore no coincidence that Government is paying heightened attention to the development of artisans. The result of the *Artisans Tracer Survey* conducted by the Department shows that 77% of artisans that qualified in the 2017/18 period are either employed or self-employed (based on contactable sample size of 4 290 participants). Furthermore, the *Quarterly Labour Force Survey* (Quarter 4: 2008) released by Statistics South Africa indicates that artisan-related occupations, such as crafts and related trade, as well as plant and machine operator consistently year-on-year, reflect increased employment numbers.

Since 2012, the Department focused on creating the regulatory environment to support and accelerate the production of artisans which include among other, the introduction of the Criteria and Guidelines for the Implementation of Artisan Recognition of Prior Learning (ARPL). The ARPL aims to redress one of the artisan landscape's past imbalances, where semi-skilled trade workers were not afforded any form of formal recognition, in spite of trade experience they had accumulated over the years within their respective workplace environments.

#### **2.1.2.4.2 Significant achievements during 2018/19**

The *Draft National Artisan Registration Policy* was Gazetted and published on 15 June 2018 for public comment. The National Artisan Development Strategy aims to highlight the priority activities that will have a direct influence in the training of quality artisans. There is a need for the establishment and implementation of a uniform artisan system and processes to accelerate the production of artisans in the country, thereby continuously balancing the supply and demand curve for future artisans.

The proposed landscape for SETAs was Gazetted and published for public comment on 22 August 2018. The *SETA Landscape* review is guided by *Section 9 of the Skills Development Act, 97 of 1998* (as amended).

The Minister also promulgated the NSDP on 7 March 2019. The NSDP seeks to ensure that South Africa has adequate, appropriate and high-quality skills that contribute towards economic growth, employment creation and social development. The NSDP is derived from the broader plan of Government, namely the NDP, which aims to set in place a framework to '*build the capabilities of our citizens to make our future work*'.

The successful hosting of the World Skills, South Africa National Competition in KwaZulu-Natal, an event which serves as a precursor to the international competition which will be held in Russia on 22 to 27 August 2019 was hosted during the period under review. Twenty-two skills areas within the competition parameters will be the focus of participation by the South African team. Tens of thousands of skilled young people from around the world and accompanied by their teachers, coaches and mentors, gather in a selected city on a bi-annual basis to compete before the public in the skills of their various trades and to test themselves against demanding international standards.

### 2.1.2.5 Community Education and Training

#### 2.1.2.5.1 Performance Overview

The 2018/19 financial year marked the fourth year since the establishment of the CET programme. The programme was established during April 2016. During the year under review, the Department's service delivery operations in relation to this programme was guided by the NDP in terms of which Government has committed to increase youth and adult participation in the CET sector to one million students by 2030. The Branch operations are also guided by the *Continuing Education and Training Act, Act No.16 of 2006*, the new legislation that regulates the system on a standardised basis. The growth and expansion of institutions within the CET sector is a strategic priority for the Department. The CET programme is focused on building capacity of CET institutions to improve their functionality and the context thereof is founded on the set of principles as articulated in the *National Policy on Community Colleges*, as follows:

- i) Social justice;
- ii) Community determination, access, participation, success and development;
- iii) Partnerships, employer and work organisation involvement;
- iv) Local community developmental agenda determination;
- v) Inter-Departmental cooperation;
- vi) Agency for the State's developmental agenda; and
- vii) Research, monitoring and evaluation.

In line with these principles and the strategic objective to expand the geographic spread of CET colleges, 54 Community Learning Centres have been identified nationally to pilot the concept of the CET programme and begin to move the system in becoming differentiated and responsive to geographic and sectoral needs and challenges.

It is essential to take cognisance of the fact that while the programme is forging ahead with the new mandate, it also had to manage the aftermath of the Function Shift. Labour instability resulting from varied Conditions of Service in relation to lecturers continued to have a negative impact on the teaching and learning environment. Furthermore, the different resourcing and funding practices of colleges continues to make it difficult for colleges to innovate and diversify programmes. The Department prioritised the development of a new funding framework for efficient and equitable distribution of the fiscal allocation to the CET college sector.

The CET system reflects a 30% decline in enrolments from 275 268 in 2014 academic year to 193 185 in 2017 academic year. This can be attributed to the changed student cohort in terms of age and the relevance of the programme offerings. It must be noted that historically, the sector focused mainly on the Adult Education and Training sub-levels 1 to 3 and General Education and Training Certificate, a qualification at NQF level 1.

Despite the decline in enrolment, data collected on student enrolment confirms two critical aspects: firstly, the need and relevance of the sector to youth and adults and secondly, the fact that the provision must go beyond academic programmes. The NDP target pressurises the resourcing of the sector to enable innovation and programme diversification for the system towards one that is more responsive and attractive. It is anticipated that enrolments within the sector will improve significantly at the 54 pilot centres that have been identified and endorsed nationally. The pilot centres are meant to test the concept of CET through strategic partnerships, innovation and programme diversification.

Despite the systemic challenges faced by the sector, there are major strides that have been achieved in relation to governance, management and student leadership structures.

The Branch delivered on its mandate with expanded and improved staff capacity since its establishment in 2016. The Branch had been functioning with six senior managers (three Chief Directors and three Directors), while the post of Deputy Director-General (DDG) has remained vacant and the Chief Director for System Planning and Institutional Support is currently acting in this capacity. Coordination of the function provided by the Branch was strained as the Branch Coordinator position has been vacant during the reporting period under review. The Branch provided its functions with an administrative staff compliment comprising of eight officials, excluding senior managers, in relation to the targets set out in the Departmental APP focussed on CET programme performance.

#### **2.1.2.5.2 Significant achievements during 2018/19**

Significant progress has been made during the 2018/19 financial year in relation to the policy decisions that were taken during the 2018 MTEF process. These achievements are indicated as follows:

##### ***Developing the National Norms and Standards for Funding CET Colleges***

The draft funding norms were approved by the Minister on 27 March 2019 for subsequent publication and public comment on 12 April 2019. The Minister also wrote to the Minister of Finance for concurrence as required by the CET Act. In addition, the Socio-Economic Impact Assessment System certificate has been issued by the DPME to provide approval for the development of the new funding norms.

##### ***Developing the National Framework for Student Representative Council Constitutions at CET Colleges***

The Student Representative Council Framework has been finalised and approved by the Director-General and was distributed to colleges.

##### ***Training of Councils, Management and Student Leadership***

The Branch managed to secure funding from the EU to train Councils, College Management and Student Representative Councils in all nine CET colleges and focussed on governance and leadership. The Branch also coordinated and participated in these training sessions.

##### ***Developing a robust Financial Management System for CET Colleges in line with the Public Finance Management Act and its Regulations***

The *South African Institute of Chartered Accountants (SAICA), CET Financial Management Support Project* is underway. A service provider was appointed to the project during November 2018 to develop a financial management system for CET colleges. The system will be implemented for utilisation by colleges from the advent of May 2019.

During February and March 2019, the Branch undertook visits to colleges in assessing their readiness to ensure that they comply with section 38(1)(j) requirements of the PFMA on financial management,

as a precursor to the transfer of funds during April 2019 for the 2019/20 financial year. The process of readiness visits was concluded in March 2019 and all colleges were able to submit written assurance certificates to the Department during March 2019.

### **Piloting the CET Concept and evaluating the lessons learnt during the 2017/18 financial year**

The Branch conducted visits to all 54 pilot centres in assessing their readiness to offer diversified programmes that will result in a qualification or part-qualification. The outcome of the audit underscored the view that the pilot centres still lack physical facilities, and Information Communication Technology (ICT), as well as adequate human resource capacity. In the 2018 MTEF, the Department's efforts in relation to the 2018 MTEF for securing additional funding was unsuccessful. The need for funding was also raised during the SETA CFO forum meeting but no financial commitments have yet been made. The Department is currently engaging with other stakeholders to lobby funding partnerships.

The pilot of the CET concept for nine pilot Community Learning Centres continued in collaboration with the ETDP-SETA, the DUT and the South African Forum for Community Colleges. The pilot process was aimed at undertaking research into confirming data and establishing methodologies for the pilot implementation phase. The outcome of this process, once completed, will result in the completion of nine pilot centre business plans for consideration and implementation by the Department. Funding for the process was provided by the ETDP-SETA. Due to delays related to procurement processes within the SETA, the process is expected to be concluded only during June 2019.

#### **2.1.2.5.3 Significant developments that impacted on the work of the programme**

The most significant internal development impacting on the programme was the development and approval by the Minister of the CET *National Plan for Implementation of the White Paper for Post-School Education and Training System for 2019 to 2030*. The Plan clarifies the Vision of the CET programme, provides guidance on access, success, programme diversification, rationalisation of the CET institutional landscape, development of steering mechanisms to regulate and support appropriate provision for CET programmes, successful evolution and evidence-based institutional planning, development and support through monitoring, as well as evaluation and research activities.

## **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 hot-line/toll-free number	General public students and Departmental staff members, TVET and CET colleges, universities and entities	99.3%	99.5%	18 000 complaints and enquires received 17 995 complaints and queries (99.3%) resolved
Dealing with queries and complaints registered by email or website	General public students and Departmental staff members, TVET and CET colleges, universities and entities	95%	95%	8 000 queries received and 7 570 (95.25%) resolved

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

Current/actual arrangements	Desired arrangements	Actual achievements
Ministerial Izimbizo's	Stakeholder engagements through Izimbizo's as determined by the Presidency	Quarterly stakeholder engagement through meetings and Izimbizo's. During 2018/19 the Minister hosted an Izimbizo for students and opened a new clinic at the Venda Vhembe TVET College, Makwere Campus on 10 November 2018
Minister's meeting with stakeholders	General public students and Departmental staff members, TVET colleges; and entities	On 17 April 2018, the Minister convened a Black Business Council Round Table on Education and Skills, as well as a BRICS Think-Tank meeting on 28 May 2018; A joint meeting of SADC Ministers for Education and Training as well as Science, Technology and Innovation, was hosted on 21 June 2018. The Minister facilitated a HEAIDS partner and stakeholder breakfast at OR Tambo International Airport on 16 August 2018.
Communication Fora	Universities and colleges	Two TVET communicator's fora were held during period under review and two SETA fora were hosted during April and December 2018. The objectives of these fora is focussed towards open channels of communication, planning and protocol and alignment between the Department and colleges.
Websites	Updated content on a regular basis. 100% access by website users and accuracy of information	The website content is updated regularly. The number of website users increased from 4 412 976 (April 2018) to 7 067 052 (April 2019) representing an increase of 2 654 076.  The number of pages accessed, increased from 900 000 (April 2018) to 915 834 (April 2019)
Facebook Page	Queries and complaints addressed through Facebook	The Departmental Facebook Page has 8 000 followers
Twitter and Instagram accounts	Twitter followers Instagram followers	Twitter has 11 000 and Instagram 647 followers

## 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	256 queries were received, while 254 queries were resolved
Usage of toll-free services	90% of queries and complaints reported on the Departmental and Presidential hotlines were resolved	The Presidential hot-line reported 99.50% of cases as finalised

## 2.3 Organisational Environment

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

The Chief Directorate: Human Resource Management and Administration manages an establishment with a total of 26 287 employees across the Department, including Regional Offices, TVET and CET colleges. Prior to the staff migration in April 2015, the Department presided over a total staff establishment of approximately 1 200 employees, including the NSF. There are 27 970 funded posts on the establishment including an additional 9 000 part-time lecturers, who are permanently employed by the Department and teach on a part-time basis at CET colleges, as opposed to lecturing staff whom are full-time educators from schools. The current vacancy rate as determined for the last quarter of 2018/19 is 6.2%.

College Councils continue to employ their own staff in terms of *Section 20 of the CET Act 2016* for programmes that are externally funded and approximately 2 600 employees have been appointed by College Councils. Council appointees are currently appointed on a contract basis, as they render special programme offerings. Employees at TVET and CET colleges have been part of the post establishment of the Department since 1 April 2015 and are directly employed by the Minister in terms of the Public Service Act. The Department is responsible for the recruitment and appointment of College Principals and Deputy Principals while College Principals have the Delegations of Authority to manage employment practices for staff appointed at salary levels 1 to 9/10 and lecturing staff at post levels 1 to 3 appointed in terms of the Educator's Employment Act.

The PERSAL system has been transferred to colleges since 2016 to support the decentralisation of functions. The Department intends transferring more functions to colleges based on their readiness and is currently conducting a feasibility assessment on college readiness. Historically there has been non-compliance with regard to the implementation of policies and collective agreements by colleges and Provincial Departments of Education in relation to the employment of staff, conduct related suitability checks, compliance with performance management, leave management, maintenance of service records, as well as the general maintenance and availability of staff records. These issues have resulted in audit findings that are monitored by means of an Audit Action Plan which is closely monitored by the Audit Committee.

A physical verification process of staff whom were transferred to the Department and whose verification could not be finalised and in turn resulting in terminations, was undertaken during 2017. As part of a subsequent review and clean-up process pertaining to the staff establishment, staff records have since been scanned and a digital Human Resource Enterprise Content Management System being developed as a means to mitigate these problems. The Department has commenced with a process of automating and integrating various Human Resource modules, such as the e-Leave and e-Performance Management Development System into the SmartHet System.

Collective bargaining procedures are centralised at Head Office and the Educator Labour Relations Council (ELRC) is at present the interim labour relations structure servicing TVET lecturing staff, while the General Public Service Sector Bargaining Council (GPSSBC) presides over labour matters for support staff. It is crucial that a permanent structure be established as it is a requirement of the CET Act, which stipulates that a collective bargaining structure should be set in place subject to agreement by all parties. The delay in establishing the structure has contributed to instability within the sector as unions tend to contest the potential home for lecturing staff.

The Government Information Technology Officer (GITO) mainly provides 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 and responsiveness to help-desk queries.

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The Department inherited outdated ICT infrastructure from the Department of Education, which at the time, could not be replaced due to prospects of physical relocation elsewhere. The network infrastructure was replaced at 123 Francis Baard Street and INDLELA and the new environment will ensure a better secured IT user environment and accessibility. The project was completed by the end of March 2019. This initiative will also ensure implementation of converged server computing and storage processes.

A service provider has been appointed to develop a Business Continuity Plan by June 2019, which will include a disaster recovery plan pertaining to the potential loss of information and how best to deal with and recover from potential information losses. Processes for regular testing of the system and back-ups is documented on an ongoing basis.

The Department established an Oversight Committee to monitor the implementation of the TVET Connectivity Project through the South African National Research Network (SANReN, now SABEN) to ensure that all 50 TVET colleges are connected to and operate within the same network environment as that servicing universities. Through this coordinated and centrally driven process, efficiency gains through the bulk-buying of data lines should also be realised. The Department also intends installing the SABEN connectivity infrastructure to service the NSF, which is based at Ndinaye and the Department at 123 Francis Baard buildings, respectively, as well as INDLELA located in Olifantsfontein.

GITO is currently in the process of implementing the SmartGov (SmartHet) Project. The project aims to replace paper-based and manual systems and rather drive and fully embrace digital transformation systems within the Department. The roll-out of the SmartGov System focussed on the automation of business processes as part of the overall Enterprise Content Management process, is ongoing. The following modules are almost complete for roll-out and implementation as part of the system, namely: leave management processes, Performance Management Development System (PMDS) processes, submissions, Director-General related tasks, payments and invoice tracking procedures, quotations management processes, travel bookings, responses to Parliamentary Questions and contract management.

GITO has implemented and completed a hosted exchange to provide a cloud-based email service to the Department and this exchange incorporates the Mimecast email security solution, ensuring improved accessibility of emails to all staff and which inadvertently contributes to improved efficiency and higher levels of productivity.

These projects are derived from the costed and approved ICT Strategic Plan. The ICT Procurement Plan which outlines the Department's investment in ICT projects, was approved during the 2018/19 financial year.

While notable improvements have been made in respect to corporate ICT governance standards set by the Department of Public Service Administration (DPSA), the Auditor-General raised findings pertaining to information security processes, user access controls, back-ups and patch management on the business systems.

The Department's Communication Strategy was approved during the 2018/19 financial year. Through pro-active media campaigns, the Department has managed to maintain consistency in ensuring that key operational issues feature prominently as leading discussion issues, including non-accredited colleges, universities, TVET colleges, skills development, career development, NSFAS and fee-free education, among other. Close to a third of the Department's media coverage now focuses on operational, rather than political-centred matters.

As a result, it is clear that the Department is beginning to determine and influence the media agenda as opposed to being exclusively reactive to negative media coverage. However, there is still room for improvement, particularly in-so-far as attaining a more significant footprint within the community media space as a conduit to ventilate issues with a strong grass-roots message and with particular focus on TVET

and CET colleges. A preferred course of action would include the development of a comprehensive media capacity and relationship-building campaign with special emphasis on community media engagement.

The number of career guidance exhibitions increased in conjunction with the dissemination of improved quantitative and qualitative information made available to learners and stakeholders. The Minister's programme of Izimbizo 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 important messages to convey to the public. The Department established the Universities, TVET and SETA Communicators Forum to engender a much closer working relationship aimed at tackling issues of common interest.

The Department's Call Centre and Client Services toll-free line received 13 955 enquiries and complaints to which it responded satisfactorily during the period under review and all matters were duly resolved and finalised. A total of 3 287 reception enquiries were received of which all were timeously finalised. By the fourth quarter, 2 323 website enquiries were received of which 1 743 were resolved and a total of 424 of the 580 enquiries subsequently referred to Branches, have since been resolved. Only 156 complaints were still pending resolution at the time of reporting. The walk-in centre received and resolved 54 queries and the Presidential hotline reported 99.50% of cases as having been finalised.

The Department is currently utilising office accommodation in an old building that is not conducive to facilitate optimal performance of staff. A proposal for the construction of a new building has been tabled before the Executive Committee of the Department and a need to secure funding for project management has been highlighted. Currently six Regional Offices are being accommodated within office space provided at the Provincial Departments of Education. Accommodation for four of these Regional Offices have been secured through assistance provided by the Department of Public Works.

The Security Advisory Services Directorate is responsible for the provision of security management and advisory services, including the oversight and implementation of Minimum Information Security Standards and Occupational Health and Safety (OHS) processes. The Unit is also responsible for coordinating security clearance and vetting of staff members through the State Security Agency and on an ongoing basis, it provides security support services during Departmental events with particular focus on safety, security and protocol processes and procedures. These services are in-sourced, except for those rendered at Ndinaye building and a decision informed by the short-term period endorsed in accordance with the terms of the lease agreement for the latter building. A biometric system at 123 Francis Baard and Ndinaye Buildings has been installed for improved physical access, movement and monitoring of staff and other individuals to and from these buildings. INDLELA is currently the seat of the Trade Test Centre as well as the National Artisan Development units and a recapitalisation project which includes the physical security improvement of the facilities is presently underway. Expensive equipment is also housed at the latter premises and due to previous security breaches, including armed robberies, the provision of appropriate security features has had to be prioritised. The maintenance of grounds is costly and the adjoining golf course had to be closed down due to security challenges.

### 2.3.2 Significant achievements

#### i) *Information and Communications Technology*

The ICT Procurement Plan which outlines the Department's investments in ICT projects was approved during the 2018/19 financial year. GITO has managed to upgrade the network infrastructure both at 123 Francis Baard and the INDLELA premises. This project includes the installation of wi-fi at both building sites. The Department launched the implementation of an electronic SmartHet Information Management System, a business automation project that is aimed at improving efficiency in business operations.

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#### **ii) Performance Management**

The Department has implemented a new performance management and development system as determined by the DPSA. Ethics and Integrity Management Committees were launched, policy and processes developed, as well as approved and the disclosure of financial interests timeously managed and concluded.

#### **iii) Fraud and Corruption Prevention Unit**

The unit was established within the Office of the DDG: Corporate Services and two major fraud investigations have been conducted.

#### **iv) Labour Relations**

The unit trained officials regarding investigating, initiating and presiding over misconduct cases and further training will continue during the 2019/20 financial year. It is noteworthy that the Branch: Corporate Services has successfully implemented the SmartHet, e-leave module at National Office. Human Resource Management has also conducted training of PERSAL users on functions identified for the decentralisation of human resource functions to Regional Offices of the Department.

A conversion of educator salary scales to new Key Scale Tables and implementation of a 0.3% pay progression was accordingly implemented. The second phase of the personnel registry scanning project in preparation of the decentralisation process is being implemented.

#### **v) Employee Health and Wellness**

An athletics team for the Department was registered and the team has already recruited and registered sixty-four members.

#### **vi) Organisational Development**

The Department obtained the approval and concurrence by the Minister for Public Service and Administration of the interim structure for the Department and Regional Offices which was also signed-off by the Minister of the Department. This will assist in clearing an audit query which has been apparent in the Auditor-General's findings for the past three financial years.

#### **vii) Facilities Management**

The Directorate secured the Department's participation in a Public Private Partnership (PPP) facilitated through the GTAC in collaboration with the Department of Public Works (DPW) and National Treasury for the construction of a new National Office located within the Salvokop Government precinct. The process was not completed due to a lack of funding for the appointment of a Transaction Advisor and Project Manager. The DPW has been provided with a Procurement Instruction for the identification of interim and alternative office accommodation within the central business district of Tshwane.

#### **viii) Security Advisory Services**

The Department initiated a process for the appointment of a service provider to conduct Personnel Suitability Checks and conduct pre-screening processes in line with the National Vetting Strategy as contained on the *National Intelligence Strategic Act 39 of 1994*. Security Services also provide support during Departmental events and due to the number of high-profile events scheduled on an annual basis, staff capacity within the unit has been overextended.

## ix) Communications

The Communications Unit took a lead in the Centenary Celebrations for former President Nelson Rolihlahla Mandela and the late Ms Albertina Sisulu as per Government Directive and these activities included internal campaigns and outreach events. The Department also celebrated Nelson Mandela Day at the Mandela School of Maths and Science in Qunu, the birth place of former President Mandela and key events included among other the launch of the Centres of Specialisation in TVET colleges. While the President's announcement on the implementation of fully subsidised higher education in December 2017, 2018/19 was the first year of implementation and it was expected to be a highly volatile year due to student demands for admission and planned protests following the announcement. The Department successfully dealt with the increased media focus at institutions of higher learning and the Department. The year under review also saw the appointment of an Administrator for the NSFAS. By June 2018, the level of negative media coverage had subsided as a result of the pro-active approach that was adopted by the two political heads, Minister, Dr Pandor and the Deputy Minister, Mr Buti Manamela. The media coverage of the Department increased significantly with more neutral to positive press coverage being apparent.

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

Focus areas	Action
1. Delays in the establishment of a collective bargaining structure for the college sector, which is contributing to disputes by registered unions	An intervention by the Minister of Public Service and Administration and Minister of Higher Education and Training may be necessary should it not be resolved by end of March 2019
2. Non-standardised Conditions of Service for Community Education and Training lecturers	The matter has been tabled at the GPSSBC and there is agreement on the Implementation Plan
3. The 63% threshold on Compensation of Employees makes it difficult for colleges to appoint staff offering Ministerial programmes	The Post-Provisioning Norms are being finalised and all funded posts will be reflected on the PERSAL system as part of the overall college establishment
4. The Department needs to secure funding for the construction of a new building and obtain approval from National Treasury	Considering a PPP and collaboration with the NSF and entities or alternatively, reduce the project scope
5. Provision of parking for all employees who need parking facilities within close proximity of the Departmental offices	Sufficient parking secured in the city, in close proximity to office buildings

## 3. Strategic Outcome-Oriented Goals

The 2014, Medium-Term Strategic Framework (MTSF) is structured around 14 priority outcomes that cover the focus areas identified in the NDP. The Department is responsible for Outcome 5 of the 14 Government outcomes, namely *"A skilled and capable workforce to support an inclusive growth path"*.

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

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

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

2015-2020 STRATEGIC PLAN OUTCOME-ORIENTED GOALS		CONTRIBUTING BUDGET PROGRAMMES
<b>Goal 1</b>	<b>Sound Post-School Education and Training Steering Framework</b>	2, 3, 4, 5 and 6
Goal Statement	To steer the Post-School Education and Training system through the development and review of steering mechanisms, integrated planning and implementation oversight by 31 March 2021	
<b>Goal 2</b>	<b>Improved Post-School Education and Training services</b>	2, 3, 4, 5 and 6
Goal Statement	To improve the Post-School Education and Training system through the provision of appropriate learning assessment services, teaching and learning and student support services by 31 March 2021	
<b>Goal 3</b>	<b>Improved Post-School Education and Training capacity</b>	2, 3, 4, 5 and 6
Goal Statement	To improve the capacity of the Post-School Education and Training system through funding interventions and infrastructure development by 31 March 2021	
<b>Goal 4</b>	<b>Strong Stakeholder Network</b>	2, 3, 4, 5 and 6
Goal Statement	To develop partnerships and maintain good stakeholder relations in support of an effective Post-School Education and Training system	
<b>Goal 5</b>	<b>Excellent business operations within the Department of Higher Education and Training</b>	1
Goal Statement	To ensure sound business management/leadership and effective resource management within the Department	



The Deputy Minister of Higher Education and Training, Mr B Manamela



The Director-General of the Department of Higher Education and Training, Mr. GF Qonde

**Progress status on MTSF outcome/impact indicators**

Performance Indicator	Baseline 2014/15	Performance 2015/16	Performance 2016/17	Performance 2017/18	Performance 2018/19	5 year target	Percentage progress against the 5 year target
<b>Access</b>							
1. Students enrolled in public higher education studies (n)	983 698	969 154	985 212	975 837	1 036 984*	1 070 000	97%
2. Headcount enrolments in TVET colleges (n)	709 535	710 535	741 542	703 705	687 955	710 535	97%
3. Headcount enrolments in CET colleges (n)	300 000	283 602	273 431	273 431	193 185*	340 000	76%
4. Students in foundation programmes (n)	17 960	19 212	17 977	20 685	21 289*	36 000	59%
5. Eligible university students obtaining financial aid (NSFAS) (n)	186 150	178 961	255 950	225 950	260 002***	205 000 pa	127%
6. Qualifying TVET students obtaining NSFAS financial assistance per annum (n)	220 978	298 457	255 557	225 557	200 339*	200 000 pa	100%
<b>Success</b>							
7. Graduates in Engineering Sciences from universities (n)	11 441	12 058	12 470	12 386	12 955*	57 000**	87%
8. Graduates in Human Health and Animal Health from universities (n)	8 627	8 982	9 851	10 087	10 456*	45 000**	88%
9. Graduates in Natural and Physical Sciences from universities (n)	6 698	7 259	7 917	8 093	8 601*	36 000**	89%
10. Graduates in Initial Teacher Education from universities (n)	16 594	19 124	20 698	22 123	25 113*	99 000**	88%
11. Doctoral graduates from universities (n)	2 051	2 258	2 530	2 797	3 057*	12 000**	89%
12. Research Masters graduates (n)	6 460	7 229	7 317	7 968	8 010*	34 000**	89%
13. Success rates at universities (%)	74%	77%	78%	78%	77%*	78%	99%
14. Higher education undergraduate success rate (contact) (%)	81%	82%	83%	83%	82%*	81%	101%
15. Higher education undergraduate success rate (distance) (%)	60%	68%	68%	68%	67%*	71%	94%
16. Certification rates in TVET qualifications NC(V) L4 (%)	34.4%	23.3%	32.6%	42%*	42.8%	50%	100%
17. Certification rates in TVET qualifications N3 (%)	55.4%	51.0%	64.9%	65.8%	76.8%	65%	118%
18. Certification rates in TVET qualifications N6 (%)	47.2%	34.3%	61.0%	66.1%	96.1%	65%	148%
19. Certification rates in CET formal qualification (%)	-	39.8%	35.9%	35.9%*	41.7%	45%	80%
<b>Transformation</b>							
20. University academic staff with PhDs (n)	41%	43%	44%	45%*	46%*	46%	100%

Note:

\* 2017 academic year, verified by October 2018

\*\* For universities cumulative from 2015/16 academic years

\*\*\* 2017/18/ NSFAS Annual Report



## 4. Performance Information by Programme

### 4.1 Programme 1: Administration

#### 4.1.1 Purpose

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

There are six budget sub-programmes:

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

#### 4.1.2 Strategic Objectives

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

#### 4.1.3 Summary of significant achievements during the 2018/19 financial year

- The Department has filled 93.8% of funded posts, thereby reducing the vacancy rate to 6.2%;
- It took an average of 159 days during the year under review to fill advertised posts;
- The Department received an unqualified audit opinion from the Auditor-General for the 2017/18 financial year;
- A Fraud and Corruption Prevention Unit was established within the Office of the DDG and conducted two major fraud investigations; and
- The interim structure for the Department and Regional Offices which was approved by the Minister.

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

Strategic Objective	Performance Indicators	Actual Achievement 2017/18	Planned Target for 2018/19		Actual Achievement 2018/19	Deviation from planned targets to Actual Achievement 2018/19	Comment on deviation: Both over and under achievement
			Target	Target Description			
<b>PROGRAMME 1: ADMINISTRATION</b>							
1. To ensure effective human resource management within the Department through sound human resource management practices including staffing, human resource development, performance management, labour relations and human resource administrative systems	Percentage of approved funded positions filled	94.8%	90%	90% of approved funded positions filled	93.8%	<b>Target achieved</b>	The number of posts filled at TVET and CET colleges contributed to the over-achievement.
	Percentage of disciplinary cases resolved within 90 days	97%	100%	100% of disciplinary cases resolved within 90 days	78%	<b>Target not achieved</b>	Disciplinary hearings involve different role players e.g. trade unions, Departmental representatives, etc. Delays are sometimes caused by trade union representatives. Chairpersons are appointed on an <i>ad hoc</i> basis and in some instances, they do not prioritise disciplinary hearings. There is a lack of capacity to investigate, initiate and chair disciplinary hearings. In trying to remedy the situation, approval was granted to conduct training on investigating, initiating and chairing misconduct hearings.
	Average number of days to fill an advertised post (days)	188 days	180 days	An average of 180 days to fill an advertised post	159	<b>Target achieved</b>	The number of posts filled at TVET and CET colleges contributed to the over-achievement.

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Strategic Objective	Performance Indicators	Actual Achievement 2017/18	Planned Target for 2018/19		Actual Achievement 2018/19	Deviation from planned targets to Actual Achievement 2018/19	Comment on deviation: Both over and under achievement
			Target	Target Description			
			Target Description				
<b>PROGRAMME 1: ADMINISTRATION</b>							
2. To ensure effective financial management practices through the application of good financial management systems, including management accounting, financial accounting and supply chain management in line with the requirements of the PFMA	Percentage of invoices received from creditors paid within 30 days	97.96%	100%	Invoices received from creditors paid within 30 days expressed by a percentage	97.96%	<b>Target not achieved</b>	Sensitise managers to monitor and enforce compliance on 30-day turn-around processes to officials through monthly 30-day memoranda and Departmental Newsflashes on an occasional basis.
	Audit opinion received from the Auditor-General, South Africa	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	<b>Target achieved</b>	
	Number of remedial plans on audit findings in the previous financial year approved	1	1	A remedial plan on audit findings in the previous financial year approved by the Director-General	A remedial plan on audit findings in the previous financial year approved by the Director-General on 13 September 2018	<b>Target achieved</b>	
	Percentage of audit issues received versus attended to	100%	100%	Audit issues attended to as a percentage of the total number of issues received from the Auditor-General	60%	<b>Target not achieved</b>	Not all progress on audit issues are reported on time and not all supporting documentation received regarding these responses.  Quality control measures were applied during the interim audit to ensure compliance with the Auditor-General's requests.

Strategic Objective	Performance Indicators	Actual Achievement 2017/18	Planned Target for 2018/19		Actual Achievement 2018/19	Deviation from planned targets to Actual Achievement 2018/19	Comment on deviation: Both over and under achievement
			Target	Target Description			
<b>PROGRAMME 1: ADMINISTRATION</b>							
3. To improve ICT services in relation to procurement, management and maintenance of hardware, software and networks	Percentage of network connectivity uptime	New indicator	95%	95% of network connectivity uptime	99.05%	<b>Target achieved</b>	The over-achievement is caused by constant monitoring of the SITA performance through monthly Service Level Agreement meetings. Also, a good working relationship with SITA management.
	Number of ICT procurement plans approved	1	1 ICT procurement plan for the 2019/20 financial year developed and approved by the DDG by 31 March 2019	Approved ICT procurement plan for the 2019/20 financial year developed and approved by the DDG by 1 March 2019	ICT procurement plan for the 2019/20 financial year developed and approved by the DDG by 1 March 2019	<b>Target achieved</b>	Leadership and support of the DDG when requesting intervention in circumstances where branches do not cooperate with GITO when requesting information.
	Number of reports on the implementation of the Corporate Governance of ICT Policy Framework approved	New indicator	1 report on the implementation of Corporate Governance of ICT Policy Framework developed and approved by the DDG by 30 June 2018	An approved report on the implementation of the Corporate Governance of ICT Policy Framework	A report on the implementation of the Corporate Governance of ICT Policy Framework was developed and approved by the DDG on 28 June 2018	<b>Target achieved</b>	

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#### 4.1.5 Strategy to deal with underperformance

##### *i) Percentage of disciplinary cases resolved within 90 days*

The Directorate: Labour Relations is currently conducting workshops on initiating, investigation and chairing of disciplinary hearings. In the past financial year workshops were conducted in the Gauteng/Free State region. During the 2019/20 financial year training will be conducted in the remaining regions. After the completion of training, the Database for Investigators, Initiators and Chairpersons will be developed and shared with the regions.

The pending appointments of two Assistant Directors: Labour Relations in the Gauteng/Free State and Mpumalanga/North West regions, will have a positive impact in achieving the target and monitoring labour relations matters in the regions.

##### *ii) Percentage of invoices received from creditors paid within 30 days*

The Department is in the process to implement an invoice-tracking system. Additional controls were implemented to address concerns regarding errors on supplier invoices that result in payments exceeding a period of 30 days.

##### *iii) Percentage of audit issues received versus attended to*

All relevant matters are brought to the attention of the Accounting Officer and the Audit Committee. Additional briefing sessions are taking place as well as more regular monitoring and testing of sensitive areas.

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

None.

#### 4.1.7 Linking performance with budgets

	2018/19			2017/18		
	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	59 722	57 394	2 328	39 308	39 060	248
Department Management	52 439	45 770	6 669	45 042	44 665	376
Corporate Services	168 244	167 027	1 217	155 165	153 514	1 651
Office of the Chief Financial Officer	82 411	81 042	1 369	75 685	75 377	309
Internal Audit	8 062	7 547	515	9 896	9 143	753
Office Accommodation	70 902	70 902	-	71 362	71 353	9
<b>Total</b>	<b>441 780</b>	<b>429 682</b>	<b>12 098</b>	<b>396 458</b>	<b>393 112</b>	<b>3 346</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 seven budget sub-programmes:

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

### 4.2.2 Strategic Objectives

- To develop seven new PSET policies and one legislation including the revision of the NQF Act and the 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 in the PSET system by 31 March 2020; and
- To develop management information systems for colleges and SETAs and private post-school institutions by 31 March 2020.

### 4.2.3 Summary of significant achievements during the 2018/19 financial year

- An Improvement Plan on the Implementation of the NQF Act was approved by the Director-General on 12 April 2018;
- The Strategic Policy Framework on Disability in the PSET system was approved and published in a Government Gazette on 6 April 2018;
- The Annual Report on the Implementation of Social Inclusion in PSET was developed and approved by the Director-General on 29 March 2019;
- The Draft Policy Framework to address Gender-Based Violence in the PSET was completed in 2017/18 for publication (and public comment) in April 2019;
- A Business Case for the institutionalisation of CDS was completed and the Minister of Public Service and Administration was requested to allocate the function to a Government Department;
- The Annual Career Development Stakeholder Conference took place on 28 and 29 June 2018 at the Lakes Hotel in Gauteng;
- The Annual Report on the implementation of Open Learning in PSET was developed and approved by the Director-General on 21 March 2019;

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- The Department co-hosted the SADC Annual Joint Meeting of Ministers responsible for Education and Training and Science, Technology and Innovation;
- The Department hosted the sixth BRICS Senior Officials Meeting and a Ministerial Meeting;
- Agreements on Higher Education Cooperation between South Africa, China, Germany, France and Angola were signed;
- The Department in close cooperation with Japanese and Indian diplomatic representatives launched the Japan International Cooperation Agency Artisan Development Project and the Gandhi Mandela Centre of Specialisation for Artisan Skills was opened;
- A five-year Research Programme on TVET was initiated. The programme comprises multiple research projects pertaining to key dimensions of TVET in general and TVET colleges in particular; and
- The Departmental Research Bulletin was published during December 2018. The Bulletin is an annual publication of the Department and its objective is to promote and share research findings on PSET. The Research Bulletin promotes good quality research.



Acting Deputy Director-General: Planning, Policy and Strategy, Dr HT Narsee



Minister, Dr GNM Pandor arriving at the 2018 Departmental Youth Summit hosted at Mitchell's Plein in the Western Cape

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

Strategic Objective	Performance Indicators	Actual Achievement 2017/18	Planned Target for 2018/19		Actual Achievement 2018/19	Deviation from planned targets to Actual Achievement 2018/19	Comment on deviation: Both over and under achievement
			Target	Target Description			
<b>PROGRAMME 2: PLANNING, POLICY AND STRATEGY</b>							
1. To monitor and evaluate the performance of the PSET system annually	Number of Monitoring and Evaluation reports approved	5	7	The 2018 Annual Report (January to December) on the Implementation of Articulation developed and approved by the Director-General by 31 March 2019	1. The 2018 Annual Report on the Implementation of Articulation was developed and approved by the Director-General on 20 March 2019	<b>Target achieved</b>	
				The 2018 Annual Report on the Implementation of Open Learning in PSET developed and approved by the Director-General by 31 March 2019	2. The 2018 Annual Report on the Implementation of Open Learning in PSET was developed and approved by the Director-General on 21 March 2019	<b>Target achieved</b>	
				An Annual Report on International Relations monitoring developed and approved by the Director-General by 31 March 2019	3. An Annual Report on International Relations monitoring was developed and approved by the Director-General on 16 March 2019	<b>Target achieved</b>	
				A Report on Macro-Indicator Trends on PSET developed and approved by the Director-General by 31 March 2019	4. A report on Macro-Indicator Trends on PSET was developed and approved by the Director-General on 27 March 2019	<b>Target achieved</b>	
				The 2018 Annual Report on the Implementation of RPL developed and approved by the Director-General by 31 March 2019	5. The 2018 Annual Report on the Implementation of RPL was developed and approved by the Director-General on 20 March 2019	<b>Target achieved</b>	

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Strategic Objective	Performance Indicators	Actual Achievement 2017/18	Planned Target for 2018/19		Actual Achievement 2018/19	Deviation from planned targets to Actual Achievement 2018/19	Comment on deviation: Both over and under achievement
			Target	Target Description			
<b>PROGRAMME 2: PLANNING, POLICY AND STRATEGY</b>							
				An Annual Report on the Implementation of CDS developed and approved by the Director-General by 31 March 2019	6. An Annual Report on the Implementation of CDS was developed and approved by the Director-General on 25 March 2019	<b>Target achieved</b>	
				An Annual Report on the Implementation of Social Inclusion in PSET developed and approved by the Director-General by 31 March 2019	7. An Annual Report on the Implementation of Social Inclusion in PSET was developed and approved by Director-General on 29 March 2019	<b>Target achieved</b>	
2. To improve teaching and learning within the PSET system by 31 March 2021	Number of student support services plans approved	1	1	CDS mainstreamed and a funding proposal developed and approved by the Director-General by 31 March 2019	CDS mainstreamed and a funding proposal developed and approved by the Director-General by 28 March 2019	<b>Target achieved</b>	
3. To develop and implement information management systems for PSET	Number of reports on implementation of Management Information systems approved	1	1	An Annual Report on Implementation of Management Information Systems approved by the Director-General by 31 March 2019	An Annual Report on the Implementation of Management Information Systems was approved by the Director-General on 20 March 2019	<b>Target achieved</b>	

Strategic Objective	Performance Indicators	Actual Achievement 2017/18	Planned Target for 2018/19		Actual Achievement 2018/19	Deviation from planned targets to Actual Achievement 2018/19	Comment on deviation: Both over and under achievement
			Target	Target Description			
<b>PROGRAMME 2: PLANNING, POLICY AND STRATEGY</b>							
4. To annually provide management with information and statistics on PSET performance	Number of reports on skills supply and demand published	1	1	An Annual Report on Skills and Demand approved by the Director-General and published by 31 March 2019	The Annual Report on Skills Supply and Demand was approved by the Director-General on 27 March 2019 and published by NewsFlash, on the intranet and internet on 29 March 2019	<b>Target achieved</b>	
	Number of statistical reports on PSET published	1	1	Annual Statistics on Post-School Education and Training report approved by the Director-General and published by 31 March 2019	An Annual Statistics on Post-School Education and Training report approved by the Director-General on 20 March 2019 and published on the website on 29 March 2019	<b>Target achieved</b>	



#### 4.2.5 Strategy to deal with underperformance

None.

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

None.

#### 4.2.7 Linking performance with budget

	2018/19			2017/18		
	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: Planning, Policy and Strategy	2 584	1 431	1 153	2 695	2 661	34
Human Resource Development, Strategic Planning and Coordination	20 745	18 351	2 394	17 329	17 117	212
Planning, Information, Monitoring and Evaluation Coordination	16 507	15 449	1 058	13 139	12 809	330
International Relations	15 708	14 397	1 311	13 587	13 270	317
Legal and Legislative Services	16 568	15 503	1 065	15 388	15 155	233
Social Inclusion in Education	7 792	6 920	872	6 160	5 963	197
<b>Total</b>	<b>79 904</b>	<b>72 051</b>	<b>7 853</b>	<b>68 298</b>	<b>66 975</b>	<b>1 323</b>



Sol Plaatje University

## 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 provide financial support to universities, the National Student Financial Aid Scheme and the National Institutes for Higher Education.

There are six budget sub-programmes:

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

### 4.3.2 Strategic Objectives

- To ensure a sound PSET system through the development of appropriate steering mechanisms for university education by 31 March 2020;
- To ensure integrated planning in support of improved collaboration within the PSET sub-systems by 31 March 2020;
- To implement oversight instruments on Higher Education Institutions (HEIs) to ensure effective monitoring and evaluation of the university education sector by 31 March 2020;
- To provide teaching and learning support services aimed at improving access to quality teaching and learning in HEIs by 31 March 2020;
- To provide student support services for HEIs in order to promote the success of students within the PSET system by 31 March 2020;
- To annually provide management information and statistics on the performance of HEIs; and
- To ensure a strong university education stakeholder network in support of effective collaboration of stakeholders within the PSET system by 31 March 2020.

### 4.3.3 Summary of significant achievements during the 2018/19 financial year

Programme 3 had 15 performance targets during the 2018/19 financial year. Of these 14 were achieved while one was partially achieved. 93.3% of the targets were achieved in the 2018/19 financial year.

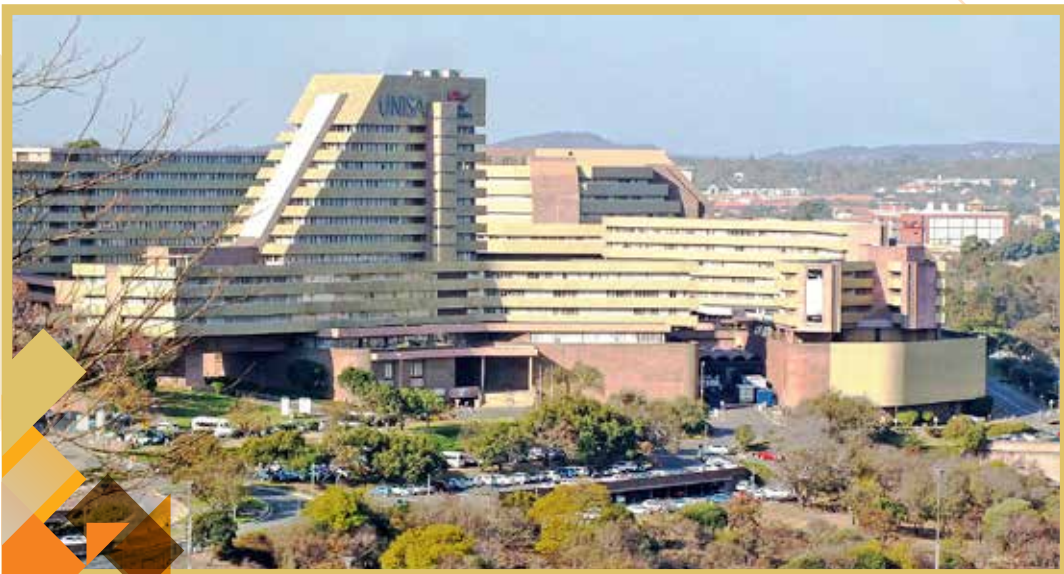
The performance targets fully achieved are listed as follows:

- A report on the Higher Education HIV/Aids (HEAIDS) Programme for the 2017/18 financial year was developed and approved by the Director-General on 28 September 2018;
- A report on the financial health of universities in the 2017 academic year was developed and approved by the Director-General on 13 December 2018;
- A report on the effective use of the 2017/18, Foundation Provision Grant was developed and approved by the Director-General on 11 December 2018;

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- An Annual Report on the effective use of the Infrastructure and Efficiency Grant funds for 24 universities was developed and approved by the Director-General on 27 March 2019;
- An Annual Report on the effective use of the New Universities Earmarked Grant was developed and approved by the Director-General on 28 March 2019;
- An Annual Report on the achievement of Ministerial enrolment targets was developed and approved by the Director-General on 25 March 2018;
- A report on institutional governance was developed and approved by the Director-General on 21 March 2019; and
- An Annual Report on the Implementation of the International Scholarships Programme was developed and approved by the Director-General on 6 March 2019.



University of South Africa



University of Zululand

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

Strategic Objective	Performance Indicators	Actual Achievement 2017/18	Planned Target for 2018/19		Actual Achievement 2018/19	Deviation from planned targets to Actual Achievement 2018/19	Comment on deviation: Both over and under achievement
			Target	Target Description			
<b>PROGRAMME 3: UNIVERSITY EDUCATION</b>							
1. To monitor, evaluate and report on the performance of the university education sector by 31 March 2021	Number of monitoring and evaluation reports approved	15	14 monitoring and evaluation reports developed and approved by the Director-General (1 by 30 September 2018) (2 by 31 December 2018) (11 by 31 March 2019)	A report on the HEADS programme for the 2017/18 financial year was developed and approved by the Director-General on 28 September 2018	1. A report on the HEADS programme for the 2017/18 financial year was developed and approved by the Director-General on 28 September 2018	<b>Target achieved</b>	
			A report on the financial health of universities in the 2017 academic year was developed and approved by the Director-General by 31 December 2018	A report on the health of universities in the 2017 academic year was developed and approved by the Director-General on 13 December 2018	2. A report on the financial health of universities in the 2017 academic year was developed and approved by the Director-General on 13 December 2018	<b>Target achieved</b>	
			A report on the effective use of the 2017/18 Foundation Provision Grant was developed and approved by the Director-General by 31 December 2018	A report on the effective use of the 2017/18 Foundation Provision Grant was developed and approved by the Director-General on 11 December 2018	3. A report on the effective use of the 2017/18 Foundation Provision Grant was developed and approved by the Director-General on 11 December 2018	<b>Target achieved</b>	

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Strategic Objective	Performance Indicators	Actual Achievement 2017/18	Planned Target for 2018/19		Actual Achievement 2018/19	Deviation from planned targets to Actual Achievement 2018/19	Comment on deviation: Both over and under achievement
			Target	Target Description			
<b>PROGRAMME 3: UNIVERSITY EDUCATION</b>							
				A report on the 2017 research outputs of 26 universities approved and published on the Departmental website by 31 March 2019	4. A report on the 2017 research outputs of 26 universities was approved by the Director-General on 28 March 2019	<b>Target not achieved</b>	While the report was finalised and approved by the Director-General, it was not published on the Departmental website by 31 March 2019 as planned. There was a lapse in management oversight and the responsible managers did not ensure the approved report was uploaded as required.
				An Annual Report on the effective use of the Infrastructure and Efficiency Grant for 24 universities developed and approved by the Director-General by 31 March 2019	5. An Annual Report on the effective use of the Infrastructure and Efficiency Grant on 24 Universities was finalised and approved by the Director-General on 27 March 2019	<b>Target achieved</b>	

Strategic Objective	Performance Indicators	Actual Achievement 2017/18	Planned Target for 2018/19		Actual Achievement 2018/19	Deviation from planned targets to Actual Achievement 2018/19	Comment on deviation: Both over and under achievement
			Target	Target Description			
<b>PROGRAMME 3: UNIVERSITY EDUCATION</b>							
			An Annual Report on the effective use of New Universities Earmarked Grant developed and approved by the Director-General by 31 March 2019	6. An Annual Report on effective use of the New University Earmarked Grant was developed and approved by the Director-General on 28 March 2019	<b>Target achieved</b>		
			An Annual Report on the achievement of Ministerial enrolment targets developed and approved by the Director-General by 31 March 2019	7. An Annual Report on the achievement of Ministerial enrolment targets was developed and approved by the Director-General on 25 March 2019	<b>Target achieved</b>		
			A report on Institutional Governance developed and approved by the Director-General by 31 March 2019	8. A report on Institutional Governance was developed and approved by the Director-General on 21 March 2019	<b>Target achieved</b>		
			An Annual Report on the implementation of the International Scholarships Programme developed and approved by the Director-General by 31 March 2019	9. An Annual Report on the Implementation of the International Scholarships Programme was developed and approved by the Director-General on 6 March 2019	<b>Target achieved</b>		



Strategic Objective	Performance Indicators	Actual Achievement 2017/18	Planned Target for 2018/19		Actual Achievement 2018/19	Deviation from planned targets to Actual Achievement 2018/19	Comment on deviation: Both over and under achievement
			Target	Target Description			
<b>PROGRAMME 3: UNIVERSITY EDUCATION</b>							
				An Annual Report on PHEI compliance with the regulations developed and approved by the Director-General by 31 March 2019	10. An Annual Report on PHEI compliance with the regulations was developed and approved by the Director-General on 28 March 2019	<b>Target achieved</b>	
				A report on Student Leadership Capacity Development Programme developed and approved by the Director-General by 31 March 2019	11. An Annual Report on the implementation of the Student Leadership Capacity Development Programme was developed and approved by the Director-General on 29 March 2019	<b>Target achieved</b>	
				A report on 2018 BRICS partnerships developed and approved by the Director-General by 31 March 2019	12. A report on the 2018 BRICS partnerships was developed and approved by the Director-General on 25 March 2019	<b>Target achieved</b>	
				An Annual Report on the implementation of the University Capacity Development Programme for 2018 developed and approved by the Director-General by 31 March 2019	13. An Annual Report on the implementation of the University Capacity Development Programme for 2018 was developed and approved by the Director-General on 27 March 2019	<b>Target achieved</b>	

Strategic Objective	Performance Indicators	Actual Achievement 2017/18	Planned Target for 2018/19		Actual Achievement 2018/19	Deviation from planned targets to Actual Achievement 2018/19	Comment on deviation: Both over and under achievement
			Target	Target Description			
<b>PROGRAMME 3: UNIVERSITY EDUCATION</b>							
2. To annually provide management information and statistics on the performance of Higher Education Institutions	Number of cohort study reports on higher education approved	1	1	An updated cohort study report on higher education including the 2017 audited data developed and approved by the Director-General by 31 March 2019	An updated cohort study report including the 2017 audited data was developed and approved by the Director-General on 27 March 2019 and published on the Departmental website on 29 March 2019	<b>Target achieved</b>	
				An implementation report on the Teaching and Learner Development Capacity Improvement Programme developed by the Director-General by 31 March 2019	14. An implementation report on the Teaching and Learner Development Capacity Improvement Programme was approved and developed by the Director-General on 28 March 2019	<b>Target achieved</b>	



#### 4.3.5 Strategy to deal with under performance

##### i) *Publishing of the approved report on the 2017 research outputs of 26 universities on the Departmental website*

A challenge was that a report was not uploaded on the Departments website, because there had been an earlier decision taken at the Branch strategic planning session that the target should not include the uploading of the report onto the website. However, this had not been carried through into the final APP.

The lack of management oversight led to the under-performance, which was unnecessary since all the work had been conducted and the report was approved by the Director-General by 28 March 2019. In future the Branch will monitor progress towards the attainment of performance targets measured against the approved APP and ensure that they are realised in all respects.

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

None.

#### 4.3.7 Linking performance with budget

	2018/19			2017/18		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Management: University Education	5 406	4 174	1 232	4 908	4 871	37
University Planning and Institutional Funding	16 180	13 195	2 985	14 096	13 862	170
Institutional Governance and Management Support	22 270 816	22 266 410	4 406	10 269 282	10 269 137	165
Higher Education Policy Development and Research	32 802	30 603	2 199	21 080	20 900	224
Teaching and Learning Development	22 321	18 656	3 665	13 854	13 697	157
University Subsidies	36 900 812	36 896 878	3 934	31 606 841	31 606 625	216
<b>Total</b>	<b>59 248 337</b>	<b>59 229 916</b>	<b>18 421</b>	<b>41 930 061</b>	<b>41 929 092</b>	<b>969</b>

#### 4.3.8 System Performance: University Education

Furthermore, the implementation of sub-outcome 3 of Outcome 5, namely “increase access to higher level occupational-directed programmes in needed areas” was monitored to track the performance of the university system during the year under review in respect to the following 16 performance indicators. Eight (50%) of the 16 university system targets were achieved.

No	Outcome Indicator	Actual Achievement 2017/18	Planned target for 2018/19	Actual Achievement 2018/19	Comment on deviation
1.	Students enrolled in public higher education studies at universities (n)	975 837	1 039 500*	1 036 984	<b>Target not achieved</b> 2 516 headcount student enrolments fewer than the target. This is a deviation of 0.24% from the target. This is within an acceptable deviation range of 2% of the target in terms of the Ministerial Statement.
2.	Graduates in Engineering Sciences from universities (n)	12 386	12 590*	12 955	<b>Target achieved</b> 365 (2.9%) more graduates than the target. The system performed better than expected and the over-achievement is welcomed.
3.	Graduates in Human Health and Animal Health from universities (n)	10 087	10 630*	10 456	<b>Target not achieved</b> 174 (1.6 %) less graduates than the target. The system performed worse than expected. However, it should be noted that during the 2016 academic year the Ministerial target had been exceeded and therefore the target in the enrolment plan could not be used to set the APP system target, as it would have been unacceptable to set a target lower than the previous year's achievement in the APP. Accordingly, the APP target was set using the achievement in the 2017/18 financial year (2016 academic year) multiplied by the average annual growth in the enrolment plan. Unfortunately universities did not achieve the revised target, although the original enrolment planning target was achieved. In addition, a further factor that may have contributed to this under-achievement, is that the Bachelor of Veterinary Sciences was re-curriculated from a 3-year to a 4-year degree, impacting on graduate outputs for a year.
4.	Graduates in Natural and Physical Sciences from universities (n)	8 093	8 490*	8 601	<b>Target achieved</b> 111 (1.3%) more graduates than the target. The system performed better than expected and the over-achievement is welcomed.

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No	Outcome Indicator	Actual Achievement 2017/18	Planned target for 2018/19	Actual Achievement 2018/19	Comment on deviation
5.	Graduates in Initial Teacher Education from universities (n)	22 123	22 780*	25 113	<p><b>Target achieved</b></p> <p>2 333 more graduates than the target. The system has performed far better than the target. Over the past ten years a range of measures have been implemented across Basic and Higher Education departments to strengthen initial teacher education and focused strategy to improve teacher production in the system has borne fruit. The number of teachers being produced per annum has grown rapidly and now is more aligned with the requirements of the basic education system for new teachers. Interventions such as the Funza Lushaka Bursary Scheme and additional funding for infrastructure to support teacher education were some of the measures set in place to increase the graduate output in Teacher Education.</p>
6.	Doctoral graduates from universities (n)	2 797	2 965*	3 057	<p><b>Target achieved</b></p> <p>92 (3.1%) more Doctoral graduates than the target. The system performed better than expected and the over-achievement is welcomed. Over the past few years the Department has worked collaboratively with Department of Science and Technology (DST) to improve the number of Doctoral graduates towards achieving the NDP targets.</p>
7.	Proportion of universities meeting standards of good governance (%)	Good governance indicators approved	70%***	80%	<p><b>Target achieved</b></p> <p>This was the first year that the governance of HEIs was assessed. The target was set without having a clear indication of the baseline.</p>

No	Outcome Indicator	Actual Achievement 2017/18	Planned target for 2018/19	Actual Achievement 2018/19	Comment on deviation
8.	Research Masters graduates (n)	7 968	8 366*	8 010	<b>Target not achieved</b> 356 (4.26%) fewer Research Masters graduates than the target. This is more than the 2% deviation permitted in terms of the Ministerial Statement. However, it should be noted that during the 2016 academic year, the Ministerial target had been exceeded and therefore the target in the enrolment plan could not be used to set the APP system target, as it would not have been acceptable to set a target lower than the previous year's achievement in the APP. Therefore, the APP target was set using the achievement in the 2017/18 financial year (2016 academic year) multiplied by the average annual growth in the enrolment plan. Unfortunately universities did not achieve the revised target, although the original enrolment planning target was attained.
9.	Success rates at universities (%)	78%	78%*	77%	<b>Target not achieved</b> 1.28% below the target. This is within the 2% deviation threshold permitted in terms of the Ministerial Statement.
10.	Higher education undergraduate success rates (contact) (%)	83%	83%*	82%	<b>Target not achieved</b> 1.2% below the target. This is within the 2% deviation threshold permitted in terms of the Ministerial Statement.
11.	Higher education undergraduate success rates (distance) (%)	68%	69%*	67%	<b>Target not achieved</b> 2.89% below the target. This is greater than the 2% deviation threshold permitted in terms of the Ministerial Statement. Success of students in distance education programmes has been highlighted as a problem within the system.
12.	Universities offering accredited TVET college qualifications (n)	1	3***	5	<b>Target achieved</b> More universities have successfully obtained CHE accreditation in a shorter time-frame than was anticipated. The support provided through the TLCIP is also gaining momentum.

No	Outcome Indicator	Actual Achievement 2017/18	Planned target for 2018/19	Actual Achievement 2018/19	Comment on deviation
13.	University academic staff with PHDs (%)	45%	45%*	46%	<b>Target achieved</b> 2.2% above the target. All universities are working towards improving their staff qualifications. There have also been interventions to improve staff qualifications such as the Staffing South African Universities Programme and other programmes implemented by the National Research Fund.
14.	Additional first-time entrants (black and women) to academic workforce in addition to normal replacement and plans (n)	549	100***	472	<b>Target achieved</b> 372 more additional staff than targeted. The target is based on the Department's nGAP, which is a significant contributor to this indicator. The nGAP is designed as an intervention to transform the academic staff demographic at universities. In addition to the nGAP, universities have their own individual transformation strategies in place and collectively, these interventions are enabling significantly greater numbers of new black and women staff to be recruited into academic posts at universities.
15.	Students in foundation programmes (n)	20 685	22 200	21 289	<b>Target not achieved</b> 911 (4.1%) fewer students in foundation programmes. Vaal University of Technology did not meet the conditions set for their foundation programmes and therefore, their enrolments had to be excluded, resulting in a lower number than expected.
16.	Eligible university students obtaining financial aid	225 950	270 000**	260 002	<b>Target not achieved</b> The 2017 student funding cycle revealed serious deficiencies in the systems and capacity of NSFAS. The 2017 cycle was subject to unacceptable delays that resulted in a large number of qualifying student funding decisions not being finalised by 31 March 2018 and therefore were not included in the 2017/18 NSFAS Annual Report and Financial Statements. The Department has requested an audit on the numbers reported to verify their correctness.

Note:

\*2017 academic year, verified through Higher Education Management Information System audits by October 2018 except for teacher education where an additional verification process will take place in the 4th quarter.

\*\*2017/18 NSFAS Annual Report

\*\*\* verified by the end of March 2019

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

### 4.4.1 Purpose

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

There are five budget sub-programmes:

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

### 4.4.2 Strategic Objectives

- To implement appropriate monitoring instruments for TVET colleges by 31 March 2021;
- To develop infrastructure for TVET colleges to ensure geographic spread and operational efficiency by 31 March 2021; and
- To establish and implement a strong TVET stakeholder network for effective collaboration in the PSET system by 31 March 2021.

### 4.4.3 Summary of significant achievements during the 2018/19 financial year

- A report on the implementation of the revised TVET colleges monitoring, evaluation and support model was developed and approved by Director-General on 21 June 2018;
- A report on the implementation of guidelines for standardised implementation of Occupational Programmes was approved by the Director-General on 11 December 2018;
- A report on the implementation of policy directives for TVET College Information Technology Systems developed and approved by the Director-General on 11 March 2019; and
- 16 Monitoring and evaluation reports were developed and approved by the Director-General.



Majuba TVET College in KwaZulu-Natal

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

Strategic Objective	Performance Indicators	Actual Achievement 2017/18	Planned Target for 2018/19		Actual Achievement 2018/19	Deviation from planned targets to Actual Achievement 2018/19	Comments on deviation; both over and under achievement
			Target	Target Description			
<b>PROGRAMME 4: TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING</b>							
1. To implement appropriate monitoring instruments for TVET colleges by 31 March 2021	Number of reports on the implementation of steering mechanisms for the TVET sector approved per annum	New indicator	3	<p>1. A report on the implementation of the revised TVET colleges monitoring, evaluation and support model developed and approved by the Director-General by 30 June 2018</p> <p>2. A report on the Implementation of Guidelines for Standardised Implementation of Occupational Programmes approved by the Director-General by 31 December 2018</p> <p>3. A report on the implementation of policy directives for TVET College Information Technology Systems developed and approved by the Director-General by 31 March 2019</p>	<p>1. A report on the implementation of the revised TVET colleges monitoring, evaluation and support model was developed and approved by Director-General on 21 June 2018</p> <p>2. A report on the Implementation of Guidelines for Standardised Implementation of Occupational Programmes was approved by the Director-General on 11 December 2018</p> <p>3. A report on the implementation of policy directives for TVET College Information Technology Systems was developed and approved by the Director-General on 11 March 2019</p>	<p><b>Target achieved</b></p>	

Strategic Objective	Performance Indicators	Actual Achievement 2017/18	Planned Target for 2018/19		Actual Achievement 2018/19	Deviation from planned targets to Actual Achievement 2018/19	Comments on deviation; both over and under achievement
			Target	Target Description			
<b>PROGRAMME 4: TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING</b>							
	Number of monitoring and evaluation reports approved per annum	16	16	Monitoring and evaluation reports approved by the Director-General (3 by 30 April 2018) (2 by 31 July 2018) (1 by 30 September 2018) (2 by 31 October 2018) (2 by 31 January 2019) (6 by 31 March 2019)	A total of 16 monitoring and evaluation reports were developed and approved by the Director-General as follows: 1. 4 reports on the conduct of public TVET college examination centres during national examinations and assessments for the 2017 academic year were developed and approved by the Director-General for quarters 1 to 4 2. 4 reports on certification backlog eradication were developed and approved by the Director-General for quarters 1 to 4 3. A report on the implementation of the IT examination services system were developed and approved by the Director-General on 26 April 2018		



Strategic Objective	Performance Indicators	Actual Achievement 2017/18	Planned Target for 2018/19		Actual Achievement 2018/19	Deviation from planned targets to Actual Achievement 2018/19	Comments on deviation; both over and under achievement
			Target	Target Description			
<b>PROGRAMME 4: TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING</b>							
					<p>4. 2 monitoring and evaluation reports on TVET colleges were developed and approved by the Director-General for quarters 2 and 4</p> <p>5. A report on the performance of students in colleges for the previous academic year was developed and approved by the Director-General on 25 March 2019</p> <p>6. A report on sample TVET colleges for the previous academic year evaluated for compliance with good governance standards were developed and approved by the Director-General on 6 March 2019</p> <p>7. A report on the implementation of Teaching and Learning Support Plans in TVET colleges for the previous academic year was developed and approved by the Director-General on 18 February 2019</p>		

Strategic Objective	Performance Indicators	Actual Achievement 2017/18	Planned Target for 2018/19		Actual Achievement 2018/19	Deviation from planned targets to Actual Achievement 2018/19	Comments on deviation; both over and under achievement
			Target	Target Description			
<b>PROGRAMME 4: TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING</b>							
2. To develop infrastructure for TVET colleges to ensure geographic spread and operational efficiency by 31 March 2021	Number of reports on the operationalisation of newly built TVET college campuses approved	New indicator	1	A report on the operationalisation of newly built TVET college campuses developed and approved by the Director-General on 31 March 2019	A report on the operationalisation of newly built TVET college campuses was developed and approved by the Director-General on 28 February 2019	<b>Target achieved</b>	
	Number of reports on the implementation of a roll-out plan for the construction of nine new TVET college campuses approved	New indicator	1	A report on the implementation of a roll-out plan for the construction of nine TVET college campuses approved by the Director-General by 31 March 2019	A report on the implementation of a roll-out plan for the construction of nine TVET college campuses was approved by the Director-General on 21 March 2019	<b>Target achieved</b>	
				8. A report on the implementation of student support services plans in TVET colleges was developed and approved by the Director-General on 23 February 2019 9. A report on the throughput rate for TVET college students for the academic period 2016 to 2018 was developed and approved by the Director-General on 25 March 2019		<b>Target achieved</b>	

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Strategic Objective	Performance Indicators	Actual Achievement 2017/18	Planned Target for 2018/19		Actual Achievement 2018/19	Deviation from planned targets to Actual Achievement 2018/19	Comments on deviation; both over and under achievement
			Target	Target Description			
<b>PROGRAMME 4: TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING</b>							
	Number of reports on annual projections of budget estimates and implementation (for TVET college infrastructure needs) approved	New indicator	1	A report on annual projections of budget estimates and implementation (for infrastructure needs) developed and approved by the Director-General by 31 March 2019	A report on annual projections of budget estimates and implementation (for infrastructure needs) was developed and approved by the Director-General on 21 March 2019	<b>Target achieved</b>	
	Number of reports on the implementation of a National Infrastructure Maintenance Plan for the TVET college sector approved	New indicator	1	Report on the Implementation of a National Infrastructure Maintenance Plan for the TVET college sector developed and approved by the Director-General by 31 March 2019	A report on the implementation of a National Infrastructure Maintenance Plan for the TVET college sector was developed and approved by the Director-General on 11 March 2019	<b>Target achieved</b>	
	Number of reports on the implementation of a National Infrastructure Asset Management System for TVET colleges approved	New indicator	1	Report on the implementation of a National Infrastructure Asset Management System for TVET colleges developed and approved by the Director-General by 31 March 2019	A report on the implementation of National Infrastructure Asset Management System for TVET colleges was developed and approved by the Director-General on 17 March 2019	<b>Target achieved</b>	

Strategic Objective	Performance Indicators	Actual Achievement 2017/18	Planned Target for 2018/19		Actual Achievement 2018/19	Deviation from planned targets to Actual Achievement 2018/19	Comments on deviation; both over and under achievement
			Target	Target Description			
<b>PROGRAMME 4: TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING</b>							
3. To establish and implement a strong TVET stakeholder network for effective collaboration in the PSET system by 31 March 2021	Number of reports on the implementation of SAIVCET stakeholder engagement approved	New indicator	1	A report on the implementation of SAIVCET stakeholder engagement developed and approved by the Director-General by 31 March 2019	A report on the implementation of SAIVCET stakeholder engagement developed and approved by the Director-General on 27 March 2019	<b>Target achieved</b>	

#### 4.4.5 Strategy to deal with underperformance

None.

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

None.

#### 4.4.7 Linking performance with budget

	2018/19				2017/18				
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	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	R'000	R'000	R'000
Programme Management: Technical and Vocational Education and Training	10 219 369	10 218 611	758	7 083 680	7 083 490	190			
Technical and Vocational Education and Training System Planning and Institutional Support	16 356	16 015	341	11 488	11 303	185			
Programmes and Qualifications	492 687	475 338	17 349	413 932	413 832	100			
National Examinations and Assessment	11 763	11 561	202	7 504	7 399	105			
Financial Planning									
<b>Total</b>	<b>10 744 473</b>	<b>10 725 440</b>	<b>19 033</b>	<b>7 521 636</b>	<b>7 521 020</b>	<b>616</b>			

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

Further to the above, the implementation of sub-outcome 2 of Outcome 5 namely “increase access and success in programmes leading to intermediate and high-level learning” was monitored to track the performance of the Vocational and Technical Education and Training System during the year under review through 11 specific performance indicators. Five (45%) of the 11 targets were achieved.

No	Outcome Indicator	Planned target for 2018/19	Actual Achievement 2018/19	Comment on deviation
1.	Headcount enrolments in TVET colleges	710 535	458 875	The State-funded target was achieved, but there is a 6% under-achievement of the college funded target. This can be attributed to the fact that colleges have been bringing enrolment in line with available fiscus funding. The biggest variance (22% under-achievement) is apparent in relation to the other sources funded target. It appears that colleges are not reporting accurately on occupational enrolment and this will be remedied going forward.
	Headcount enrolments in TVET colleges, <b>State-funded (n)</b>	458 875	687 955	
	Headcount enrolments in TVET colleges, <b>College-funded (n)</b>	205 873	193 582	
	Headcount enrolments in TVET colleges <b>(n), funded from other sources</b>	45 787	35 498	
2.	NC(V) L4 certification rates (%)	50%	42.8%	<b>Target not achieved</b> Human error contributed to not attaining the actual achievement percentage pursuant to the submission approved by the DDG: TVET.
3.	N3 Certification rates (%)	66%	76.8%	<b>Target achieved</b>
4.	N6 certification rates (%)	66%	96.1%	<b>Target achieved</b>
5.	Certificates issued to qualifying candidates within 3 months of publication ( <b>number of months</b> )	3 months	4 months	<b>Target not achieved</b> Based on “business days”, certificates were issued within 87 days which is within the 3-month target period. Based on the 2018/19 Technical Description Grid which only refers to “days”, if the concept of “calendar days” is applied, it results in certificates being issued within 4 months. This technical anomaly will be corrected in the 2019/20 APP to avoid future re-occurrence.

No	Outcome Indicator	Planned target for 2018/19	Actual Achievement 2018/19	Comment on deviation
6.	Public TVET college examination centres evaluated in conducting national examinations and assessments in compliance with national policy (%)	100%	100%	<b>Target achieved</b>
7.	Qualifying TVET students obtaining NSFAS financial assistance per annum (n)	449 697	200 339	<b>Target not achieved</b> The NSFAS Centralised Bursary Management System was implemented for the first time in all 50 TVET colleges during 2017, which led to data integration challenges, the late payment of tuition fees to colleges and the delayed disbursement of allowances to students. A standardised student allowance system was implemented at the start of 2019 to simplify the disbursement process.
8.	Funded NC(V) L4 students obtaining qualifications within stipulated time (%)	50%	31.79%	<b>Target not achieved</b> Although this target was not achieved, significant progress regarding the throughput rate has been made. Further interventions such as the PLP should continue to improve the throughput rate.
9.	TVET institutions compliant to governance standards by 2019 and increasing every year thereafter (%)	80%	66%	<b>Target not achieved</b> TVET colleges are not mandated to adhere to some of the approved financial governance standards, such as policy implementation. The reason being that TVET colleges are juristic entities in their own right and therefore policy design and implementation vests with the Councils. The Department can therefore not impose policy adoption, but rather recommend the Departmentally developed policies as "best practice guidelines". This therefore contributes to a lower compliance rating as colleges. In order to enforce more mandatory compliance by TVET colleges with compliance to financial governance standards, the Department will develop and implement regulations in terms of the CET Act during 2019/20. This will strengthen the enforceability of Departmental financial governance standards which will deal with system performance, going forward.

No	Outcome Indicator	Planned target for 2018/19	Actual Achievement 2018/19	Comment on deviation
10.	TVET lecturers undergoing specified hours of work in their industry for specified periods every two years from 2019 (%)	20%	8.80%	<p><b>Target not achieved</b></p> <p>Lack of centrally-determined protocols between industry and TVET colleges, while MoUs/ MoAs between TVET colleges and industry do not necessarily cater for Work Integrated Learning (WIL).</p> <p>Colleges complain that industry denies access, that there's lack of clear WIL policy and insufficient funding.</p> <p>Joint Education and Training research showed that lecturers are reluctant to cooperate because there are no incentives, lecturers feeling that WIL poses an additional burden on their personal time.</p> <p>There is no satisfactory buy-in from both college management and lecturers. More advocacy, support and incentives are required.</p>
11.	TVET students enrolled in Foundation Programmes (n)	600	371	<p>The target was set at 65 enrolments per college. There were nine identified colleges of which one college however, was not ready to commence with the pilot programme in 2018. As a result, eight colleges offered the Foundation Programme. Although the colleges were given a target of 65 enrolments, several colleges under-enrolled for various reasons. For example, some colleges were unable to identify the appropriate cohort of students for this Programme, while others preferred to start off with one rather than two classes.</p>

## 4.5 Programme 5: Skills Development

### 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 Skills Development;
- SETA Coordination;
- National Skills Development Services; and
- Quality Development and Promotion.

### 4.5.2 Strategic Objectives

- To develop and review steering mechanisms for artisan development in support of a sound PSET system by 31 March 2020;
- To implement oversight instruments on skills development to ensure effective monitoring and evaluation of artisan development by 31 March 2020;
- To ensure effective artisan development assessment services in support of an improved PSET system by 31 March 2020; and
- To develop infrastructure/facilities in order to improve artisan development by 31 March 2020.

### 4.5.3 Summary of significant achievements during the 2018/19 financial year

- The Draft National Artisan Registration Policy was Gazetted and published for public comment on 15 June 2018; and
- The Minister also promulgated the NSDP on 7 March 2019.



Deputy Director-General: Skills Development, Mr ZC Mvalo

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

Strategic objective	Performance Indicators	Actual Achievement 2017/18	Planned Target for 2018/19		Actual Achievement 2018/19	Deviation from planned targets to Actual Achievement 2018/19	Comments on deviation; both over and under achievement
			Target	Target Description			
<b>PROGRAMME 5: SKILLS DEVELOPMENT</b>							
1. To implement appropriate monitoring instruments for the skills development system by 31 March 2021	Number of reports on the implementation of steering mechanisms for skills development approved	1	1	A report on the Implementation of the Revised SETA Landscape developed and approved by the Director-General by 31 March 2019	A report on the Implementation of the Revised SETA Landscape was developed and approved by the Director-General on 13 March 2019	<b>Target achieved</b>	
	Number of monitoring and evaluation reports approved per annum	5 SETA monitoring reports on skills development approved by the Director-General in 2017/18	5	A report on the Implementation of the National Skills Development Strategy by SETAs developed and approved by the Director-General by 30 June 2018	4 reports on the Implementation of the National Skills Development Strategy by SETAs were developed and approved by the Director-General for quarter 1 to 4	<b>Target achieved</b>	
				A report on the Implementation of Good Governance Standards by SETAs developed and approved by the Director-General by 31 March 2019	A report on the Implementation of Good Governance Standards by SETAs was developed and approved by the Director-General on 29 March 2019	<b>Target achieved</b>	

Strategic objective	Performance Indicators	Actual Achievement 2017/18	Planned Target for 2018/19		Actual Achievement 2018/19	Deviation from planned targets to Actual Achievement 2018/19	Comments on deviation; both over and under achievement
			Target	Target Description			
<b>PROGRAMME 5: SKILLS DEVELOPMENT</b>							
2. To ensure effective artisan development assessment services in support of an improved PSET system by 31 March 2021	Average lead time from qualifying trade test applications received until trade test is conducted (days)	Average of 69 days from trade test application received until trade test conducted at INDLELA	80	80	40	<b>Target achieved</b>	The introduction of ARPL for selected trades assisted in that candidates that registered for trade testing in these trades went through the ARPL process by way of the testing applications schedule.  The Assessor-Candidate ratio for some trades over limited time during the last six month period of 2018, was 1:6 instead of 1:4.
3. To implement a management information and statistics monitoring system in support of SETA performance monitoring	Number of national artisan development information management systems approved	New indicator	1	A single National Artisan Development Information Management System developed and approved by the Director-General by 31 March 2019	A single National Artisan Development Information Management System design was developed and approved by the Director-General on 10 October 2018	<b>Target achieved</b>	





#### 4.5.5 Strategy to deal with underperformance

None.

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

None.

#### 4.5.7 Linking performance to budget

	2018/19			2017/18		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Management: Skills Development	3 297	2 824	473	2 663	2 493	170
SETA Coordination	220 191	219 242	949	204 044	203 731	313
National Skills Development Services	11 738	10 246	1 492	9 704	9 354	350
Quality Development and Promotion	27 380	27 380	-	26 930	26 930	-
<b>Total</b>	<b>262 606</b>	<b>259 692</b>	<b>2 914</b>	<b>243 341</b>	<b>242 508</b>	<b>833</b>



Learners showcasing their skills during the 2018 World Skills South African event



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

As part of its oversight function the Skills Development Branch monitored 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 focus on artisan skills”. There were six performance indicators for the year under review. Three (50%) of the six targets were achieved.

No	Outcome indicator target	Actual Achievement 2017/18	Planned target for 2018/19	Actual Achievement 2018/19	Comment on deviation
1.	Work-based learning opportunities (n)	162 659	135 000	182 852	<b>Target achieved</b> There is increased commitment from SETAs to provide post-school opportunities to learners. There has equally been a better response from employers in terms of providing work spaces.
2.	New artisan learners qualified per annum (n)	21 151	22 188	19 627	<b>Target not achieved</b> The smaller number of learners registered during the 2015/16 financial year had an impact on throughput, as it takes three years for learners to complete their studies.
3.	New artisan learners registered (n)	32 330	28 750	29 982	<b>Target achieved</b> More industry-funded learner numbers were reported when compared to previous financial years.
4.	National Artisan Learners Trade Test pass rate (including INDLELA)	54%	61%	58%	<b>Target not achieved</b> The introduction of ARPL has impacted on the pass rate at INDLELA for the trades in which ARPL was implemented. More people had to go through ARPL prior to the trade test in eight specific trades but had limited impact on the average pass rate. This was the first time the ARPL was rolled out and it is expected that improvement of the pass rate will become apparent in relation to average pass rate, going forward.
5.	National artisan learners employed or self-employed (%)	60% (54% were employed and 6% self-employed. This is based on a sample size of 7 286 with 4 290 successfully surveyed)	75%	77%	<b>Target achieved</b> The over-achievement is based on the sample size and candidates successfully canvassed. The impact is apparent in the improvement of data collection processes and the usability of the data while conducting the survey. Improvement of Standing Operating Procedures and Data Policy adherence, has contributed towards the over-achievement.
6.	Proportion of SETAs meeting standards of good governance (%)	100%	65%	67%	<b>Target achieved</b> The achievement is within the expected performance parameters as this is the second year since implementation of the Charter and Standards.

## 4.6 Programme 6: Community Education and Training

### 4.6.1 Purpose

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 College Systems Planning, Institutional Development and Support;
- Financial Planning; and
- Education and Training and Development Support.

### 4.6.2 Strategic Objectives

- To implement appropriate monitoring instruments for the CET college sector by 31 March 2021.

### 4.6.3 Summary of significant achievements during the 2018/19 financial year

- Developing National Norms and Standards for Funding CET colleges;
- Piloting the CET concept and evaluating the lessons learnt during the 2017/18 financial year;
- Developing the National Framework for Student Representative Council Constitutions in CET colleges; and
- Training of councils, management and student leadership.



Acting Deputy Director-General:  
Community Education and Training,  
Dr EB Mahlobo

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

Strategic Objective	Performance Indicators	Actual Achievement 2017/18	Planned Target for 2018/19		Actual Achievement 2018/19	Deviation from planned targets to actual achievement 2018/19	Comments on deviation; both over and under achievement
			Target	Target Description			
<b>PROGRAMME 6: COMMUNITY EDUCATION AND TRAINING</b>							
1. To implement appropriate monitoring instruments for the CET college sector by 31 March 2021	Number of reports on the implementation of steering mechanisms for the CET sector approved	New indicator	1	A report on the Implementation of Governance Policies for Community Colleges developed and approved by the Director-General by 31 March 2019	A report on the Implementation of Governance Policies for Community Colleges developed and approved by the Director-General on 13 March 2019	<b>Target achieved</b>	
	Number of monitoring and evaluation reports approved per annum	3	5	5 monitoring and evaluation reports on CET colleges developed and approved by the Director-General (1 by 30 June 2018) (1 by 30 September 2018) (3 by 31 March 2019)	1. Monitoring and evaluation report on CET college sector performance was developed and approved by the Director-General on 26 June 2018 2. 2 reports on the Implementation of the Teaching and Learning Support Framework was developed and approved by the Director-General for quarters 2 and 4 on 22 September 2018 and 11 January 2019, respectively	<b>Target achieved</b>	

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Strategic Objective	Performance Indicators	Actual Achievement 2017/18	Planned Target for 2018/19		Actual Achievement 2018/19	Deviation from planned targets to actual achievement 2018/19	Comments on deviation; both over and under achievement
			Target	Target Description			
<b>PROGRAMME 6: COMMUNITY EDUCATION AND TRAINING</b>							
					3. A report on the implementation of partnerships was developed and approved by the Director-General on 21 March 2019 4. A report on the Implementation of CET Infrastructure Maintenance was developed and approved by the Director-General on 13 March 2019		

#### 4.6.5 Strategy to deal with underperformance

None.

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

None.

#### 4.6.7 Linking performance with budget

	2018/19			2017/18		
	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: Community Education and Training	2 891	1 174	1 717	1 563	1 496	67
Community Education and Training Colleges Systems Planning, Institutional Development and Support	2 161 395	2 034 704	126 691	1 994 182	1 991 417	2 765
Financial Planning	166 739	165 532	1 207	150 077	148 847	1 230
Education and Training and Development Support	15 948	5 547	10 401	2 023	1 393	630
<b>Total</b>	<b>2 346 973</b>	<b>2 206 957</b>	<b>140 016</b>	<b>2 147 845</b>	<b>2 143 153</b>	<b>4 692</b>

#### 4.6.8 System Performance: Community Education and Training

As part of its oversight, the Department monitored the performance of the CET colleges in relation to headcount enrolments and certification rates in formal CET qualifications and in terms of the number and percentages, respectively. One (50%) of the two targets was achieved.

No	Outcome Indicator	Actual Achievement 2017/18	Planned target for 2018/19	Actual Achievement 2018/19	Comment on deviation
	Headcount enrolments in all CET colleges (n)	273 431	320 000	193 185*	<b>Target not achieved</b>  - Poor advocacy - Rigid programme offerings - Unavailability of infrastructure
	Certification rates in formal CET qualifications (%)	35.9%	40%	41.7%*	<b>Target achieved</b>

\* 2017 academic year

## 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
		2017/18	2018/19
		R'000	R'000
Agriculture Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in both primary and secondary agriculture sectors	401 747	424 905
Banking Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the banking sector	753 015	832 789
Chemical Industries Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the chemical industries sector	559 048	602 631
Construction Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the construction industry	538 990	597 350
Council on Higher Education	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	47 946	50 727
Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the culture, arts, tourism, hospitality and sport sector	346 559	366 291
Education, Training and Development Practices Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the education, training and development sector	499 602	544 756
Energy and Water Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the energy and water sector	286 280	306 186
Fibre, Processing and Manufacturing Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the fabric processing and manufacturing sector	347 422	360 158

Name of Public Entity	Services rendered by the Public Entity	Amount Transferred to the Public Entity	Amount Transferred to the Public Entity
		2017/18	2018/19
		R'000	R'000
Financial and Accounting Services Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the financial and accounting services sector	512 546	529 439
Food and Beverages Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the food and beverages sector	343 349	385 408
Health and Welfare Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the health and welfare sector	446 486	492 827
Insurance Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the insurance sector	465 898	507 857
Local Government Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the local government sector	608 159	661 251
Manufacturing, Engineering and Related Services Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the manufacturing, engineering and related services sector	1 429 521	1 487 177
Media, Information and Communication Technologies Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the information system, electronics and telecommunications technologies sector	841 821	880 635
Mining Qualifications Authority	Provision of relevant, quality and accessible education, training and development in the mining and minerals sector	1 042 979	1 151 003
National Student Financial Aid Scheme	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	10 143 091	22 096 031

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Name of Public Entity	Services rendered by the Public Entity	Amount Transferred to the Public Entity	Amount Transferred to the Public Entity
		2017/18	2018/19
		R'000	R'000
National Skills Fund	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	3 198 980	3 495 979
Public Service Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the public service sector	111 247	114 289
Quality Council for Trades and Occupations	To develop and quality assure occupational qualifications that are responsive to labour market and developmental state initiatives	26 920	27 380
Safety and Security Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the safety and security sector	297 202	317 201
Services Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the services sector	1 557 070	1 645 383
South African Qualifications Authority	SAQA focuses on the further development and implementation of the National Qualifications Framework, 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	64 940	66 719
Transport Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the transport sector	723 447	752 963
Wholesale and Retail Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the wholesale and retail sector	1 101 111	1 147 793

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 2018/19.

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 2018 to 31 March 2019

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
				2018/19
				R'000
<b>UNIVERSITIES</b>				
Cape Peninsula University of Technology	Higher Education Institution	Subsidy	Yes	1 410 494
Central University of Technology, Free State	Higher Education Institution	Subsidy	Yes	674 133
Durban University of Technology	Higher Education Institution	Subsidy	Yes	1 234 530
Mangosuthu University of Technology	Higher Education Institution	Subsidy	Yes	624 824
Nelson Mandela University	Higher Education Institution	Subsidy	Yes	1 352 395
North West University	Higher Education Institution	Subsidy	Yes	2 148 988
Rhodes University	Higher Education Institution	Subsidy	Yes	638 618
Tshwane University of Technology	Higher Education Institution	Subsidy	Yes	2 097 579
University of Cape Town	Higher Education Institution	Subsidy	Yes	1 786 486
University of Fort Hare	Higher Education Institution	Subsidy	Yes	701 865
University of Free State	Higher Education Institution	Subsidy	Yes	1 528 562
University of Johannesburg	Higher Education Institution	Subsidy	Yes	2 185 612
University of KwaZulu-Natal	Higher Education Institution	Subsidy	Yes	2 374 318
University of Mpumalanga	Higher Education Institution	Subsidy	Yes	980 345
Sefako Makgatho Health Sciences University	Higher Education Institution	Subsidy	Yes	743 085
Sol Plaatje University	Higher Education Institution	Subsidy	Yes	610 164
University of Limpopo	Higher Education Institution	Subsidy	Yes	1 015 681
University of Pretoria	Higher Education Institution	Subsidy	Yes	2 744 115
University of South Africa	Higher Education Institution	Subsidy	Yes	3 758 744
University of Stellenbosch	Higher Education Institution	Subsidy	Yes	1 957 801
University of Venda	Higher Education Institution	Subsidy	Yes	694 550

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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
				<b>2018/19</b>
				<b>R'000</b>
University of the Western Cape	Higher Education Institution	Subsidy	Yes	1 291 327
Witwatersrand University	Higher Education Institution	Subsidy	Yes	1 920 667
University of Zululand	Higher Education Institution	Subsidy	Yes	620 278
Vaal University of Technology	Higher Education Institution	Subsidy	Yes	869 491
Walter Sisulu University	Higher Education Institution	Subsidy	Yes	932 226
<b>NON-PROFIT INSTITUTIONS</b>				
HEAIDS	Other Educational Institution	Earmarked Funds for HEAIDS project	Yes	17 919
National Institute for the Humanities and Social Sciences	Other Educational Institution	Subsidy	Yes	38 837
<b>TVET COLLEGES</b>				
Buffalo City College	TVET College	Subsidy	Yes	66 868
East Cape Midlands College	TVET College	Subsidy	Yes	79 528
Ikhala College	TVET College	Subsidy	Yes	52 148
Ingwe College	TVET College	Subsidy	Yes	65 259
King Hintsa College	TVET College	Subsidy	Yes	53 599
King Sabata College	TVET College	Subsidy	Yes	64 010
Lovedale College	TVET College	Subsidy	Yes	53 919
Port Elizabeth College	TVET College	Subsidy	Yes	91 807
Flavius Mareka College	TVET College	Subsidy	Yes	48 862
Gold Fields College	TVET College	Subsidy	Yes	42 770
Maluti College	TVET College	Subsidy	Yes	52 922
Motheo College	TVET College	Subsidy	Yes	75 127
Central Johannesburg College	TVET College	Subsidy	Yes	71 112
Ekhurhuleni East College	TVET College	Subsidy	Yes	87 919
Ekhurhuleni West College	TVET College	Subsidy	Yes	111 690
Sedibeng College	TVET College	Subsidy	Yes	83 060
South West College	TVET College	Subsidy	Yes	112 439
Tshwane North College	TVET College	Subsidy	Yes	88 837
Tshwane South College	TVET College	Subsidy	Yes	99 935
Western College	TVET College	Subsidy	Yes	89 810
Coastal College	TVET College	Subsidy	Yes	111 585
Elangeni College	TVET College	Subsidy	Yes	87 873
Esayidi College	TVET College	Subsidy	Yes	78 141
Majuba College	TVET College	Subsidy	Yes	154 061
Mnambithi College	TVET College	Subsidy	Yes	59 173
Mthashana College	TVET College	Subsidy	Yes	54 014

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
				<b>2018/19</b>
				<b>R'000</b>
Thekwini College	TVET College	Subsidy	Yes	60 824
Umfolozzi College	TVET College	Subsidy	Yes	115 715
Umgungundlovu College	TVET College	Subsidy	Yes	55 078
Capricorn College	TVET College	Subsidy	Yes	82 895
Lephalale College	TVET College	Subsidy	Yes	34 647
Letaba College	TVET College	Subsidy	Yes	46 939
Mopani College	TVET College	Subsidy	Yes	75 076
Sekhukhune College	TVET College	Subsidy	Yes	52 254
Vhembe College	TVET College	Subsidy	Yes	94 277
Waterberg College	TVET College	Subsidy	Yes	48 146
Ehlanzeni College	TVET College	Subsidy	Yes	105 329
Gert Sibande College	TVET College	Subsidy	Yes	170 526
Nkangala College	TVET College	Subsidy	Yes	124 253
Rural College	TVET College	Subsidy	Yes	73 120
Urban College	TVET College	Subsidy	Yes	77 584
Orbit College	TVET College	Subsidy	Yes	161 109
Taletso College	TVET College	Subsidy	Yes	75 993
Vuselela College	TVET College	Subsidy	Yes	80 854
Boland College	TVET College	Subsidy	Yes	71 887
Cape Town College	TVET College	Subsidy	Yes	80 056
False Bay College	TVET College	Subsidy	Yes	453 702
Northlink College	TVET College	Subsidy	Yes	98 281
South Cape College	TVET College	Subsidy	Yes	56 161
West Coast College	TVET College	Subsidy	Yes	66 287
<b>FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS</b>				
Commonwealth of Learning	International organisation	Membership Contribution	No	2 770
India-Brazil-South Africa Trilateral Commission	International organisation	Contribution	No	-

An amount of R109.923 million was paid to TVET colleges for management on behalf of CET colleges.

R63 734.952 million (87.2%) of the total allocation of R73 124.073 million, excluding direct charges, has been allocated to Transfers and Subsidies on the Department's Vote. Direct charges amount to R17 479.896 million.

Transfer payments from Voted Funds were effected in respect of subsidies to 50 TVET colleges, subsidies to 26 Universities and Universities of Technology, as well as Public Entities (the NSFAS, SAQA, CHE and the QCTO), International Organisations (the Commonwealth of Learning), non-profit institutions (HEAIDS and the NIHSS), the ETDP-SETA and the PSETA.

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

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

With regard to Universities and Universities of Technology, Annual Reports are evaluated by the Department, earmarked grants to Universities and Universities of Technology are monitored by means of site visits and expenditure reports.

Amounts allocated to Higher Education Subsidies, the NSFAS, the HEAIDS Programme and the establishment of universities in the Mpumalanga and Northern Cape provinces were earmarked during the 2018/19 financial year. All these amounts were utilised for the purposes originally intended.

## 6. Conditional Grants

### 6.1 Conditional grants and earmarked funds paid

None.

## 7. Donor Funds

### 7.1 Utilisation of donor funds

The Department received new donations totalling R30.650 million in cash from foreign donors during the 2018/19 financial year. Total donations held in the Reconstruction and Development Programme (RDP) for 2018/19 amounts to R178.784 million. Expenditure of R64.582 million was incurred against funds held in the RDP Fund. The balance of the funds available to the Department in the RDP fund, as at 31 March 2019, was R114.202 million.

## 8. Capital Investment

### 8.1 Capital Investment, Maintenance and Asset Management Plan

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



**PART C**  
**Governance**

# Part C: Governance

## 1. Introduction

The governance structures of the Department are key in ensuring legislative compliance and the effective, efficient and economic utilisation of the available resources at its disposal. Governance documentation include policies aimed at guiding and supporting the Department in the delivery of mandated services within the ambit of the required regulatory framework. The implementation of these policies is supported by means of relevant controls, appropriate Delegations of Authority and the segregation of duties. The governance documentation is communicated to all staff on an ongoing basis.

The Executive Committee attends regular meetings with the Minister to discuss strategic policy initiatives, as well as report on the status of performance. The Executive and Broad Management Committee meet as required, with a view to discuss critical areas of strategic, performance, administrative and financial importance.

The Department has set the requisite control measures in place to assist with the identification of irregular and fraudulent activities. Although actions to defraud the Department cannot in all instances be prevented, the latter controls by and large assist in identifying cases and ensure that immediate actions are taken to resolve matters and where appropriate, develop and implement additional control measures.

The Performance Indicators of each Programme are aligned to the approved budget of the Department. Expenditure monitoring is conducted on a regular basis in line with reports submitted to the Minister and National Treasury on a monthly basis in terms of *Section 40 of the Public Finance Management Act*. An Ethics Committee at National Office and college levels respectively, have been established and successfully convened. A Fraud Prevention Unit was also established within the Corporate Services Branch during the year under review.

The key governance areas as well as activities overseen and monitored by the Audit Committee, is discussed in more detail in this part of the Annual Report.

## 2. Risk Management

In accordance with the requirements of the Public Finance Management Act, the Department has set in place and implements an approved Risk Management Policy accordingly supported by the Risk Management Strategy. Both the Risk Management Policy and the Strategy are in line with the Public Sector Risk Management Framework and is regarded as a guideline for effective implementation of Departmental Risk Management processes. The Risk Management Policy and its component Strategy are reviewed regularly in an effort to ensure applicability and relevance and the revised Policy and Strategy are approved by the Accounting Officer of the Department.

The Department conducts risk assessments (both strategic and operational in nature) on an ongoing basis to decisively identify new and emerging risks that may impact negatively on service delivery capacity and the realisation of pre-determined objectives. These risks are monitored frequently so as to ensure the effective implementation of concomitant risk mitigation strategies.

The Department has a fully functioning Risk Management Committee, which assists the Accounting Officer in performing an oversight role regarding risk management processes. Under the auspices and activities of the Committee, the Department is gradually embedding the management of risks into critical processes alongside day-to-day activities of the Department. As part of this risk embedding process, the Department has incorporated the management of risks as a requirement into the Performance Agreements of Senior

Management and their performance in this regard is accordingly monitored by way of the broader staff PMDS.

### 3. Fraud and Corruption

The Department implemented the Fraud Prevention Strategy, as well as a Whistle-Blowing Policy with a view to encourage a culture whereby all employees and stakeholders conduct themselves ethically and promote integrity in their dealings with, or on behalf of the Department. Implementation of the Fraud Prevention Strategy and the Whistle-Blowing Policy also assist in strengthening participation by members of the public in the fight against fraud and corruption identified within the Department and its sub-ordinate institutions.

The Department has also recently established a dedicated unit for Fraud Prevention. This unit coordinates the effective implementation of the Fraud Prevention Strategy and Whistle-Blowing Policy across the Department. Through this unit, education and awareness campaigns are continuously convened in an effort to encourage ethical behavior and inculcate zero-tolerance in relation to fraud and corruption. The Anti-Corruption Hot-line number is also continuously communicated to staff members and is aimed at encouraging anonymous reporting of such activities. All reported allegations of fraud and corruption are investigated by the unit and disciplinary actions proposed and effected, where required.

### 4. Minimising Conflict of Interest

The Department manages conflicts of interest on an ongoing basis by providing a Regulatory Framework with a view to effectively guide and manage conflicts of interest, where apparent. Senior Management Members and Middle Management are required to disclose their financial interests on an annual basis. In addition, certain additional categories have been included and officials are compelled to disclose their financial interests as well. These categories include incumbents employed in the Finance Directorate and Supply Chain Management Directorate and Chief Directorate respectively.

### 5. Code of Conduct

Training on the Departmental Code of Conduct has also been provided to all employees and newly appointed employees are provided with copies thereof on assumption of duty. During the induction process, the Code of Conduct and the management and monitoring of conflicts of interest form part of induction presentations.

### 6. Health, Safety and Environmental Issues

In terms of OHS, the OHS Committee was established. However, it is not functional due to lack of training and a dedicated emergency assembly point. The matter was raised with the landlord and evacuation signs were installed.

#### Security Advisory Service

An access system has been installed with various infrastructure improvements being effected to enable effective security screening processes on entering and exiting the building and parking areas.

A security zoning system has also been installed with requisite infrastructure enhancements effected in an effort to enable better and more efficient security screening procedures on entering zonal areas, particularly on the ninth and fourth floors, the GITO offices and the Human Resource section.

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A vetting workshop was facilitated for Senior Management in conjunction with requisite Z204 forms issued to all incumbents having completed the workshop.

A Threat Risk Assessment was duly completed during the year under review to identify physical security threats and shortfalls and also implement any required additional security measures at INDLELA and the Head Office building.

## 7. Portfolio Committee

### Parliamentary Committees

The Constitution of the Republic of South Africa stipulates that Parliament has the power to conduct oversight on all Organs of State, which is performed by its Parliamentary Committees. These Parliamentary Committees are established as instruments of the National Assembly and National Council of Provinces in terms of the Constitution of the Republic of South Africa to facilitate oversight and monitor government institutions. These committees are the “engine rooms” of Parliament’s oversight and legislative work, which scrutinise legislation, oversee government action and interact with the public. One of the most important aspects of the oversight function is the consideration by these committees of the Annual Reports submitted by Organs of the State, as well as reports by the Auditor-General. Details are provided below in terms of the oversight activities of the various committees.

### The Portfolio Committee on Higher Education and Training

The Portfolio Committee on Higher Education and Training comprises of members from the National Assembly. In exercising its constitutional mandate of oversight pertaining to the Department, the Portfolio Committee on Higher Education and Training convened several meetings focusing on the following matters:

- The current impasse at the institutions of higher learning - stakeholder input;
- The Tshwane South College Public Protector Report;
- NSFAS, 2018 disbursements and progress on the 2019 applications process;
- The Post-School Education and Training Funding Policy Framework;
- The status of certificate backlogs comprising of an update by Umalusi and SITA;
- Departmental quarterly performance reports;
- An overview of skills development activities provided by the Human Resource Development Council;
- The National Qualifications Framework Amendment Bill;
- The Departmental budgetary review and recommendations report;
- 2017/18 Annual Reports for the Department, CHE, SAQA, QCTO and NSFAS;
- The payment of student allowances by NSFAS;
- A review of the new SETA landscape;
- The National Plan for PSET;
- Recent CET developments;
- The incidence of gender-based violence;
- The student-centred fees model and progress on outstanding student allowances;

- Progress related to transformation at public universities in South Africa as outlined in the South African Human Rights Commission report;
- 2018/19 APPs of SAQA, QCTO, NSFAS and CHE;
- The status report on the Cape Peninsula University of Technology; and
- The 2018/19 Revised Strategic Plan and APP of the Department.

### **The Select Committee on Education and Recreation**

The Select Committee on Education and Recreation comprises of members from the National Council of Provinces. The Committee convened several meetings focusing on the following reports and interventions:

- The Departmental 2017/18 Annual Report;
- The status of student registration at universities and TVET colleges;
- The revised Addis Convention on Recognition of Higher Education Studies;
- The NSFAS with focus on 2018 student funding;
- The 2018/19 APPs of the CHE and the QCTO; and
- The National Qualifications Framework Amendment Bill.

### **The Standing Committee on Appropriations**

The Standing Committee on Appropriations is established in terms of *Section 4(3) of the Money Bills Amendment Procedure and Related Matters Act*. The Committee convened a meeting focusing on the Department's first-quarter expenditure report for the 2018/19 financial year.

## **8. Scopa Resolutions**

None.

## **9. Prior Modifications to Audit Reports**

None.

## **10. Internal Control Unit**

The Internal Control Unit consists of a Deputy Director, an Assistant Director and three State Accountant posts. The work performed during the year included updating financial policies, conducting training workshops in conjunction with the CET Branch on payroll management, the inspection of payroll management for CET and TVET colleges, inspections and cash counts of the cashier offices at Head Office and INDLELA, as well as assisting with the analysis of the debt account with a view to identify debtors by their respective workstations and assist in tracing some of the debtors.

## **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 toward evaluating and improving the effectiveness of risk management, control and governance processes.

The Internal Audit Function operates with skilled personnel and functions as required by the Treasury Regulations and the PFMA. A risk-based Audit Plan was developed for the year 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 and specialised skills to perform all the identified work and activities specified in the Audit Plan, the Department has been compelled to utilise consultants with regard to the provision of co-sourcing functions in rendering assistance with the audits.

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

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

The Committee's main activities comprise:

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

The Audit Committee functions effectively, as required in terms of the relevant Treasury Regulations and the PFMA. The Audit Committee convened five meetings during the year under review.

The table below provides relevant information pertaining to external membership and participation during Audit Committee meetings:

<b>Name</b>	<b>Qualifications</b>	<b>Internal/ External member</b>	<b>Date Appointed</b>	<b>No of meetings attended</b>
Professor DP van der Nest	D Tech	External	1/12/2016	5
Ms S Padayachy	M Comm	External	1/12/2016	5
Mr S Makhubu	CA, SA	External	1/12/2016	5

## **12. Audit Committee Report**

Refer to the detail provided in Part E.



**PART D**  
**Human Resource  
Management**

# Part D: Human Resource Management

## 1. Introduction and Overview of Human Resources

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

The purpose of the sub-programme is aimed at ensuring effective human resource management within the Department through the implementation of sound human resource management practices including staffing, human resource development, performance management, labour relations and administrative human resource systems. Although plans were developed to address the skills deficits brought about by competing priorities, a number of activities could not be concluded, such as finalising a skills audit for the sector. The Department has been unable to fund postgraduate studies through the bursary scheme and only funded those students intending to pursue undergraduate degrees due to limited available funding. The training of elementary staff wishing to pursue their studies within the field of artisan development has proven to be a success and will address the skills deficit within the Department.

Due to budgetary constraints, the Department was also unable to fund the required organisational structure. In order to address this recurring audit query, an interim organisational structure for the Head and Regional Offices was developed and approved by the Minister and endorsed by the Minister for Public Service and Administration. This measure will assist the Department in better managing the post establishment and it will contribute towards the attainment of a clean audit.

The Labour Relations Directorate has not managed to achieve the target pertaining to the finalisation of disciplinary cases within the prescribed period, despite significant progress having been made in this regard.

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

Currently the Department relies on branches to assist in identifying priority skills needs in accordance with their respective mandates. The Human Resource Development unit developed draft guidelines for implementation by TVET and CET colleges, while conducting their own skills audits.

The Department will be implementing the Operational Management Framework which seeks to address the potential overlap of functions and clear all possible bottlenecks. The Framework will focus on the following areas:

- A Service Delivery Model;
- A Business Mapping Process;
- Standardised Operating Procedures;
- Service Standards;
- A Service Charter; and
- The Organisational Structure guided and informed by all the fore-mentioned documents and processes.

Once this process has been finalised, the Department will develop a structure that is substantiated by a clear Business Case.

The Labour Relations Directorate is currently also conducting workshops on the initiation, investigation and chairing of disciplinary hearings. During the past financial year, workshops were conducted in the Gauteng and Free State regions and during the 2019/20 financial year training will be conducted in the remaining regions. Subsequent to the conclusion of training, a database for investigators, initiators and chairpersons will be developed and shared with the respective regions.

The appointment of two Assistant Directors for Labour Relations in the Gauteng/Free State and Mpumalanga/North West regions will positively impact on achieving the target for the continuous monitoring of labour relations matters in the regions.

### **Achievements and challenges faced by the Department, as well as future Human Resource plans/goals**

The following interventions and achievements have relevance:

- Implementation of the DPSA determination and directive on performance management and development for non-Senior Management Service (SMS) members and SMS members;
- Establishment of the Ethics and Integrity committees as directed by the relevant Public Service Regulations, 2016 and DPSA directives;
- Signing of a Memorandum of Agreement (MoA) between the Department and National School of Governance on capacity development of Departmental officials;
- NSF approval and disbursement of funding to an amount of R6.7 million for the Artisan Development for Elementary Staff project;
- Conclusion of a Service Level Agreement with Tshwane South TVET College regarding the Training of Artisans for Elementary Staff project;
- Registration of the Departmental athletics team and the purchase of equipment by the Employee Health and Wellness unit for these activities, as well as participation during the National Public Servants Sports and Culture Events;
- Appointment of an Assistant Director for Collective Bargaining and a Labour Relations Practitioner in the Labour Relations Directorate at the National Office;
- Financing and advertisement of two Assistant Director: Labour Relations positions in the Mpumalanga/North West and Gauteng/Free State regions;
- Hosting of a workshop conducted by the Office of the Public Service Commission on the Code of Conduct pertaining to Public Service and Financial Disclosure processes by all Labour Relations Practitioners;
- Signing of the settlement agreement between the Department and NEHAWU which culminated in the end of strikes at TVET and CET college sectors;
- Significant improvement in finalising disciplinary cases, as compared to the past financial year and even though the target was not met;
- Training of Labour Relations officials on the PERSAL system in the KwaZulu-Natal and Western Cape regions by their respective Provincial Treasuries;
- Facilitation of workshops on performance management and development for the TVET and CET college employees;
- Training of Ethics and Integrity committee members;
- Implementation of the SmartHet module on leave at Head Office;
- Training of PERSAL users pertaining to functions in relation to identified decentralisation processes and procedures;
- Job evaluations conducted at colleges in order to standardise post levels within the sector;
- Approval of the organisational structure for Head Office and Regional Offices by the Department and subsequent endorsement thereof by the DPSA; and
- Finalisation of 29 Human Resource Management Policies.

## Major projects undertaken or completed during 2018/19 financial year

Key projects undertaken and completed during the 2018/19 financial year for the Chief Directorate: Human Resource Management and Development, as well as the Labour Relations Directorate are indicated as follows:

- Implementation of the new performance management and development systems, as determined by the DPSA;
- Development and approval of the Ethics and Integrity Management Policy and Strategy;
- Disclosure of financial interests by all levels below SMS incumbents;
- Establishment of Ethics and Integrity Management committees;
- Training on the investigation, initiation and chairing of misconduct cases which will continue during the 2019/20 financial year;
- Implementation of the SmartHet, e-leave module at Head Office;
- Training of PERSAL users on functions pertaining to decentralisation processes;
- Clearing PERSAL function allocation processes;
- Training PERSAL users on various PERSAL processes;
- Implementation of requisite PMDS/Integrated Quality Management System processes;
- Conversion of Educators to new Key Scale Tables and the implementation of the 0.3% pay progression directive;
- Facilitation of changes to record-keeping and scanning processes in accordance with approved transactions effected on the PERSAL system;
- Capacitation of the Employee Health and Wellness Unit through the acquisition of required equipment;
- Implementation of the approved job evaluation results for posts at Level 10 at TVET colleges; and
- Finalisation of Head and Regional Offices interim organisational structures.

## 2. Oversight Report

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

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

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

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

## 2.1 EXPENDITURE

**Note:** During 2018/19 a total of R255.321 million was spent towards the 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 and the inclusion of such information in the following tables would create a false impression regarding personnel numbers and costs as presented in the tables.

The Department's budget is set out below 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). The tables in particular, provide an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the Department.

**TABLE 2.1.1 - Personnel expenditure by Programme, 1 April 2018 to 31 March 2019**

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 2019
1	429 682	236 926	3 668	4 754	55.1	406	583
2	72 051	58 982	-	12	81.9	531	111
3	59 229 916	57 543	-	-	0.1	1 010	57
4	10 725 440	5 996 648	-	79	55.9	375	15 973
5	259 692	110 825	-	20	42.7	221	502
6	2 206 957	2 036 858	-	53	92.3	225	9 061
<b>Sub total</b>	<b>72 923 738</b>	<b>8 497 782</b>	<b>3 668</b>	<b>4 918</b>	<b>11.7</b>	<b>323</b>	<b>26 287</b>
Statutory	17 479 896	-	-	-	-	-	-
<b>Total</b>	<b>90 403 634</b>	<b>8 497 782</b>	<b>3 668</b>	<b>4 918</b>	<b>9.4</b>	<b>323</b>	<b>26 287</b>

**TABLE 2.1.2 - Personnel costs by salary bands, 1 April 2018 to 31 March 2019**

Salary band	Personnel expenditure (R'000)	Number of employees	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	257 628	4 022	3.0	64
Skilled (Levels 3-5)	1 399 869	9 408	16.5	149
Highly skilled production (Levels 6-8)	4 623 644	10 284	54.4	450
Highly skilled supervision (Levels 9-12)	1 966 359	2 421	23.1	812
Senior Management (Levels 13-16)	250 282	152	2.9	1 647
<b>Total</b>	<b>8 497 782</b>	<b>26 287</b>	<b>100.0</b>	<b>323</b>





**TABLE 2.1.3 - Salaries, Overtime, Home Owner's Allowances and Medical Assistance by Programme, 1 April 2018 to 31 March 2019**

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 % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical assistance as a % of personnel cost
1	236 926	158 636	67.0	6 992	3.0	5 371	2.3	8 837	3.7
2	58 982	41 207	69.9	22	-	720	1.2	1 420	2.4
3	57 543	40 594	70.5	11	-	754	1.3	1 126	2.0
4	5 996 648	4 170 019	69.5	5 043	0.1	209 503	3.5	298 289	5.0
5	110 825	78 305	70.7	1 332	1.2	3 488	3.1	5 982	5.4
6	2 036 858	1 344 179	66.0	17	-	30 656	1.5	15 390	0.8
<b>Total</b>	<b>8 497 782</b>	<b>5 832 940</b>	<b>68.6</b>	<b>13 417</b>	<b>0.2</b>	<b>250 492</b>	<b>2.9</b>	<b>331 044</b>	<b>3.9</b>

**TABLE 2.1.4 - Salaries, Overtime, Home Owner's Allowance and Medical Assistance by Salary Bands, 1 April 2018 to 31 March 2019**

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 % 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)	257 628	158 057	61.4	47	-	20 173	7.8	17 560	6.8
Skilled (Levels 3-5)	1 399 869	939 750	67.1	2 013	0.1	58 133	4.2	69 701	5.0
Highly skilled production (Levels 6-8)	4 623 644	3 159 169	68.3	9 076	0.2	139 053	3.0	186 546	4.0
Highly skilled supervision (Levels 9-12)	1 966 359	1 388 403	70.6	2 281	0.1	31 801	1.6	55 527	2.8
Senior Management (Levels 13-16)	250 282	187 561	74.9	-	-	1 332	0.5	1 710	0.7
<b>Total</b>	<b>8 497 782</b>	<b>5 832 940</b>	<b>68.6</b>	<b>13 417</b>	<b>0.2</b>	<b>250 492</b>	<b>2.9</b>	<b>331 044</b>	<b>3.9</b>

## 2.2 EMPLOYMENT AND VACANCIES

**Table 2.2.1 - Employment and vacancies by Programme as at 31 March 2019**

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Programme 1: Administration	659	583	11.53	1
Programme 2: Planning, Policy and Strategy	178	111	37.64	-
Programme 3: University Education	102	57	44.12	-
Programme 4: Technical and Vocational Education and Training	16 690	15 973	4.30	150
Programme 5: Skills Development	668	502	24.85	1
Programme 6: Community Education and Training	9 673	9 061	6.33	5 020
<b>Total</b>	<b>27 970</b>	<b>26 287</b>	<b>6.02</b>	<b>5 172</b>

**Table 2.2.2 - Employment and vacancies by salary band as at 31 March 2019**

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)	1 463	1 339	8.48	6
Skilled (3-5)	5 093	4 691	7.89	143
Highly skilled production (6-8)	10 478	9 889	5.62	95
Highly skilled supervision (9-12)	2 986	2 509	15.97	4
Senior management (13-16)	266	175	34.21	4
Other	7 684	7 684	-	4 920
<b>Total</b>	<b>27 970</b>	<b>26 287</b>	<b>6.02</b>	<b>5 172</b>

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**Table 2.2.3 - Employment and vacancies by critical occupations as at 31 March 2019**

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative Related, Permanent	1 246	921	26.1	1
All Artisans in the Building Metal Machinery etc., Permanent	2	2	-	-
Archivists Curators and Related Professionals, Permanent	1	1	-	-
Artisan Project and Related Superintendents, Permanent	1	1	-	-
Basic Training, Permanent	13	11	15.4	-
Binding and Related Workers, Permanent	2	2	-	-
Building and Other Property Caretakers, Permanent	24	24	-	-
Bus and Heavy Vehicle Drivers, Permanent	5	5	-	-
Cashiers Tellers and Related Clerks, Permanent	10	10	-	-
Cleaners In Offices, Workshops, Hospitals etc., Permanent	2 034	1 997	1.8	23
Client Information Clerks (Switch board receipt Information Clerks), Permanent	16	16	-	-
Communication and Information Related, Permanent	7	7	-	-
Computer Programmers, Permanent	4	4	-	-
Computer System Designers and Analysts, Permanent	2	2	-	-
Dental Practitioners, Permanent	1	1	-	-
Economists, Permanent	1	1	-	-
Farm Hands and Labourers, Permanent	1	1	-	-
Finance and Economics Related, Permanent	26	23	11.5	-
Financial and Related Professionals, Permanent	76	30	60.5	-
Financial Clerks and Credit Controllers, Permanent	195	189	3.1	2
Food Services Aids and Waiters, Permanent	40	39	2.5	3
General Legal Administration and Related Professionals, Permanent	9	6	33.3	-
Head of Department/Chief Executive Officer, Permanent	3	2	33.3	-
Household and Laundry Workers, Permanent	37	36	2.7	-
Household, Food and Laundry Services Related, Permanent	11	11	-	-
Housekeepers, Laundry and Related Workers, Permanent	3	3	-	-

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Human Resources, Organisational Development and Related Professionals, Permanent	22	21	4.5	-
Human Resources Clerks, Permanent	297	258	13.1	1
Human Resources Related, Permanent	43	43	-	-
Information Technology Related, Permanent	8	8	-	-
Inspectors of Apprentices Works and Vehicles, Permanent	1	1	-	-
Legal Related, Permanent	5	2	60	-
Librarians and Related Professionals, Permanent	7	7	-	-
Library Mail and Related Clerks, Permanent	36	36	-	-
Light Vehicle Drivers, Permanent	45	45	-	-
Logistical Support Personnel, Permanent	12	11	8.3	-
Material-Recording and Transport Clerks, Permanent	129	123	4.7	-
Mathematicians and Related Professionals, Permanent	2	2	-	-
Messengers, Porters and Deliverers, Permanent	92	84	8.7	-
Motor Vehicle Drivers, Permanent	3	3	-	-
National Technical Examiners, Permanent	27	23	14.8	-
Natural Sciences Related, Permanent	2	2	-	-
Occupational Therapy, Permanent	1	1	-	-
Other Administrative and Related Clerks and Organisers, Permanent	3 509	3 359	4.3	18
Other Administrative Policy and Related Officers, Permanent	53	53	-	-
Other Information Technology Personnel, Permanent	6	6	-	2
Other Occupations, Permanent	16 486	15 567	5.6	4 249
Other Occupations, Temporary	2 809	2 809	-	865
Pharmacologists, Pathologists and Related Professional, Permanent	1	1	-	-
Printing and Related Machine Operators, Permanent	1	1	-	-
Professional Nurse, Permanent	1	1	-	-
Rank: Education Specialist (FETI), Permanent	1	-	100	-
Rank: Education Specialist Senior (FETI), Permanent	1	-	100	-
Rank: Lecturer (FETI), Permanent	7	1	85.7	-

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Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Risk Management and Security Services, Permanent	7	7	-	-
Secretaries and Other Keyboard Operating Clerks, Permanent	248	230	7.3	2
Security Guards, Permanent	69	62	10.1	1
Security Officers, Permanent	21	20	4.8	1
Senior Managers, Permanent	238	146	38.7	4
Social Work and Related Professionals, Permanent	1	1	-	-
Statisticians and Related Professionals, Permanent	1	1	-	-
Trade Labourers, Permanent	1	1	-	-
Trade Related, Permanent	7	6	14.3	-
<b>TOTAL</b>	<b>27 970</b>	<b>26 287</b>	<b>6.02</b>	<b>5 172</b>

## 2.3 FILLING OF SMS POSTS

**Table 2.3.1 - SMS post information as at 31 March 2019**

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	-	-
Salary Level 16	3	3	100	-	-
Salary Level 15	10	6	60	4	40
Salary Level 14	47	28	60	19	40
Salary Level 13	205	137	67	68	33
<b>Total</b>	<b>266</b>	<b>175</b>	<b>66</b>	<b>91</b>	<b>34</b>

**Table 2.3.2 - SMS post information as at 30 September 2018**

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	-	-
Salary Level 16	3	3	100	-	-
Salary Level 15	9	6	67	3	33
Salary Level 14	51	24	47	27	53
Salary Level 13	183	126	69	57	31
<b>Total</b>	<b>247</b>	<b>160</b>	<b>65</b>	<b>87</b>	<b>35</b>

**Table 2.3.3 - Advertising and filling of SMS posts for the period: 1 April 2018 to 31 March 2019**

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	-	-	-
Salary Level 16	-	-	-
Salary Level 15	1	1	1
Salary Level 14	10	-	4
Salary Level 13	30	-	16
<b>Total</b>	<b>41</b>	<b>1</b>	<b>21</b>

**Table 2.3.4 - Reasons for not having complied with the filling of funded vacant SMS - Advertised within six months and filled within 12 months after becoming vacant for the period: 1 April 2018 to 31 March 2019**

Number of received applications and delays in capturing application as all posts, including college posts across the country are advertised and filled at Head Office.

All SMS posts are filled within 12 months.

**Table 2.3.5 - Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2018 to 31 March 2019**

None.



Departmental officials disseminating information to the public in Durban during a Ketha and CACH blitz and information sharing session

## 2.4 JOB EVALUATION

**Table 2.4.1 - Job Evaluation by Salary band for the period: 1 April 2018 to 31 March 2019**

Salary band	Number of posts on approved establishment	Posts upgraded		Posts downgraded	
		Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	1 463	-	-	-	-
Skilled (Levels 3-5)	5 093	48	0.94	-	-
Highly Skilled Production (Levels 6-8)	10 478	14	0.13	-	-
Highly Skilled Supervision (Levels 9-12)	2 986	14	0.47	-	-
Senior Management Service (Levels 13-16)	266	-	-	-	-
Other	7 684	-	-	-	-
<b>TOTAL</b>	<b>27 970</b>	<b>76</b>	<b>0.27</b>	<b>-</b>	<b>-</b>

**Table 2.4.2 - Profile of employees whose positions were upgraded due to their posts being upgraded for the period: 1 April 2018 to 31 March 2019**

Gender	African	Indian	Asian	Coloured	White	Total
Female	21	-	-	-	1	22
Male	48	-	-	5	1	54
<b>Total</b>	<b>69</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>2</b>	<b>76</b>
Employees with a disability						-

**Table 2.4.3 - Employees with salary levels higher than those determined by job evaluation by occupation for the period: 1 April 2018 to 31 March 2019**

None.

**Table 2.4.4 - Profile of employees who have salary levels higher than those determined by job evaluation for the period: 1 April 2018 to 31 March 2019**

None.



Departmental officials raising public awareness regarding 'Bogus' Colleges during 2018 at Denneboom Mall in Mamelodi, Pretoria

## 2.5 EMPLOYMENT CHANGES

**Table 2.5.1 - Annual turnover rates by salary band for the period: 1 April 2018 to 31 March 2019**

Salary band	Number of employees at beginning of period-1 April 2018	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower Skilled (Levels 1-2), Permanent	1 326	69	27	2.04
Skilled (Levels 3-5), Permanent	4 860	238	226	4.65
Skilled (Levels 3-5), Temporary	1	-	-	-
Highly Skilled Production (Levels 6-8), Permanent	9 915	212	397	4
Highly Skilled Supervision (Levels 9-12), Permanent	2 385	32	156	6.54
Senior Management Service Band A, Permanent	117	5	7	5.98
Senior Management Service Band B, Permanent	23	1	1	4.35
Senior Management Service Band C, Permanent	5	-	-	-
Senior Management Service Band D, Permanent	3	-	-	-
Other, Permanent	4 919	470	546	11.10
Other, Temporary	2 995	3	177	5.91
Contract (Levels 1-2), Permanent	28	8	5	17.86
Contract (Levels 3-5), Permanent	168	27	21	12.50
Contract (Levels 6-8), Permanent	99	18	19	19.19
Contract (Levels 9-12), Permanent	54	16	12	22.22
Contract Band A, Permanent	12	3	7	58.33
Contract Band B, Permanent	2	1	-	-
Contract Band C, Permanent	1	1	1	100
Contract Band D, Permanent	1	-	-	-
<b>TOTAL</b>	<b>26 914</b>	<b>1 104</b>	<b>1 602</b>	<b>5.95</b>

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**Table 2.5.2 - Annual turnover rates by critical occupation for the period: 1 April 2018 to 31 March 2019**

Critical occupation	Number of employees at beginning of period-1 April 2018	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Administrative Related, Permanent	877	47	36	4.1
All artisans in the building, metal, machinery etc., Permanent	2	-	-	-
Archivists, curators and Related professionals, Permanent	1	-	-	-
Artisan project and related superintendents, Permanent	1	-	-	-
Basic Training, Permanent	1	5	-	-
Binding and related workers, Permanent	3	-	-	-
Building and Other Property Caretakers, Permanent	29	-	5	17.2
Bus and Heavy Vehicle Drivers, Permanent	1	3	-	-
Cashiers Tellers and Related Clerks, Permanent	9	1	1	11.1
Cleaners in Offices, Workshops, Hospitals etc., Permanent	2 045	66	81	4
Client Information Clerks (switchboard receipt information clerks), Permanent	15	2	-	-
Communication and Information Related, Permanent	8	-	1	12.5
Computer Programmers, Permanent	4	-	-	-
Computer System Designers and Analysts, Permanent	3	-	-	-
Dental Practitioners, Permanent	1	-	-	-
Diplomats, Permanent	1	-	1	100
Economists, Permanent	1	-	-	-
Farm Hands and Labourers, Permanent	1	-	-	-
Finance and Economics Related, Permanent	31	4	4	12.9
Financial and Related Professionals, Permanent	25	4	2	8
Financial Clerks and Credit Controllers, Permanent	179	18	9	5
Food Services Aids and Waiters, Permanent	39	5	4	10.3
General Legal Administration and Related Professionals, Permanent	7	-	1	14.3
Head of Department/Chief Executive Officer, Permanent	2	-	-	-
Household and Laundry Workers, Permanent	47	-	6	12.8
Household, Food and Laundry Services Related, Permanent	12	-	1	8.3
Housekeepers, Laundry and Related Workers, Permanent	4	-	-	-

Critical occupation	Number of employees at beginning of period-1 April 2018	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Human Resources and Organisational Development and Related Professional, Permanent	19	-	-	-
Human Resources Clerks, Permanent	264	11	10	3.8
Human Resources Related, Permanent	48	2	7	14.6
Information Technology Related, Permanent	10	-	1	10
Inspectors of Apprentices Works and Vehicles, Permanent	1	-	-	-
Legal Related, Permanent	2	-	-	-
Librarians and Related Professionals, Permanent	7	-	-	-
Library Mail and Related Clerks, Permanent	37	-	1	2.7
Library Mail and Related Clerks, Temporary	1	-	-	-
Light Vehicle Drivers, Permanent	32	-	-	-
Logistical Support Personnel, Permanent	11	2	2	18.2
Material-Recording and Transport Clerks, Permanent	125	-	-	-
Mathematicians and Related Professionals, Permanent	1	-	-	-
Messengers, Porters and Deliverers, Permanent	91	4	9	9.9
Motor Vehicle Drivers, Permanent	3	-	-	-
National Technical Examiners, Permanent	25	2	2	8
Natural Sciences Related, Permanent	2	-	-	-
Occupational Therapy, Permanent	1	-	-	-
Other Administrative and Related Clerks and Organisers, Permanent	321	442	379	118.1
Other Administrative Policy and Related Officers, Permanent	60	-	5	8.3
Other Information Technology Personnel, Permanent	8	-	-	-
Other Occupations, Permanent	19 039	426	811	4.3
Other Occupations, Temporary	2 995	3	177	5.9
Pharmacologists, Pathologists and Related Professional, Permanent	1	-	-	-
Printing and Related Machine Operators, Permanent	1	-	-	-
Professional Nurse, Permanent	1	-	-	-
Risk Management and Security Services, Permanent	10	-	1	10
Secretaries and Other Keyboard Operating Clerks, Permanent	219	35	15	6.8
Security Guards, Permanent	69	8	13	18.8
Security Officers, Permanent	20	1	1	5

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Critical occupation	Number of employees at beginning of period-1 April 2018	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Senior Managers, Permanent	133	13	16	12
Social Work and Related Professionals, Permanent	1	-	-	-
Statisticians and Related Professionals, Permanent	1	-	-	-
Trade Labourers, Permanent	1	-	-	-
Trade Related, Permanent	5	-	-	-
<b>TOTAL</b>	<b>26 914</b>	<b>1 104</b>	<b>1 602</b>	<b>5.95</b>

**Table 2.5.3 - Reasons why staff left the Department for the period: 1 April 2018 to 31 March 2019**

Termination Type	Number	% of Total Resignations
Death, Permanent	98	6.12
Death, Temporary	10	0.63
Resignation, Permanent	519	32.40
Resignation, Temporary	161	10.05
Expiry of contract, Permanent	501	31.27
Expiry of contract, Temporary	1	0.06
Discharged due to ill health, Permanent	14	0.87
Dismissal-misconduct, Permanent	37	2.31
Dismissal-misconduct, Temporary	1	0.06
Retirement, Permanent	249	15.54
Retirement, Temporary	6	0.38
Other, Permanent	4	0.25
Other, Temporary	1	0.06
<b>Total</b>	<b>1 602</b>	<b>100</b>
<b>Total number of employees who left as a % of total employment</b>	<b>5.95</b>	



Departmental officials participating during an event celebrating Public Service Women in Management week

**Table 2.5.4 - Promotions by critical occupation for the period: 1 April 2018 to 31 March 2019**

Occupation	Employees 1 April 2018	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative related	877	52	5.9	566	64.5
All artisans in the building, metal, machinery etc.	2	-	-	-	-
Archivists, curators and related professionals	1	-	-	1	100
Artisan project and related superintendents	1	-	-	1	100
Basic training	1	8	800	-	-
Binding and related workers	3	-	-	2	66.7
Building and other property caretakers	29	-	-	16	55.2
Bus and heavy vehicle drivers	1	1	100	1	100
Cashiers tellers and related clerks	9	-	-	9	100
Cleaners in offices, workshops, hospitals etc.	2 045	13	0.6	1 696	82.9
Client information clerks (switchboard/reception information clerks)	15	1	6.7	14	93.3
Communication and information related	8	-	-	5	62.5
Computer programmers	4	-	-	4	100
Computer system designers and analysts	3	-	-	2	66.7
Dental practitioners	1	-	-	-	-
Diplomats	1	-	-	1	100
Economists	1	-	-	1	100
Farm hands and labourers	1	-	-	1	100
Finance and economics related	31	2	6.5	14	45.2
Financial and related professionals	25	1	4	13	52
Financial clerks and credit controllers	179	7	3.9	131	73.2
Food services aids and waiters	39	1	2.6	24	61.5
General legal administration and related Professionals	7	-	-	3	42.9
Head of Department/Chief Executive Officer	2	-	-	2	100
Household and laundry workers	47	-	-	26	55.3
Household, food and laundry services related	12	-	-	-	-
Housekeepers, laundry and related workers	4	-	-	2	50
Human resources and organisational development and related professionals	19	3	15.8	9	47.4

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Occupation	Employees 1 April 2018	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Human resources clerks	264	6	2.3	218	82.6
Human resources related	48	13	27.1	21	43.8
Information technology related	10	-	-	9	90
Inspectors of apprentices works and vehicles	1	-	-	1	100
Legal related	2	-	-	-	-
Librarians and related professionals	7	-	-	4	57.1
Library mail and related clerks	38	-	-	35	92.1
Light vehicle drivers	32	-	-	25	78.1
Logistical support personnel	11	1	9.1	6	54.5
Material-recording and transport clerks	125	3	2.4	100	80
Mathematicians and related professionals	1	1	100	1	100
Messengers porters and deliverers	91	1	1.1	60	65.9
Motor vehicle drivers	3	-	-	3	100
National technical examiners	25	-	-	13	52
Natural sciences related	2	-	-	2	100
Occupational therapy	1	-	-	-	-
Other administrative and related clerks and organisers	3 210	95	3	2 418	75.3
Other administrative policy and related officers	60	-	-	41	68.3
Other information technology personnel	8	-	-	8	100
Other occupations	19 145	254	1.3	17 443	91.1
Pharmacologists, pathologists and related professionals	1	-	-	-	-
Printing and related machine operators	1	-	-	1	100
Risk management and security services	10	1	10	5	50
Professional Nurse, Permanent	1	-	-	-	-
Secretaries and other keyboard operating clerks	219	5	2.3	149	68
Security guards	69	8	11.6	38	55.1
Security officers	20	-	-	14	70
Senior managers	133	13	9.8	81	60.9
Social work and related professionals	1	-	-	1	100
Statisticians and related professionals	1	-	-	1	100
Trade labourers	1	-	-	1	100
Trade related	5	-	-	2	40
<b>Total</b>	<b>26 914</b>	<b>490</b>	<b>1.8</b>	<b>23 245</b>	<b>86.4</b>

**Table 2.5.5 - Promotions by salary band for the period: 1 April 2018 to 31 March 2019**

Salary Band	Employees 1 April 2018	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower Skilled (Levels 1-2), Permanent	1 326	-	-	1 052	79.3
Skilled (Levels 3-5), Permanent	4 860	38	0.8	3 647	75
Skilled (Levels 3-5), Temporary	1	-	-	-	-
Highly Skilled Production (Levels 6-8), Permanent	9 915	185	1.9	15 096	152.3
Highly Skilled Supervision (Levels 9-12), Permanent	2 385	244	10.2	3 187	133.6
Senior Management (Levels >= 13), Permanent	148	16	10.8	90	60.8
Other, Permanent	4 919	-	-	3	0.1
Other, Temporary	2 995	-	-	-	-
Contract (Levels 1-2), Permanent	28	-	-	11	39.3
Contract (Levels 3-5), Permanent	168	1	0.6	60	35.7
Contract (Levels 6-8), Permanent	99	3	3	61	61.6
Contract (Levels 9-12), Permanent	54	1	1.9	33	61.1
Contract (Levels >= 13), Permanent	16	2	12.5	5	31.3
<b>Total</b>	<b>26 914</b>	<b>490</b>	<b>1.8</b>	<b>23 245</b>	<b>86.4</b>

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## 2.6 EMPLOYMENT EQUITY

**Table 2.6.1 - Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2019**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionals	4 893	363	144	405	6 847	371	142	729	13 894
Technicians and associate professionals	312	62	13	34	309	170	9	79	988
Labourers and related workers	2 055	104	5	27	4 577	169	4	26	6 967
Plant and machine operators and assemblers	29	9	-	1	7	8	-	-	54
Service shop and market sales workers	83	9	1	3	21	-	-	-	117
Clerks	1 306	53	32	41	2 447	115	48	179	4 221
Senior officials and managers	63	10	4	17	39	2	5	11	151
Craft and related trade workers	25	-	1	6	3	-	-	-	35
<b>Total</b>	<b>8 766</b>	<b>610</b>	<b>200</b>	<b>534</b>	<b>14 250</b>	<b>835</b>	<b>208</b>	<b>1 024</b>	<b>26 427</b>
<b>Employees with disabilities</b>	<b>17</b>	<b>5</b>	<b>-</b>	<b>7</b>	<b>17</b>	<b>1</b>	<b>1</b>	<b>6</b>	<b>54</b>

**Table 2.6.2 - Total number of employees (including employees with disabilities) in each of the following occupational bands as at 31 March 2019**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	4	-	-	1	2	-	-	1	8
Senior Management	65	11	3	14	41	2	5	13	154
Professionally qualified and experienced specialists and mid-management	913	133	60	216	702	101	31	298	2 454
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	5 452	301	119	251	10 267	442	148	623	17 603
Semi-skilled and discretionary decision making	1 653	118	16	37	2 393	223	23	82	4 545

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Unskilled and defined decision making	580	40	-	6	631	56	-	2	1 315
Contract	99	7	2	9	214	11	1	5	348
<b>Total</b>	<b>8 766</b>	<b>610</b>	<b>200</b>	<b>534</b>	<b>14 250</b>	<b>835</b>	<b>208</b>	<b>1 024</b>	<b>26 427</b>
<b>Employees with disabilities</b>	<b>17</b>	<b>5</b>	<b>-</b>	<b>7</b>	<b>17</b>	<b>1</b>	<b>1</b>	<b>6</b>	<b>54</b>

Table 2.6.3 - Recruitment for the period: 1 April 2018 to 31 March 2019

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	1	1
Senior Management	3	-	-	-	4	-	1	-	8
Professionally qualified and experienced specialists and middle-management	20	1	-	-	10	-	-	1	32
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	274	5	1	7	376	10	3	9	685
Semi-skilled and discretionary decision making	106	5	-	4	118	3	1	1	238
Unskilled and defined decision making	26	-	-	-	42	1	-	-	69
Contract	26	-	-	6	38	1	-	3	74
<b>Total</b>	<b>455</b>	<b>11</b>	<b>1</b>	<b>17</b>	<b>588</b>	<b>15</b>	<b>5</b>	<b>15</b>	<b>1 107</b>
<b>Employees with disabilities</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>

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**Table 2.6.4 - Promotions for the period: 1 April 2018 to 31 March 2019**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	1	1
Senior Management	5	-	-	-	1	-	-	2	8
Professionally qualified and experienced specialists and middle-management	1 106	202	86	362	956	160	42	517	3 431
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	5 906	442	204	400	6 488	582	244	1 015	15 281
Semi-skilled and discretionary decision making	1 412	104	10	40	1 822	194	23	80	3 685
Unskilled and defined decision making	451	31	-	4	520	49	-	-	1 055
Contracts	45	7	-	5	107	8	1	4	177
<b>Total</b>	<b>8 925</b>	<b>786</b>	<b>300</b>	<b>811</b>	<b>9 894</b>	<b>993</b>	<b>310</b>	<b>1 619</b>	<b>23 638</b>
<b>Employees with disabilities</b>	<b>19</b>	<b>7</b>	<b>-</b>	<b>7</b>	<b>18</b>	<b>1</b>	<b>2</b>	<b>8</b>	<b>62</b>

**Table 2.6.5 - Terminations for the period: 1 April 2018 to 31 March 2019**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	1	1
Senior Management	5	-	-	-	3	-	-	2	10
Professionally qualified and experienced specialists and middle-management	44	9	3	30	30	6	1	33	156
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	341	14	5	33	655	23	4	45	1 120
Semi-skilled and discretionary decision making	109	6	1	8	87	9	1	5	226
Unskilled and defined decision making	13	2	-	-	10	2	-	-	27
Contract	25	-	-	6	31	-	-	4	66
<b>Total</b>	<b>537</b>	<b>31</b>	<b>9</b>	<b>77</b>	<b>816</b>	<b>40</b>	<b>6</b>	<b>90</b>	<b>1 606</b>
<b>Employees with Disabilities</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>7</b>

**Table 2.6.6 - Disciplinary action for the period: 1 April 2018 to 31 March 2019**

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Absence or repeated absence from work without a valid reason or permission	8	1	-	1	4	-	1	-	15
Assault, attempt or threatens to assault, another employee or person while on duty	7	-	-	-	-	-	-	-	7
Abuse of state vehicle	2	-	-	-	-	-	-	-	2
Bringing the name of the college into disrepute	2	-	-	1	-	-	-	-	3
Collusion	1	-	-	-	-	-	-	-	1
Dereliction of duties	4	1	-	-	2	-	-	-	7
Disclosure of confidential information	-	1	-	-	-	-	-	-	1
Display disrespect towards others in the workplace or demonstrates abuse or insolent behaviour	2	-	1	-	-	-	-	-	3
Fails to carry out a lawful order or routine instruction without just or reasonable cause	2	-	1	-	1	-	1	-	5
Falsification of records or any other documentation	3	-	-	-	-	-	-	-	3
Fails to comply with, or contravenes an Act, regulation or legal obligation	2	-	-	-	2	-	1	-	5
Give false evidence	-	1	-	-	-	-	-	-	1
Gross dishonesty	1	-	-	-	2	-	-	-	3
Gross insubordination	1	-	-	1	2	-	-	-	4
Gross misrepresentation	4	-	-	-	-	-	-	-	4
Gross negligence	4	-	1	2	-	-	-	-	7
Incitement of students	-	-	-	-	-	2	-	-	2
Intimidation	1	-	-	-	-	-	-	-	1
Insubordination	1	-	-	-	2	-	-	-	3
Hiring of classroom without approval	-	-	-	-	1	-	-	-	1
Homophobic attack to a student	-	-	-	-	1	-	-	-	1
Maladministration	1	-	-	-	1	-	-	-	2

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Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Malicious damage to property / misuse of property	3	-	-	-	-	-	-	-	3
Misrepresentation	1	-	-	-	1	-	-	-	2
Negligence	3	-	-	-	2	-	-	-	5
Prejudice and disrespect	5	-	-	-	3	-	-	-	8
Poor or inadequate performance for reasons other than incapacity	-	3	-	-	-	-	-	-	3
Poor time keeping	-	-	-	-	1	-	-	-	1
Racism	1	-	-	-	-	-	-	-	1
Reckless driving	1	-	-	-	-	-	-	-	1
Removal of college equipment	-	-	-	1	-	-	-	-	1
While on duty, is under the influence of intoxicating, illegal, unauthorised, habit-forming and/ or stupefying drug, including alcohol	2	-	1	-	-	-	-	-	3
Without permission possesses or wrongfully uses the property of the State, another employee's and/or a visitor's	1	-	-	-	-	-	-	-	1
Sexual harassment	2	-	-	-	-	-	-	-	2
Theft, bribery, fraud, corruption or any combination thereof	6	1	-	-	1	-	1	-	9
Unauthorised removal of college equipment	-	-	-	1	-	-	-	-	1
<b>Total</b>	<b>71</b>	<b>8</b>	<b>4</b>	<b>7</b>	<b>26</b>	<b>2</b>	<b>4</b>	<b>-</b>	<b>122</b>

**Table 2.6.7 - Skills development for the period: 1 April 2018 to 31 March 2019**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	23	4	-	3	50	4	-	3	87
Professionals	32	-	-	3	53	-	1	4	93
Technicians and associate professionals	13	-	-	-	43	3	-	-	59
Clerks	101	1	-	2	177	1	1	6	289
Service and sales workers	3	1	-	-	1	-	-	-	5
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Craft and related trades workers	4	-	-	2	6	-	-	-	12
Plant and machine operators and assemblers	4	-	-	-	-	-	-	-	4
Elementary occupations	2	-	-	-	27	-	-	-	29
<b>Total</b>	<b>182</b>	<b>6</b>	<b>-</b>	<b>10</b>	<b>357</b>	<b>8</b>	<b>2</b>	<b>13</b>	<b>578</b>
<b>Employees with disabilities</b>	-	-	-	-	-	-	-	-	-

## 2.7. SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

Table 2.7.1 - Signing of Performance Agreements by SMS members as at 31 May 2019

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	100
Salary Level 16	-	-	-	-
Salary Level 15	5	5	-	-
Salary Level 14	25	25	16	64
Salary Level 13	134	134	89	66
<b>Total</b>	<b>165</b>	<b>165</b>	<b>105</b>	<b>64</b>

Table 2.7.2 - Reasons for not having concluded Performance Agreements for all SMS members as at 31 March 2019

### Reasons

There were no disciplinary actions due to the extension on the signing of performance agreements to 31 August 2019.

Table 2.7.3 - Disciplinary steps taken against SMS members for not having concluded Performance Agreements as at 31 March 2019

### Reasons

None.

## 2.8 PERFORMANCE REWARDS

**Table 2.8.1 - Performance Rewards by race, gender and disability for the period: 1 April 2018 and 31 March 2019**

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
<b>African</b>					
Male	1 534	14 233	11	24 475	15 955
Female	1 001	8 749	11	17 100	17 083
<b>Asian</b>					
Male	13	207	6	504	38 769
Female	12	200	6	520	43 333
<b>Coloured</b>					
Male	156	834	19	2 516	16 128
Female	75	605	12	1 939	25 853
<b>White</b>					
Male	157	1 018	15	4 157	26 477
Female	57	527	11	2 276	39 929
Employees with Disability	13	54	24	282	21 615
<b>Total</b>	<b>3 018</b>	<b>26 427</b>	<b>11</b>	<b>53 769</b>	<b>17 816</b>

**Table 2.8.2 - Performance Rewards by salary band for personnel below Senior Management Service for the period: 1 April 2018 and 31 March 2019**

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	449	1 331	33.7	2 303	5 129	0.03
Skilled (level 3-5)	1 192	5 137	23.2	9 474	7 948	0.11
Highly skilled production (level 6-8)	924	9 953	9.3	10 712	11 593	0.13
Highly skilled supervision (level 9-12)	339	2 392	14.2	6 987	20 610	0.08
Other	-	3 054	-	-	-	-
Contract (Levels 1-2)	7	594	1.2	25	3 527	-
Contract (Levels 3-5)	20	3 684	0.5	135	6 732	-
Contract (Levels 6-8)	21	783	2.7	173	8 225	-
Contract (Levels 9-12)	27	58	46.6	465	17 221	0.01
<b>Total</b>	<b>2 979</b>	<b>26 986</b>	<b>11</b>	<b>30 274</b>	<b>10 162</b>	<b>0.36</b>

**Table 2.8.3 - Performance Rewards by critical occupation for the period: 1 April 2017 and 31 March 2018**

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Financial clerks and credit controllers	79	189	42	1 376	17 417
Household food and laundry services related	-	11	-	-	-
Human resources clerks	113	258	44	1 953	17 284
Security officers	4	20	20	76	19 109
Household and laundry workers	10	36	28	105	10 531
Messengers, porters and deliverers	30	84	36	275	9 171
All artisans in the building, metal, machinery etc.	-	2	-	-	-
Human resources and organisational development and related professions	11	21	52	321	29 220
Risk management and security services	2	7	29	85	42 285
Finance and economics related	10	23	44	451	45 113
Logistical support personnel	8	11	73	213	26 652
Natural sciences related	1	2	50	55	54 551
Other administrative and related clerks and organisers	1 232	3 359	37	18 537	15 046
Housekeepers laundry and related workers	1	3	33	9	9 437
Other occupations	78	18 516	-	1 344	17 235
Legal related	1	2	50	38	37 882
Financial and related professionals	8	30	27	349	43 568
Building and other property caretakers	6	24	25	56	9 345
Occupational therapy	1	1	100	25	25 303
Rank: Lecturer (FETI)	-	1	-	-	-
Administrative related	339	921	37	11 790	34 601
Communication and information related	2	7	29	47	20 596
Basic training	-	11	-	-	-
Secretaries and other keyboard operating clerks	107	230	47	1 856	17 346
Cleaners in offices, workshops, hospitals, etc.	704	1 997	35	5 953	8 457
Library mail and related clerks	17	36	47	263	15 490

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Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
National technical examiners	4	23	17	117	29 197
Human resources related	10	43	23	340	33 969
Dental practitioners	-	1	-	-	-
Printing and related machine operators	1	1	100	14	14 087
Cashiers, tellers and related clerks	3	10	30	63	20 938
Head of Department/Chief Executive Officer	-	2	-	-	-
Computer programmers	-	4	-	-	-
Binding and related workers	1	2	50	8	8 382
Trade labourers	-	1	-	-	-
Social work and related professionals	-	1	-	-	-
General legal administration and related professionals	6	6	100	247	41 098
Archivists, curators and related professionals	-	1	-	-	-
Material-recording and transport clerks	72	123	58	1 041	14 664
Farm hands and labourers	-	1	-	-	-
Other administrative policy and related officers	35	53	66	817	23 331
Artisan project and related superintendents	-	1	-	-	-
Inspectors of apprentices, works and vehicles	-	1	-	-	-
Statisticians and related professionals	1	1	100	71	71 113
Professional nurse	-	1	-	-	-
Bus and heavy vehicle drivers	1	5	20	12	11 522
Senior managers	58	146	40	5 083	87 646
Client information clerks (switchboard reception information clerks)	3	16	19	35	11 660
Computer system designers and analysts	1	2	50	21	20 909
Economists	1	1	100	58	57 898
Trade related	-	6	-	-	-
Other information technology personnel	6	6	100	124	20 661
Light vehicle drivers	13	45	29	116	8 951
Mathematicians and related professionals	-	2	-	-	-
Motor vehicle drivers	-	3	-	-	-

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Security guards	19	62	31	178	9 374
Food services aids and waiters	14	39	36	141	10 105
Pharmacologists, pathologists and related professionals	-	1	-	-	-
Information technology related	3	8	38	71	23 553
Librarians and related professionals	2	7	29	35	17 550
<b>TOTAL</b>	<b>3 018</b>	<b>26 427</b>	<b>11</b>	<b>53 769</b>	<b>17 816</b>

**Table 2.8.4 - Performance related rewards (cash bonus), by salary band for Senior Management Service for the period: 1 April 2018 and 31 March 2019**

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee	
Band A	49	137	35.8	3 807	77 698	0.04
Band B	15	28	53.6	1 451	96 749	0.02
Band C	5	6	83.3	592	118 392	0.01
Band D	1	4	25	156	155 942	0.00
<b>Total</b>	<b>70</b>	<b>175</b>	<b>40</b>	<b>6 006</b>	<b>85 805</b>	<b>0.07</b>



Learners participating during the Decade of the Artisan Event

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## 2.9 FOREIGN WORKERS

**Table 2.9.1 - Foreign workers by salary band for the period: 1 April 2018 and 31 March 2019**

Salary band	01 April 2018		31 March 2019		Change	
	Number	% of total	Number	% of total	Number	% Change
Highly skilled production (Levels 6-8)	265	66.2	255	49.7	(10)	(8.8)
Highly skilled supervision (Levels 9-12)	13	3.2	14	2.7	1	0.9
Lower skilled (Levels 1-2)	1	0.3	1	0.2	-	-
Other	76	19	209	40.8	133	117.7
Skilled (Levels 3-5)	45	11.3	34	6.6	(11)	(9.6)
<b>Total</b>	<b>400</b>	<b>100</b>	<b>513</b>	<b>100</b>	<b>113</b>	<b>100</b>

**Table 2.9.2 - Foreign workers by major occupation for the period: 1 April 2018 and 31 March 2019**

Major occupation	01 April 2017		31 March 2018		Change	
	Number	% of total	Number	% of total	Number	% Change
Administrative office workers	9	2.2	9	1.8	(0.5)	(0.4)
Elementary occupations	2	0.5	2	0.4	-	-
Information technology personnel	1	0.2	-	-	(0.5)	(0.4)
Other occupations						
Educators	385	96.3	499	97	114	100
Professionals and managers	3	0.8	4	0.8	1	0.9
<b>Total</b>	<b>400</b>	<b>100</b>	<b>514</b>	<b>100</b>	<b>114</b>	<b>100</b>

## 2.10 LEAVE UTILISATION

**Table 2.10.1 - Sick leave for the period: 1 January 2018 to 31 December 2018**

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)
Lower Skills (Level 1-2)	5 426	83	801	6.5	6.77	2 867
Skilled (Levels 3-5)	18 094	77.8	2 822	22.8	6.41	15 078
Highly skilled production (Levels 6-8)	40 624	73.3	6 575	53.1	6.18	56 074
Highly skilled supervision (Levels 9 -12)	10 134	79.2	1 565	12.6	6.48	24 095
Top and Senior management (Levels 13-16)	440	81.8	72	0.6	6.11	1 821
Contract	2 244	88.4	539	4.4	4.16	1 359
<b>Total</b>	<b>76 962</b>	<b>75.5</b>	<b>12 374</b>	<b>100</b>	<b>6.46</b>	<b>101 294</b>

**Table 2.10.2 - Disability leave (temporary and permanent) for the period: 1 January 2018 to 31 December 2018**

Salary band	Total days	% Days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost (R'000)
Contract (Levels 6-8)	16	100	1	0.2	16	17
Highly skilled production (Levels 6-8)	5 606	100	270	49.2	21	7 801
Highly skilled supervision (Levels 9-12)	3 291	100	96	17.5	34	8 163
Lower skilled (Levels 1-2)	778	100	51	9.3	15	421
Skilled (Levels 3-5)	2 028	100	128	23.3	16	1 545
Senior management (Levels 13-16)	45	100	3	0.5	15	178
<b>Total</b>	<b>11 764</b>	<b>100</b>	<b>549</b>	<b>100</b>	<b>21.43</b>	<b>18 125</b>

**Table 2.10.3 Annual leave for the period 1 January 2018 to 31 December 2018**

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	30 362.43	1 363	22.28
Skilled Levels 3-5)	73 317.77	3 282	22.34
Highly skilled production (Levels 6-8)	48 921	2 165	22.60
Highly skilled supervision(Levels 9-12)	25 997	1 196	21.74
Senior management (Levels 13-16)	3 182.52	161	19.77
Contract	10 222.84	876	11.67
<b>Total</b>	<b>192 003.56</b>	<b>9 043</b>	<b>21.23</b>

**Table 2.10.4 - Capped leave for the period: 1 January 2018 to 31 December 2018**

Salary band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2019
Lower skilled (Levels 1-2)	-	-	-	19
Skilled (Levels 3-5)	127	18	7	60
Highly skilled production (Levels 6-8)	118	24	5	63
Highly skilled supervision (Levels 9-12)	153	22	7	57
Senior management (Levels 13-16)	17	4	4	58
Contract	-	-	-	72
<b>Total</b>	<b>415</b>	<b>68</b>	<b>6.1</b>	<b>60</b>

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**Table 2.10.5 - Leave pay-outs for the period: 1 April 2018 and 31 March 2019**

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Annual discounting with resignation (work days)	1 006	62	16
Annual discounting: unused vacation credits (work days)	93	2	47
Annual gratuity: death/retirement/medical retirement (work days)	2 048	57	36
Capped gratuity: death/retirement/medical retirement (work days)	5 361	48	112
<b>Total</b>	<b>8 508</b>	<b>169</b>	<b>50</b>

## 2.11 HIV/AIDS AND HEALTH PROMOTION PROGRAMMES

**Table 2.11.1 - 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
	Education awareness and prevention programmes OHS Committee Wellness centre First-aid boxes

**Table 2.11.2 - Details of Health Promotion and HIV/AIDS Programmes**

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Mr M Dhlamini (Advocate)
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		1 X Assistant Director 1 X Practitioner 4 X Senior Administrative clerks Annual budget R350 000
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this programme.	X		To assist employees with work related and personal problems Psychosocial interventions Physical wellness HIV testing Disease management Financial wellness
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		HIV/AIDS committee all branches of the Department are represented

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 ill 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 Flavoured male and female condoms and lubricants distributed 44 000 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 you achieved.	X		Through HCT Campaigns the officials undergo pre-test and post-test counselling, the uptake for 2017/18 was 305.  <ul style="list-style-type: none"> <li>Those tested for HIV = 227, those tested positive = 2 females (30 to 39 years) positivity rate of 0.9%</li> <li>Screening for BP females = 221 and males = 84, screening for glucose males = 76 and females = 192, screening for TB females = 221 and male = 8</li> </ul>
8. Has the Department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/ indicators.	X		<b>Training in first-aid programmes</b> Distribution of male and female condoms Protective clothing and gloves utilised Awareness campaign Information sessions Spots activities, soccer, netball and aerobics OHS training Financial wellness workshops

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## 2.12 LABOUR RELATIONS

**Table 2.12.1 - Collective agreements for the period: 1 April 2018 to 31 March 2019**

Subject matter
No collective agreements was signed for the period 1 April 2018 to 31 March 2019

**Table 2.12.2 - Misconduct and disciplinary hearings finalised for the period: 1 April 2018 to 31 March 2019**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	2	2
Verbal warning	1	1
Written warning	4	5
Final written warning	24	29
Suspended without pay	13	16
Fine	-	-
Demotion	-	-
Dismissal	18	22
Not guilty	6	7
Case withdrawn	15	18
<b>Total</b>	<b>83</b>	<b>100</b>

**Table 2.12.3 - Types of misconduct addressed at disciplinary hearings for the period: 1 April 2018 to 31 March 2019**

Type of misconduct	Number	% of total
Absence or repeated absence from work without a valid reason or permission	15	12
Assault, attempt or threatens to assault, another employee or person while on duty	7	6
Abuse of state vehicle	2	2
Bringing the name of the college into disrepute	3	2
Collusion	1	1
Dereliction of duties	7	6
Disclosure of confidential information	1	1
Display disrespect towards others in the workplace or demonstrates abuse or insolent behaviour	3	2
Fails to carry out a lawful order or routine instruction without just or reasonable cause	5	4
Falsification of records or any other documentation	3	2
Fails to comply with, or contravenes an Act, regulation or legal obligation	5	4
Give false evidence	1	1
Gross dishonesty	3	2
Gross insubordination	4	3
Gross misrepresentation	4	3
Gross negligence	7	6
Incitement of students	2	2
Intimidation	1	1
Insubordination	3	2

Type of misconduct	Number	% of total
Hiring of classroom without approval	1	1
Homophobic attack to a student	1	1
Maladministration	2	2
Malicious damage to property / misuse of property	3	2
Misrepresentation	2	2
Negligence	5	4
Prejudice and disrespect	8	7
Poor or inadequate performance for reasons other than incapacity	3	2
Poor time keeping	1	1
Racism	1	1
Reckless driving	1	1
Removal of college equipment	1	1
While on duty, is under the influence of intoxicating, illegal, unauthorised, habit-forming and/ or stupefying drug, including alcohol	3	2
Without permission possesses or wrongfully uses the property of the State, another employees and/or a visitor	1	1
Sexual harassment	2	2
Theft, bribery, fraud, corruption or any combination thereof	9	7
Unauthorised removal of college equipment	1	1
<b>Total</b>	<b>122</b>	<b>100</b>

**Table 2.12.4 - Grievances lodged for the period: 1 April 2018 to 31 March 2019**

Grievances	Number	% of Total
Number of grievances resolved	101	46
Number of grievances not resolved	118	54
<b>Total number of grievances lodged</b>	<b>219</b>	<b>100</b>

**Table 2.12.5 - Disputes lodged with Councils for the period: 1 April 2018 to 31 March 2019**

Disputes	Number	% of Total
Number of disputes upheld	4	5
Number of disputes dismissed	34	39
<b>Total number of disputes lodged</b>	<b>88</b>	

**Table 2.12.6 - Strike actions for the period: 1 April 2018 to 31 March 2019**

Total number of persons working days lost	<b>4 245</b>
Total costs working days lost (R'000)	<b>1 589.6</b>
Amount recovered as a result of no work no pay (R'000)	<b>1 589.6</b>

**Table 2.12.7 - Precautionary suspensions for the period 1 April 2018 to 31 March 2019**

Number of people suspended	<b>16</b>
Number of people whose suspension exceeded 30 days	<b>16</b>
Average number of days suspended	<b>182</b>
Cost of suspension (R'000)	<b>3 041.1</b>

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## 2.13 SKILLS DEVELOPMENT

**Table 2.13.1 - Training needs identified for the period 1 April: 2018 to 31 March 2019**

Occupational category	Gender	Number of employees as at 1 April 2019	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	108	-	30	-	30
	Male	107	-	26	-	26
Professionals	Female	256	-	62	-	62
	Male	204	-	47	-	47
Technicians and associate professionals	Female	106	-	40	-	40
	Male	67	-	11	-	11
Clerks	Female	355	-	157	-	157
	Male	201	-	93	-	93
Service and sales workers	Female	9	-	6	-	6
	Male	27	-	17	-	17
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	17	-	1	-	1
	Male	57	-	1	-	1
Plant and machine operators and assemblers	Female	1	-	1	-	1
	Male	7	-	6	-	6
Elementary occupations	Female	52	-	9	-	9
	Male	14	-	2	-	2
Sub Total	Female	904	-	306	-	306
	Male	684	-	203	-	203
<b>Total</b>		<b>1 588</b>	<b>-</b>	<b>509</b>	<b>-</b>	<b>509</b>

**Table 2.13.2 - Training provided for the period: 1 April 2018 to 31 March 2019**

Occupational category	Gender	Number of employees as at 1 April 2019	Training provided within the reporting period			
			Learnerships	Skills Programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	108	-	40	-	40
	Male	107	-	26	-	26
Professionals	Female	256	-	67	-	67
	Male	204	-	55	-	55
Technicians and associate professionals	Female	106	-	34	-	34
	Male	67	-	11	-	11
Clerks	Female	355	-	195	-	195
	Male	201	-	101	-	101
Service and sales workers	Female	9	-	2	-	2
	Male	27	-	3	-	3
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	17	-	7	-	7
	Male	57	-	9	-	9
Plant and machine operators and assemblers	Female	1	-	1	-	1
	Male	7	-	1	-	1
Elementary occupations	Female	52	-	8	-	8
	Male	14	-	3	-	3
Sub Total	Female	904	-	354	-	354
	Male	684	-	209	-	209
<b>Total</b>		<b>1 588</b>	<b>-</b>	<b>563</b>	<b>-</b>	<b>563</b>

## 2.14 INJURY ON DUTY

**Table 2.14.1 - Injury on duty for the period: 1 April 2018 to 31 March 2019**

Nature of injury on duty	Number	% of total
Required basic medical attention only	34	100
Temporary Total Disablement	-	-
Permanent Disablement	-	-
Fatal	-	-
<b>Total</b>	<b>34</b>	<b>100</b>

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## 2.15 UTILISATION OF CONSULTANTS

**Table 2.15.1 - Report on consultant appointments using appropriated funds for the period: 1 April 2018 to 31 March 2019**

Project Title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
To conduct a forensic investigation to establish the full facts into the allegations of fraud and corruption in the Department	3	71.5 days	R 939 599.22
Appointment of a service provider to conduct an forensic investigation at the Construction Education and Training Authority (CETA) into alleged abuse of power/authority	5	23 days	R411 564.30
Appointment of a service provider to conduct an urgent forensic investigation into allegations of leaked examination question papers	3	4.5 days	R125 330.22
Appointment of a service provider to provide subject content knowledge expertise in mathematics of the National Senior Certificate for Adults Programme (NASCA)	1	28 days	R 156 417.60
Appointment of a service provider to provide subject content knowledge expertise in two science subjects of the National Senior Certificate for adults programme	2	56 days	R 312 835.20
Appoint a service provider to provide subject content knowledge expertise in the English language subject of the National Senior Certificate for adults programme	1	28 days	R312 835.20
<b>Total Number of Projects</b>	<b>Total individual consultants</b>	<b>Total duration Work days</b>	<b>Total contract value in Rand</b>
<b>6</b>	<b>15</b>	<b>211</b>	<b>R2 258 581.74</b>

**Table 2.15.2 - Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period: 1 April 2018 to 31 March 2019**

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
To conduct a forensic investigation to establish the full facts into the allegations of fraud and corruption in the Department	30.91	30.91	2
Appointment of a service provider to conduct a forensic investigation at the Construction Education and Training Authority (CETA) into alleged abuse of power/authority	61.60	61.60	1
Appointment of a service provider to conduct an urgent forensic investigation into allegations of leaked examination question papers	61.60	61.60	0

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Appointment of a service provider to provide subject content knowledge expertise in mathematics of the National Senior Certificate for Adults Programme (NASCA)	75.00	75.00	0
Appointment of a service provider to provide subject content knowledge expertise in two science subjects of the National Senior Certificate for adults programme	75.00	75.00	0
Appoint a service provider to provide subject content knowledge expertise in the English language subject of the National Senior Certificate for adults programme	75.00	75.00	0

**Table 2.15.3 - Report on consultant appointments using Donor Funds for the period: 1 April 2018 to 31 March 2019**

Project Title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
Appointment of a service provider to develop self-directed learning materials suitable for adult learners for five subjects in the National Senior Certificate for Adults programme	4	469 days	6 042 004.00
Appointment of a service provider to develop curriculum content and open learning materials for the occupational certificate: electrician (QCTO curriculum code 671101000) programme	8	647 days	3 284 904.30
Appointment of a service provider to develop a monitoring framework and monitoring plan for the Teaching and Learning Development Sector Support Programme (TLDSSP) by the Department of Higher Education and Training	6	337.5 days	2 007 480.72
<b>Total Number of Projects</b>	<b>Total individual consultants</b>	<b>Total duration Work days</b>	<b>Total contract value in Rand</b>
<b>3</b>	<b>18</b>	<b>1 453.45</b>	<b>R11 334 389.02</b>

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**Table 2.15.4 - Analysis of consultant appointments using Donor Funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period: 1 April 2018 to 31 March 2019**

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Appointment of a service provider to develop self-directed learning materials suitable for adult learners for five subjects in the National Senior Certificate for Adults programme ( Donor funding)	75.00	75.00	1
Appointment of a service provider to develop curriculum content and open learning materials for the occupational certificate: electrician (QCTO curriculum code 671101000) programme	0.00	0.00	3
Appointment of a service provider to develop a monitoring framework and monitoring plan for the Teaching and Learning Development Sector Support Programme (TLDSPP) by the Department of Higher Education and Training	51.00	51.00	3

## 2.16 SEVERANCE PACKAGES

**Table 2.16.1 - Granting of employee initiated severance packages for the period: 1 April 2018 to 31 March 2019**

None.



# PART E

## Financial Information

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**REPORT OF THE ACCOUNTING OFFICER**  
for the year ended 31 March 2019

## 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 2018/19 financial year, excluding direct charges, which was included in the Estimates of National Expenditure for 2018, increased by 39.6% from R52 307.639 million during 2017/18 to R73 020.643 million during 2018/19. This included R38 559.022 million for HEIs that represented 52.8% of the Department's total budget for 2018/19, compared to 79.8% during 2017/18. An amount of R20 334.391 million represents the second largest portion of the budget for the NSFAS. The Department's allocation increased by an amount of R103.430 million for student housing in the 2018/19 Adjusted Estimates, amounting to a total of R73 124.073 million. This increase was made up as follows:

	R'000	R'000
<b>Student Housing Infrastructure Programme: Higher Education Institutions (Capital transfers)</b>		<b>103 430</b>
Sefako Makgatho Health Science	31 250	
Nelson Mandela University	33 500	
Vaal University of Technology	38 680	
<b>Total increase</b>		<b>103 430</b>

The total expenditure of the Department for the 2018/19 financial year, excluding direct charges, increased by 39.4% from R52 295.860 million during 2017/18 to R72 923.738 million during 2018/19. The amount of R72 923.738 million represents a spending rate of 99.73% (99.98% during 2017/18). The expenditure was made up as follows (in R'000):

	2017/18	2018/19	Increase/ (Decrease)
Compensation of employees	8 268 038	8 753 103	485 065
Departmental operations	319 628	368 329	48 701
Payments for financial assets (Losses)	83	1 393	1 310
Departmental earmarked funds	106 257	127 658	21 401
Subsidies to HEIs	31 580 302	36 896 878	5 316 576
NSFAS	10 143 091	22 096 031	11 952 940
Subsidies to public entities	243 566	251 251	7 685
Subsidies to TVET colleges	1 495 749	4 287 538	2 791 789
Subsidies to CET colleges	103 897	109 923	6 026
Other transfers	35 249	31 634	(3 615)
<b>Total expenditure</b>	<b>52 295 860</b>	<b>72 923 738</b>	<b>20 627 878</b>

The underspending on the Vote for the 2018/19 financial year, excluding direct charges, amounted to R200.335 million (R11.779 million during 2017/18) and was made up as follows (in R'000):

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	<b>2017/18</b>	<b>2018/19</b>
Compensation of employees	5 734	193 011
Departmental operations	5 632	2 378
Payments for financial assets (Losses)	-	5
Departmental earmarked funds	9	-
Subsidies to HEIs	216	3 934
Subsidies to CET colleges	1	1
Other transfers	187	1 006
<b>Total underspending</b>	<b>11 779</b>	<b>200 335</b>

With regard to direct charges, an increase in the projected collection of the skills development levy resulted in an increase of R382.778 million in the allocation for the year under review from R16 929 million to R17 312 million in the Adjusted Estimates for 2018/19. Based on the actual collection of levies, the total expenditure on direct charges during the 2018/19 financial year amounted to R17 479.896 million (R16 293.561 million during 2017/18) and was made up as follows (in R'000):

	<b>2017/18</b>	<b>2018/19</b>
Sector Education and Training Authorities (SETAs)	13 094 581	13 983 917
National Skills Fund	3 198 980	3 495 979
<b>Total expenditure</b>	<b>16 293 561</b>	<b>17 479 896</b>

### Important policy decisions and strategic issues

The new funding scheme for poor and working class students in universities and TVET colleges was announced by the President during December 2017, with implementation commencing immediately during the 2018 academic year. Processes were put in place for implementing the new bursary scheme over the short to medium term until a fully-fledged policy can be developed. The key focus during 2018/19 was the implementation of the new scheme by ensuring close oversight of the processes at the NSFAS to ensure effective implementation of the programme and to develop a new student funding policy to give effect to the Presidential announcement.

Implementation of the scheme during the first year of operation was severely hampered by serious administrative and governance challenges at NSFAS. These challenges included system failures, the lack and poor implementation of processes and policy at the entity, as well as human resource and management challenges. Difficulties were also experienced regarding data exchange and administrative collaboration with public universities, which resulted in serious delays in the confirmation of qualifying students for funding and ensuring that students receive funding on time. These challenges varied between institutions.

NSFAS proved to be a significant source of many problems, in particular regarding data management and controls. These problems were managed through very active engagement by the Department, the provision of support teams to the entity aimed at assisting with urgent matters and ultimately, in the entity being placed under administration during August 2018. There have been significant improvements in the operations at NSFAS since the appointment of the Administrator and improved working relationships between NSFAS and institutions, which resulted in a more successful registration period for the 2019 academic year.



Substantive work was done by the Department to develop a set of Guidelines for the new Bursary Scheme as part of the development of a new student funding policy. These Guidelines were implemented during January 2019. The administrative challenges at NSFAS delayed the development of a full policy. Measures have been put in place in ensuring the required controls at NSFAS towards a more effective policy regime for 2020. The implementation of the Guidelines during the fourth quarter of 2018/19 required daily engagement with NSFAS and institutions to ensure a common understanding of the policy regime and to correct those areas where the Guidelines were incorrectly implemented during 2018. Research will be conducted in areas such as student accommodation, transport and approved qualifications for funding to inform the policy development process for 2020, onwards. A system of standardised student allowances for qualifying bursary recipients was implemented for TVET colleges. The application of the standardised allowances for TVET students marks closer alignment with students receiving allowances in universities.

The fee adjustment grant for university students that was introduced during 2017/18 and offered to students with family incomes of up to R600 000 per annum was continued during 2018/19. A strategic decision was taken to incorporate the fee adjustment grant into the subsidy for universities at the advent of 2019/20. This will allow universities to manage the tuition fee arrangements for the group of students who benefited from the grant during the 2017 and 2018 academic years, until they graduate. It will further stabilise the fee regime over the long-term, while at the same time ensuring that universities are better funded to enable them in keeping their fees affordable for all. Several consultations were held with universities in relation to this, linked to discussions about a common fee increase for the 2019 academic year. A fully developed fee regulation policy framework could not be finalised during 2018 and required a further system-wide agreement on tuition fee and accommodation fee increases for the 2019 academic year. A process has been agreed on and has commenced to allow for a fee regulation policy framework to be developed for the period 2020 to 2022.

In line with a recommendation made by the Ministerial Review Committee on University Funding, the Teaching Development Grant and the Research Development Grant were consolidated to create the University Capacity Development Grant to implement the UCDP. The UCDP was implemented from the start of the 2018 academic year. This programme is focused on transforming teaching, learning, researching and leading within public higher education and is one of the Department's key strategic interventions for strengthening and developing the university education sector over the next ten year period. A number of collaborative programmes were developed and implemented under the umbrella of the UCDP, including the USDP, the Higher Education and Leadership Programme, the Future Professors Programme and the EDHE Programme.

A Framework for Enhancing Academics as University Lecturers was approved during November 2018 and its implementation will enable a focus on strengthening teaching at universities.

In line with a Cabinet decision that the Department coordinate international scholarships partnerships across Government, the Department established an International Scholarships Forum, in which all relevant national and provincial Government departments participate. Under the leadership of the Department the forum developed a set of National Guidelines for Coordination and Implementation of International Scholarships, which will be finalised and tabled before Cabinet for approval.

On 27 February 2019, Cabinet approved the publication of the draft *Central Application Service Bill, 2019*, for the PSET system. This has been Gazetted for public comment. This Bill will pave the way for an Act of Parliament, which will enable the legislative establishment of the PSET Central Application Service (CAS) to guide and direct active and constructive participation of all stakeholders involved in its preparation for the PSET CAS and its eventual operational environment.

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The Department submitted its APP on its education diplomacy engagements. The Department facilitated the Parliamentary ratification of the Addis Convention, a Framework Agreement which provides general guidelines meant to facilitate the implementation of regional cooperation in relation to the recognition of studies, certificates, diplomas, degrees and other academic qualifications in higher education in African States.

Ministerial Guidelines on the NQF were published during May 2018. The NQF Act (Act 67 Of 2018) was amended and an Improvement Plan on the Implementation of the NQF Act was approved.

The Strategic Policy Framework on Disability in the PSET system was approved and published on 6 April 2018. The Department finalised the Policy Framework to address Gender-Based Violence in the PSET system.

A Business Case to determine the feasibility and recommendation of a suitable institutional mechanism for sustainability of the national coordination of CDS in the country was developed in partnership with GTAC. A submission was made to the Minister of Public Service and Administration to officially designate the national coordination of the CDS function within Government.

During 2018/19, the TVET college sector received a dedicated Capital Infrastructure and Efficiency Grant allocation. The first aim of the grant is to address infrastructure maintenance. The Department developed and implemented TVET college infrastructure maintenance training as well as TVET college maintenance plans. These processes are underpinned through the establishment of a National Infrastructure Asset Management System for TVET colleges that will support the maintenance of teaching and learning facilities at all 50 TVET colleges.

To improve student throughput rates in the qualifications offered in TVET colleges, a Pre-vocational Learning Programme was rolled out in 47 TVET colleges to support students with weak learning foundations entering TVET colleges.

During 2018/19, the Department launched the Centres of Specialisation project for 13 priority trades within the TVET college sector. These trades include Electrician, Plumber and Fitter and Turner.

The Draft National Artisan Registration Policy was Gazetted and published on 15 June 2018 for public comment and based on these comments received a broader consultation process is required. This includes a request by industry. Additional consultation is also required with other Government Departments where policy initiatives may be affected. Consequently, work in this regard will continue during the 2019/20 financial year. The National Artisan Development Strategy aims to highlight the priority activities that will have a direct influence on the training of quality artisans. There is a need for the establishment and implementation of a uniform artisan system and processes to accelerate the production of artisans in the country, thereby continuously balancing the supply and demand curve for future artisans.

The proposed landscape for SETAs was Gazetted and published for public comment on 22 August 2018. The SETA landscape review is guided by *Section 9 of the Skills Development Act, 97 of 1998 (as amended)* and will be finalised during the 2019/20 financial year for implementation with effect from 1 April 2021.

The Minister promulgated the NSDP on 7 March 2019. The NSDP seeks to ensure that South Africa has adequate, appropriate and high-quality skills that contribute towards economic growth, employment creation and social development. The NSDP derives from the broader plan of Government, namely the NDP, which aims to put in place a framework whereby the capabilities of citizens of the country will be built to make the country's future work.

In the 2018 MTEF, the CET sector committed to develop certain policies and initiatives. Progress to date is as follows:

- Developing the Norms and Standards for funding CET colleges was developed and will be Gazetted during 2019/20;
- The National Framework for Student Representative Council constitutions in the CET colleges was developed; and
- A robust financial management system for CET colleges so that they comply with the standards set in the PFMA, Act 1999 and its regulations and the lessons learnt during the 2017/18 financial year was developed. The implementation of the system in CET colleges will commence in the 2019/20 financial year.

During 2018/19, various policy decisions and strategic issues unfolded within Corporate Services, including 21 standardised human resources policies for implementation during 2019/20, to ensure standardisation between human resource management procedures across the TVET college sector and the Department. The Department implemented the determination and directive on performance management and development and launched Ethics and Integrity Committees. The SABEN ICT Connectivity project for TVET colleges and the Department was launched during 2018/19 to integrate all 50 TVET colleges on the same network broadband and similar to the SANREN system used by universities. The Department has implemented a business automation system (SmartHet) that includes among others, electronic leave management, invoice tracking, internal submissions and the management of Parliamentary Questions.

The Department of Public Works completed a preliminary feasibility study for the construction of a new Head Office building. Parking for staff has been expanded through a parking management agreement with four property management portfolio managers to cover the most critical staff needs.

The communication strategy and plan were approved during September 2018. Through pro-active media campaigns, the Department managed to maintain consistency in ensuring that the key policy issues feature prominently as leading focus areas, including NSFAS, universities and TVET colleges.

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

The Communications Unit took a lead in the Centenary celebrations for former President Nelson Rolihlahla Mandela and Ms Albertina Sisulu through internal campaigns and outreach events. The Department celebrated the Nelson Mandela day at the Mandela School of Maths and Science in Qunu, the birth place of Mr Mandela. The Department successfully dealt with the increased media focus on institutions of higher learning and the Department which has focussed on the first year of implementing fully subsidised higher education during the 2018 academic year, the launch of Centres of Specialisation and the appointment of an Administrator at NSFAS. The pro-active approach adopted by the Minister, Dr Pandor and the Deputy Minister, Mr Manamela assisted in reducing the scope of negative media coverage. The media coverage of the Department increased significantly from a neutral to more positive reporting since July 2018.

A Fraud and Corruption Prevention Unit was established and two major fraud investigations were conducted. The Labour Relations Unit commenced with the training of officials on investigating, initiating and chairing misconduct cases and the process will continue during the 2019/20 financial year.

The Minister agreed to the interim structure for the Department and Regional Offices and the concurrence of the Minister for Public Service and Administration for the implementation thereof was obtained.

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During the financial year, the Department published the Statistics on Post-School Education and Training in South Africa, 2017, the Post-School Education and Training Monitor: Macro-Indicator Trends report and booklet as well as the report on the Skills Supply and Demand Report in South Africa. A national list of Occupations in High Demand was also Gazetted.

The Department together with its entities (i.e. the 21 SETAs, the three Quality Councils, SAQA and NSFAS) hosted the 2018 Research Colloquium during September 2018. The topic was *“Radically transforming TVET colleges through empirical research”*.

On the international front, support was provided to the Minister and Deputy Minister for working visits to the Netherlands, United States of America, Germany, China, Namibia, Kenya, Tunisia and Zimbabwe. The Department co-hosted the South African Development Annual Joint Meeting of Ministers responsible for Education and Training and Science, Technology and Innovation. The Department hosted the sixth BRICS Senior Officials Meeting and the Ministerial Meeting. The Department participated actively in shaping the outcomes of the various G20 Education Committee meetings and participated in various continental and international workshops hosted by UNESCO, ILO and AU. Various international delegations were hosted by the Department including France, Finland, China, India, Russia and Botswana. Agreements on Higher Education Cooperation were signed with China, Germany, France and Angola. The launch of the Japan International Cooperation Agency Artisan Development Project and the Gandhi Mandela Centre of Specialisation for Artisan Skills represent some of the major projects that were dealt with in the international sphere.

The Minister launched the ‘National Policy for an Integrated Career Development System for South Africa’ at the Annual Career Development Stakeholder Conference that took place on 28 and 29 June 2018. Provincial Career Development Fora were established in North West, Limpopo, Free State, KwaZulu-Natal, Northern Cape, Gauteng and Eastern Cape. 1 300 Occupational videos were uploaded on the National Career Advice Portal. The career counselling service (assessments) was established and assessed by 751 beneficiaries. As an integral portion of Career Development, the Department hosted Mandela Day on 17 July 2018 where 1 000 learners attended career exhibitions. School visits were conducted in the district and 5 000 learners received information on careers.

A TVET Open and e-Learning Teaching and Learning group meeting took place during April 2018 and introductory workshops on Open Learning for TVET college lecturers and university lecturers were conducted during April 2018. Provincial advocacy, communication and capacity-building workshops for college lecturers were conducted from May 2018 to March 2019. An Open Learning Seminar was held at UNISA during October 2018.

The second annual EDHE Lekgotla was successfully convened from 27 to 29 June 2018. The event brought together leaders in EDHE, sharing best practice and fostering collaboration for the benefit of the South African youth and economy. A Colloquium on the Transformation of Higher Education was convened in collaboration with the Transformation Oversight Committee, USAF and the CHE on 5 November 2018.

Universities submitted their assessment instruments according to the Guidelines for Good Governance Practices for Councils of Public Universities. These submissions, together with the Guidelines formed the basis for governance engagements with University Councils and Council Chair Persons, and were discussed in formal induction sessions across universities. The main purpose is to utilise the information as self-assessment measures for university councils to encourage good governance practices across the sector.

During May 2018 the National Institute for Humanities and Social Sciences hosted the BRICS Academic Forum and the BRICS Think Tank in collaboration with the Department. The Department hosted the third BNU conference at Stellenbosch University from 3 to 7 July 2018. The conference culminated in a declaration which commits member states to researching agreed themes and the facilitation of postgraduate programmes, among others. The BNU International Governing Board meeting, which took place on the last day of the conference, was chaired by the Department and consolidated aspects of the declaration into its work plan in preparation for the Brazil meeting scheduled to take place during 2019. The BRICS Ministers of Education meeting was successfully hosted from 9 to 10 July 2018 in Cape Town.

A National Workshop on Enrolment Planning for South African Universities was held on 31 October 2018. The Department followed up with a series of one-on-one meetings with universities during November and December 2018 to engage on the preliminary enrolment plans submitted by universities. The enrolment plan for 2020 to 2025 will be finalised during 2019/20.

During 2018/19, the Department provided administrative and financial support towards student development and capacity building for student leadership at universities. This included support rendered to the SAUS.

A 2000 to 2016 First-Time Entering Undergraduate Cohort Study Report for Public Higher Education Institutions was compiled and approved for publication by the Director-General on 27 March 2019. The report was published on the Department's website and emailed to all universities on 29 March 2019. This is the fourth issue of the cohort studies for the university sector and includes a section on the cumulative national dropout and throughput rates for students who received funding through NSFAS. These studies are being used to inform the UCDP and identify areas for intervention pertaining to student success.

Major projects undertaken or completed with regard to University Education include the following:

- A Ministerial Roundtable on campus safety and security was successfully held on 19 October 2018.
- The historic debt due diligence process for NSFAS-qualifying students registered during 2018 was completed.
- An independent assessment was conducted at the MUT and completed during June 2018.
- A new Board of the CHE was appointed during December 2018.
- Phase 5 of the nGAP, involving the recruitment of 111 new academics, was initiated during March 2019.
- Phase 2 of the USDP, involving a partnership with the British Council and to be implemented through partnerships between South African universities and universities from the United Kingdom, was initiated during March 2019.
- Phase 3 of the USDP, involving a partnership with the South African Technology Network and involving the Universities of Technology, was initiated during March 2019.
- Phase 4 of the USDP, involving a partnership with Higher Education Teaching and Learning South Africa was initiated during March 2019.
- Phase 1 of the Future Professors Programme was initiated during March 2019.
- A collaborative project with the CHE was approved during March 2019. The Integrated Quality Assurance Framework Project aims to develop an integrated quality assurance framework for the South African higher education sector.

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- The MIF was fully implemented and linked to this the infrastructure development support programme was introduced. The programme includes monitoring progress on all university infrastructure funded through the Department by way of monitoring and oversight visits to each institution, as well as a development support programme offered at three levels of intensity, depending on the circumstances at the institution. At the first level advice and information sharing is provided, the second level pro-active support and the third, intensive support.

The number of registered private TVET colleges increased substantially during the 2018/19 period. Rigorous monitoring of registered private colleges resulted in the deregistration status of various colleges due to non-compliance with registration legislation. A forum was established to look into the registration of Skills Development Providers (SDPs) following a call made in Joint Communiqué 1 of 2016: The Registration and Accreditation of Private Education and Training Providers Offering Qualifications and Part-Qualifications on the Occupational Qualifications Sub-Framework for SDPs.

The appointment of new TVET College Councils received priority during the year and a new monitoring framework for TVET colleges was introduced.

Extensive training was rolled out to all 50 TVET colleges during 2018/19 to train and familiarise staff with infrastructure maintenance planning and Departmental approval processes linked to the CIEG.

Research in conjunction with the South African Council for Educators was undertaken towards the development of a continuing professional development programme for TVET lecturers.

The review of Report 191 subjects was undertaken at a significant scale towards making the existing TVET qualifications more relevant and current.

With regards to national examinations and assessment, the development of a new IT examination system is underway, with progress having been made in respect of student management, registration, irregularities, resulting and certification.

The World Skills South Africa national competition was successfully hosted in KwaZulu-Natal, an event leading to the international competition which will be held in Russia from 22 to 27 August 2019. This event is hosted every two years allowing skilled young people from around the world, accompanied by their teachers, coaches and mentors, to compete before the public in the skills of their various trades and to test themselves against stringent international standards.

The development of the National Artisan Moderation Body (NAMB) Automated Artisan Trade Test System is progressing well and it is envisaged that the first run will be done during October 2019. The SITA is developing the system for the Department. The project is expected to be completed on 31 March 2020.

Significant progress has been made in relation to the CET policy decisions. These include the approval of the publication for public comment of draft funding norms by the Minister on 27 March 2019 and the approval and distribution of the Student Representative Council framework to CET colleges.

With regard to the development of a robust financial management system for CET colleges so that they comply with the standard set in the PFMA and its regulations, the SAICA CET Financial Management Support Project is underway. A service provider was appointed through the project during November 2018 to develop a financial management system for CET colleges. The system will be implemented for utilisation by colleges effective from May 2019. During February and March 2019, the Department undertook visits to

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colleges for a readiness assessment to ensure that colleges comply with section 38(1)(j) requirements of the PFMA in preparation for the 2019/20 financial year. The process of the readiness visits was finalised during March 2019. All colleges were able to submit written assurance certificates during March 2019.

In strengthening innovation, the Department conducted visits to pilot centres to assess readiness in offering diversified programmes that will lead to a qualification or part qualification thereof. The outcome of the audit is that the pilot centres still lack some infrastructural facilities such as physical infrastructure and ICT, as well as human resource capacity. The piloting of the CET concept for nine pilot community learning centres continued in collaboration with the ETDP-SETA, DUT and the South African Forum for Community Colleges. The pilot was to undertake research on establishing data and methodologies for the pilot. The outcome of the process, once completed, would result in nine pilot centre business plans for consideration and implementation by the Department. Funding for the process was provided through the ETDP-SETA. Due to delays in the procurement processes in the SETA the nine centre pilot process is expected to be completed during June 2019.

### Spending trends

The under-expenditure of R200.335 million (R11.779 million during 2017/18) on the Department's programmes, measured against the allocations after virement, is as follows, in R'000:

	2017/18		2018/19	
	Under-expenditure	Percentage	Under-expenditure	Percentage
1. Administration	3 346	0.84%	12 098	2.74%
2. Planning, Policy and Strategy	1 323	1.94%	7 853	9.83%
3. University Education	969	0.01%	18 421	0.03%
4. Technical and Vocational Education and Training	616	0.01%	19 033	0.18%
5. Skills Development	833	0.34%	2 914	1.11%
6. Community Education and Training	4 692	0.22%	140 016	5.97%
<b>Total</b>	<b>11 779</b>	<b>0.02%</b>	<b>200 335</b>	<b>0.27%</b>

The under-expenditure did not impact negatively on the Department's programmes and service delivery. Factors that contributed to under-expenditure included unspent funds related to vacant posts in the Department, posts on the staff establishment of the Department that were not filled on time as projected and the concomitant underspending on administrative items, claims for CET remuneration, as well as examiners and moderators in respect of the February/March 2019 examinations not received as projected, the favourable Rand/Euro exchange rate that was applicable when payments were made to the Commonwealth of Learning, as well as unclaimed transfers by universities.

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

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

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## Virement

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

Virement applied from	Virement applied to	Amount
1: Administration	4: Technical and Vocational Education and Training	4 807
3: University Education	4: Technical and Vocational Education and Training	1 820
5: Skills Development	4: Technical and Vocational Education and Training	1 883
6: Community Education and Training	4: Technical and Vocational Education and Training	8 624

The need for the virement to Programme 4: Technical and Vocational Education and Training was mainly required to finance excess expenditure on examination and moderation related costs. Funds that were shifted were mainly realised on vacant posts on the staff establishment that could not be filled as projected and the concomitant savings that resulted from this as well as operational costs for Internal Audit that resulted from the late appointment of co-sourced internal auditors, property management that resulted from outstanding invoices for office accommodation and the CET function.

Treasury approvals on transfer payments were received for the following:

- To shift funds from Compensation of Employees to Transfers and Subsidies: Households for the payment of leave gratuities (Reference number 9/4/5/4/13 dated 11 March 2019 and 28 March 2019);
- To reprioritise unutilised earmarked funds from the fee adjustment grant to off-set the historic debt of university students during 2018 who qualified for NSFAS funding under the previous family income threshold of R122 000 per annum and to fund the NSFAS qualifying students at the full cost of study where this is not the case. (Reference number 9/4/4/4/13 dated 15 March 2019); and
- To shift funds of the earmarked Clinical Training Grant to various universities for the 2018/19 financial year (Reference number 9/4/5/4/13 dated 28 March 2019).

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



## 2. Services rendered by the Department

### 2.1 Services rendered

The Department was in the main responsible for the development and support of a quality higher and vocational education and training sector, as well as to promote access to higher education, vocational education and skills development training opportunities. Revenue collected was for services rendered in respect of TVET college examinations and certificates, the registration of private HEIs as well as trade tests and boarding and rental fees charged by INDLELA. The total revenue collected by the Department for the period under review amounted to R4.313 million (R6.436 million during 2017/18).

### 2.2 Tariff policy

#### National Technical Examinations

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

<b>Examination fees (Fee Category)</b>	<b>Tariff in R</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

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

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

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

### Private Higher Education Institutions

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

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

### Trade test tariffs

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 R378 059 (R615 368 on 31 March 2018).

## 3. Capacity constraints

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

- The limited roll-out of the communication strategy, especially regarding critical policy developments and service delivery achievements across the PSET system.
- The reliance on the appointment of internships, graduates and workplace trainee's across the Department in key service delivery areas and to address large workloads.
- Limitations in the utilisation of remunerated overtime to address staff shortages, capacity constraints as well as compliance related activities such as for security services, human resources management as well as financial management.
- The performance of monitoring and evaluation visits across the PSET system to improve quality education, service delivery, as well as ensuring the implementation of legislative requirements.

Monitoring and evaluation are also key in ensuring that Government allocations are utilised effectively and efficiently to address the objectives thereof.

- Additional capacity is also required in the Department to support the large number of institutions reporting to the Department. Support is required in a variety of areas such as the management of bursary schemes, infrastructure planning and project implementation, as well as governance-related areas.
- Data quality management processes of the Department need to be improved in ensuring reliable information regarding targets that should be met.
- Within the area of national examinations and assessments, limited staff capacity impacts negatively on report writing and the monitoring of the state of readiness for examinations, assessments as well as when it is conducted.

#### 4. Utilisation of donor funds

The Department received new donations totalling R30.650 million in cash from foreign donors during the 2018/19 financial year. Total donations held in the RDP for 2018/19 amounts to R178.784 million. Expenditure of R64.582 million was incurred against funds held in the RDP Fund. The balance of the funds available to the Department in the RDP fund, as at 31 March 2019, was R114.202 million.

Donor funds were mainly used as follows:

##### European Union

- The Teaching and Learning Capacity Improvement Programme was approved and five plans, one for each focus area (TVET; CET; Early Childhood Development; Primary Education; and Special Needs Education) were developed. A number of events, linked to the implementation of the TLDCIP took place during 2018/19. These included training of management, Councils and Student Representative Councils in the nine CET colleges during April and May 2018. The annual national dialogue of the College Lecturer Education project took place during March 2019. 106 Delegates from across the TVET and CET sectors attended, including principals from these colleges. The Primary Teacher Education project held a stakeholders' meeting during March 2019, with the purpose of presenting the language and literacy knowledge and practice standards, as well as the resources and materials developed as part of the project's deliverables.

*Of the total allocation of R200 million, R44.701 million was spent on this project during 2018/19.*

- The CDS 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 Minister launched the National Policy for an Integrated Career Development System for South Africa. The Policy provides an enabling environment for CDS provision to all citizens through policies, guidelines, protocols, mechanisms, structures, shared responsibilities and collaboration. A stakeholder consultative forum which attracted career practitioners, academics, policy makers and researchers working in the CDS sector was held during June 2018. Provincial Career Development Fora were established in North West, Limpopo, Free State, KwaZulu-Natal, Northern Cape, Gauteng and Eastern Cape. A Business Case on the proposed institutional mechanism for CDS was developed. Five companies were appointed to develop videos with information on each of the occupations and the Occupation

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Information Centre. These companies have now concluded the production of these videos. 1 300 Occupational videos were uploaded on the National Career Advice Portal.

*Of the total allocation of R60 million, R3.878 million was spent on this project during 2018/19.*

- The CDS Project - Implementation: Through this project the Department is offering free career information, guidance and advice services on an individual basis by Career Development Practitioners through a multi-service platform including telephone, email, short message services (SMS) or "Please call me", Facebook and a Khetha centre. During 2018/19, career information platforms reached the following beneficiaries: Career Helpline reached 24 983 beneficiaries; Training and Support reached 100 948 beneficiaries; Career Counselling (assessments) reached 751 beneficiaries; Khetha Radio Programme reached 2.9 million listeners in a week; Career Website reached 110 342 sessions, 86 381 users and 425 921 page viewers and National Career Advice Portal reached 57 474 sessions, 45 379 users and 472 619 page viewers. As part of the Career Development Service Advocacy project, Apply Now! booklets and brochures, National Career Advice Portal brochures and other promotional materials were distributed. A Client Relation Management System was updated and maintenance work was done on the career help and information hub platforms during 2018/19.

*Of the total allocation of R99 million, R5.230 million was spent on this project during 2018/19.*

- The National Open Learning System for PSET Project was approved on 7 April 2016 for an amount of R51.860 million. The outcomes of the project are: 1) Piloting an open learning system and the development of open learning materials for one skills programme; four subjects for the NASCA; two NC(V) subjects; and a Career Development Practitioner's programme; 2) Developing case studies on the application of open learning; and 3) promoting Open Educational Resources. To date much attention has been given to advocate and communicate open learning to PSET institutions. The National Open Learning System has been conceptualised and once it is operational, online learners will be able to undertake online self-assessments and receive achievement badges for the successful completion of modules courses. The National Open Learning System will support the process of connecting learners to registered institutions, colleges and universities, enabling them to migrate to formal assessments, and to continue their studies where possible in the formal system. During 2018/19, learning and teaching support materials were developed for priority programmes of the Department. These programmes are: Occupational Certificate for Electricians; five subjects of the NASCA and two subjects of the National Vocational Certificate programme. SITA was appointed to develop the National Open Learning System during August 2018. The University of Cape Town's Centre for Innovative Learning and Teaching was appointed to manage the project Build Capacity in Young Researchers to conduct 16 Case Studies in Open Learning Initiatives in South Africa and Africa, and to publish the studies.

*A total amount of R6.487 million was spent on this project during the 2018/19 financial year.*

- General Budget Support Programme – NAMB Automated Artisan Trade Test System – SITA was appointed to develop the NAMB Automated Artisan Trade Test System for the Department. Work commenced during 2018/19 and the project is progressing well.

*Of the total allocation of R48.530 million, R0.617 million was spent on this project during 2018/19.*

## USAID

- The Department received funding for the development of an updated solar energy resource map and database.

*A total amount of R3.669 million was spent on this project during the 2018/19 financial year.*

## 5. Public entities

As at 31 March 2019, 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 CHE also has the mandate to audit HEIs, accredit programmes offered, develop a higher education qualifications framework and set standards.

An amount of R50.727 million was transferred to the CHE during the 2018/19 financial year.

During 2018/19 the following strategic objectives were executed by the CHE:

- The methodology to assess HEIs QA systems was developed.
- Quality assurance systems for Boston College, City Campus and Vaal University of Technology were assessed/audited.
- New programmes submitted were accredited.
- Programmes submitted were re-accredited.
- Institutional capacity to offer accredited programmes were verified by means of site visits to institutions.
- A framework and process for programme accreditation were revised.
- Phase 2 of the QEP was implemented and the Phase 2 institutional submissions analysis report was approved.
- One HEQSF policy was developed.
- HEQSF Information Management – data on HEQCIS was collected and uploaded to NLRD during the second and third quarters.
- One qualification standard was developed.
- Phases of the two National Reviews planned were managed throughout the 2018/19 financial year. One LLB National Report was completed and the Final National Review Manual and Self-Evaluation Report for the Doctoral Qualifications was approved.
- Monitoring information on key trends and developments in higher education was collated and disseminated through the VitalStats 2017 publication.
- Pro-active and responsive research-based recommendations and advice on issues of national importance to the higher education sector were submitted to the Minister namely (i) Advice on the Recognition of Prior Learning, (ii) Advice on the NQF Amendment Bill and (iii) Advice was requested and provided on the wording of the LLB in the Legal Practices Act.

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- Allocated phases for the completion of the Integrated Online ICT System were completed. The HEQC online system was upgraded and Office 365 was implemented to enhance integration.
- Two policies on administrative matters were developed and approved, one framework was reviewed and approved, and four policies were reviewed and approved to ensure governance and compliance of ICT with statutory requirements.
- Forty staff training interventions were offered to staff members during the 2018/19 financial year.
- Twenty-three Corporate Governance meetings were held during the 2018/19 financial year as planned.
- Eight international partnerships and cooperation activities or events were held during the 2018/19 financial year namely, meeting with the delegation from China, CEO's trip to Canada, the Director: Programme Accreditation's trip to Mauritius, host delegation from the Ministry of Tertiary Education, Research, Science and Technology in Botswana, delegation from the Commission on University Education in Kenya, the Minister of Higher Education from Somalia, the delegation from Zambia; and the Officials from Mauritius.
- To keep abreast of QA trends – the CHE organised the 2019 Quality Promotion Conference attended by delegates from 8 countries. The Director: National Standards and Reviews participated in the HAQAA Final Conference held in Dakar, Senegal.
- To conduct benchmarking exercises of key CHE processes – The CHE produced one benchmarking report titled 'International Collaborative Degree Programmes: Regulation, Management and Quality Assurance'.

## 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 R22 096.031 million was transferred to NSFAS during 2018/19.

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

Due to various operational challenges within the entity, NSFAS was placed under Administration. This was gazetted on 21 August 2018. The work of the Administrator focuses among other on the following:

- Ensure the effective close out of the 2017 and 2018 student funding cycles.
- Oversee the opening of the 2019 online application process, developing a realistec plan for the 2019 funding cycle and put in place the necessary management and governance controls to ensure that all risks of the 2019 student funding cycle are appropriately managed.
- Oversee all necessary forensic and other investigations necessary for the effective operation and management of the entity.

### 5.3 South African Qualifications Authority (SAQA)

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

The Department transferred an amount of R66.719 million to SAQA during the 2018/19 financial year.

During the 2018/19 financial year SAQA dealt with the following:

- Monitored and overseed the implementation of the NQF Implementation Framework 2015-2020 and the Ministerial Guidelines through the work of the CEO Committee.
- Hosted the NQF Stakeholder Workshop on behalf of the Minister.
- Provided secretariat functions for two NQF Forums.
- Provided advice on the TVET landscape to the Minister.
- Commented on 5 draft policies / legislation.
- Contributed to the improvement plan.
- Amended the Policy on Evaluating Foreign Qualifications by publishing an Addendum on the Recognition of Qualifications of Refugees and Asylum Seekers; and aligning our RPL policy to ensure alignment with the Minister's policy.
- Work was done on simplifying the NQF through the alignment of non-aligned qualifications. There are about 8 000 non-aligned qualifications that SAQA is working with.
- The SAQA Board approved the re-registration of all qualifications and part-qualifications on the NQF, provided that they met the criteria.
- Registered 358 qualifications on the NQF and six new professional designations on the NLRD.
- Monitored 24 professional bodies for compliance to SAQA's policy and criteria. 17 Professional bodies were re-recognised.
- Added 5 771 201 learner achievements to the NLRD.
- Verified 63 634 national qualifications and recognised 23 055 foreign qualifications.
- Identified and reported on 1 745 misrepresented qualifications.
- Produced and disseminated one SAQA bulletin with a focus on articulation.
- Hosted several workshops for stakeholders on articulation.
- SAQA responded to 103 240 queries from the public.

### 5.4 The National Skills Fund (NSF)

The National Skills Fund was established during 1999 in terms of section 27 of the Skills Development Act, 1998 (Act No. 97 of 1998). The main revenue sources for the National Skills Fund consist of 20 percent of the skills development levies contemplated in the Skills Development Levies Act, 1999 as collected by the South African Revenue Service; interest earned on investments held at the Public Investment Corporation; and uncommitted surpluses from the SETAs that have been transferred to the NSF in terms

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of SETA grant regulations. The money in the fund may be used for the primary objectives defined by the Skills Development Act, namely to fund projects identified in the NSDS as national priorities; to fund projects related to the achievement of the purposes of the Skills Development Act as the Director-General determines and to administer the Fund within the prescribed limit. Regulations to prescribe the limit for the administration of the Fund at 10% of revenue was published in Government Gazette No. 33740 dated 8 November 2010.

The Department transferred an amount of R3 495.979 million from direct charges to the NSF during 2018/19.

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

During 2018/19, 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 targets, which are calculated in annual terms.

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

The Department transferred an amount of R13 983.917 million from direct charges to SETAs during the 2018/19 financial year.

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 2018/19 financial year:

- Total workers entered: Learnerships, Bursaries and Skills Programmes - (142 730) workers funded.
- Total workers completed: Learnerships, Bursaries and Skills Programmes - (122 032) workers funded.
- Total unemployed entered: Learnerships, Bursaries, Internships, Skills Programmes and Artisans - (180 921) learners funded.
- Total unemployed completed: Learnerships, Bursaries, Internships, Skills Programmes and Artisans - (111 275) learners funded.
- TVET partnerships, university partnerships and employer partnerships conducted (3 240).
- Co-operatives and small businesses supported (6 066).
- NGOs, NLPEs and CBOs supported and career guidance provided (2 996).



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

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

The Department transferred an amount of R27.380 million to the QCTO during the 2018/19 financial year.

The major achievements of QCTO for the 2018/19 financial year are detailed below:

- Approved 126 prioritised occupational qualifications for recommendation to SAQA for registration. This translates into 49 full qualifications and 77 part qualifications that were approved by the QCTO and recommended to SAQA for registration. SAQA registered 86 of these occupational qualifications by the end of 2018/19. This brings the overall number of registered occupational qualifications on the OQSF to 303.
- 186 Historically registered qualifications were identified to be replaced.
- 324 SDPs were accredited to offer occupational qualifications. As from 1 July 2018, the QCTO has also accredited 91 SDPs for historically registered qualifications in collaboration with the SETAs.
- During the 2018/19 reporting period the QCTO continued to apply its full quality assurance for the new occupational qualifications. 16 Final external integrated summative assessments were quality assured in 10 different occupational qualifications.
- As at the end of the 2018/19 reporting period there are a total number of 40 approved Assessment Quality Partners to develop assessments for registered occupational qualifications.
- 173 Assessment centres were accredited during this period for occupational qualifications which include the new trade occupational qualifications. The Certification Unit processed and issued 100% (19 972 records) of the certification recommendations for trade certificates within a 21 working day turnaround time. 725 Occupational certificate applications approved were issued within the 21 working day turnaround time.
- 10 944 Requests for verification of trade certificates were processed.
- The Quality Assurance Partners, which include the 21 SETAs and nine professional bodies, were monitored on a quarterly basis. During this period, 191 SDPs accredited for occupational qualifications with learner uptake were monitored by the QCTO.
- The development of a Management Information System commenced in earnest with Phase 1 being tested as well as the development of the Occupational Qualifications Learner Management System.

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## 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 efficiently and effectively perform their core functions of lecturing and research. This is linked to the broader policy goals and objectives outlined in the National Plan for Higher Education, 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 R36 896.878 million was transferred to HEIs during the 2018/19 financial year.

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

An amount of R17.949 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. The period under review marked the first time that an Infrastructure Grant was appropriated for the sector. For 2018/19, the grant focussed on infrastructure maintenance. A total amount of R4 287.538 million (including R1.3 billion for infrastructure) 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 R109.923 million was transferred for this purpose.

### 6.5 Other transfers

- **Commonwealth of Learning**

An amount of R2.770 million was transferred to the Commonwealth of Learning, being the membership fee for South Africa.

- **HEAIDS**

An amount of R17.919 million was transferred to HEAIDS for the Higher Education HIV and Aids programme.

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

An amount of R106.425 million was transferred to the Public Service Sector Education and Training Authority for Skills Development in the public sector.

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

An amount of R38.837 million was transferred to the National Institute for Humanities and Social Sciences to advance and coordinate scholarship, research and ethical practice in the fields of the Humanities and the Social Sciences within and through the existing public universities.

**6.6 Conditional grants to Provincial Education Departments (PEDs)**

None.

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

None.

**8. Corporate Governance Arrangements**

**8.1 The Department's Risk Assessment and Fraud Prevention Plan**

**8.1.1 Risk Management**

As required by the PFMA, the Department implemented an approved Risk Management Policy that is supported by the Risk Management Strategy. Both the Risk Management Policy and the Strategy are in line with the Public Sector Risk Management Framework that is regarded as a guideline for effective implementation of the Risk Management processes. The Risk Management Policy and its Strategy are reviewed regularly to ensure applicability and relevance. The reviewed Policy and the Strategy was approved by the Accounting Officer of the Department.

The Department conducts risk assessments (both strategic and operational assessments) regularly to identify new and emerging risks that might impact negatively on the service delivery capacity and realisation of the set objectives. These risks are monitored regularly to ensure effective implementation of the risk mitigation strategies.

The Department has a fully functioning Risk Management Committee, which assists the Accounting Officer in performing an oversight role over Risk Management. Through this Committee, the Department is gradually embedding management of risks into critical processes and day-to-day activities. As part of risk embedding, the Department incorporated management of risks into the Performance Agreements of Senior Management and their performance on risk management is monitored through the PMDS.

**8.1.2 Fraud and Corruption**

The Department implements the Fraud Prevention Strategy as well as the Whistle-Blowing Policy to encourage the culture where all employees and stakeholders conduct themselves ethically and promote integrity in their dealings with, or on behalf of the Department. Implementation of the Fraud Prevention Strategy and Whistle-Blowing Policy also assists in strengthening participation by members of the public in the fight against fraud and corruption within the Department and its institutions.

The Department has recently established a dedicated unit for Fraud Prevention. This unit coordinates effective implementation of the Fraud Prevention Strategy and Whistle-Blowing Policy across the Department. Through this unit, education and awareness campaigns are continuously held to encourage

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an ethical behaviour and zero tolerance to fraud and corruption. The national anti- corruption hotline number was also communicated to encourage anonymous reporting. All the reported allegations of fraud and corruption are continuously being investigated by the unit and disciplinary actions are effected where necessary.

### 8.1.3 Ethics and Integrity Management

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

## 8.2 Internal Audit Unit

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

The Internal Audit Unit operates with skilled personnel and functions as required by the PFMA and Treasury Regulations. A risk based audit plan was developed 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 utilise 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 as well as the code of Business Conduct of the Department. The Audit Committee function 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 also 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 as directed on an annual basis. Furthermore, all employees of the Department are compelled to request permission from the Director-General before they do any work outside the Department that generates additional personal remuneration.

## 8.5 Implementation of a Code of Conduct

The Code of Conduct for Public Servants, developed by the Public Service Commission to promote a high standard of professional ethics in the public service, was implemented in the Department and managers

ensure that all staff members adhere to it. The Departmental code of conduct is fully in line with that adopted for the Public Service. Where there is a breach of the code of conduct, the matter is investigated and disciplinary action is taken if necessary.

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

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

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

## 8.7 Other governance structures

### ▪ Bid Committees

#### - Bid Specification Committee (BSC)

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

#### - Bid Evaluation Committee (BEC)

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

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

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

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

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

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

- Information Technology Steering Committee (ITSC)

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

## 9. Discontinued Activities/Activities to be Discontinued

None.

## 10. New/Proposed Activities

None.

## 11. Asset Management

All assets have been managed by the Department in line with the PFMA, minimum requirements and financial guidelines from the National Treasury.

All assets, including those newly acquired, are currently reflected on the Department's asset register, which comply with the minimum requirements.

A reconciliation is performed on a monthly basis between the asset register and the basic accounting system to address any discrepancies as the assets on the asset register are recorded according to component accounting, while the recording of payments for assets on the financial system is treated as a unit.

## 12. Events after the reporting date

None.

## 13. Information on predetermined objectives

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

## 14. Standing Committee on Public Accounts (SCOPA) resolutions

None.

## 15. Prior modifications to audit reports

None.

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

None.

## 17. Interim Financial Statements

Interim Financial Statements were compiled according to the guidelines issued by National Treasury and submitted to National Treasury during the 2018/19 financial year.

## 18. Other

None.

## 19. Approval

The Annual Financial Statements, set out on pages 183 to 272, were approved by the Accounting Officer.



**Mr GF Qonde**  
Director-General  
Date: 31 May 2019

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We are pleased to present our report for the financial year ended 31 March 2019.

### **Audit Committee Responsibility**

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

### **The Effectiveness of Internal Control**

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

Although there was an improvement in the effectiveness of control in certain areas, several instances of non-compliance were still reported by both Internal Audit and the AGSA. Some of the agreed actions were still not sufficient in addressing the previously reported internal control deficiencies. Action plans were not effectively implemented, nor on a timely basis during the year, as recurring findings were identified. The Audit Committee will continue to monitor progress against the corrective action plans implemented by management.

There was little improvement in addressing audit findings pertaining to the information technology environment and areas of concern still remain with the following areas: governance, risk assessment, security management, user access management, program change management and business continuity, which all may have a direct impact on the business operations of the Department.

Difficulty with the reliability of information originating from the NSFAS has resulted in findings on the performance information of three programmes in the Department. Additional findings on control deficiencies in the CET branch will be monitored.

### **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.

In some instances further improvement are still required pertaining to external evidence regarding performance information for Programmes 3, 4 and 6 in effect to ensure that reports are fully supported by accurate, valid and complete evidence. The quality of data received from The NSFAS continues to be an area of 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 Department's compliance with legal and regulatory provisions;
- Reviewed significant adjustments resulting from the audit; and
- Reviewed information on predetermined objectives to be included in the 2018/19 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. There were no material adjustments to the financial statements submitted to the AGSA as a result of the audit, an indication of the good quality of the financial statements.

### **Internal Audit**

The Audit Committee is satisfied that the internal audit function is operating effectively and that it has addressed the pertinent risks to the Department identified during its audits. Additional capacity has been secured for Internal Audit and staff were able to complete the audits in terms of the approved coverage plan by the Audit Committee. The AGSA placed reliance on the work of internal audit in certain areas.

### **Risk Management**

A Risk Management Strategy as well as a Risk Management Committee is in place. Risk management is not effectively applied throughout the Department, mainly as a result of a lack of adequate monitoring of risks within the Department and the late finalisation of the risk register.

### **Auditor-General South Africa**

The Audit Committee has met with the AGSA to ensure that there are no unresolved issues. The Audit Committee wishes to express its appreciation to the Office of the Auditor-General for its contribution to governance in the Department.

### **Conclusion**

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



**Prof D.P. van der Nest**  
**Chairperson of the Audit Committee**  
**Department of Higher Education and Training**  
**Date: 31 July 2019**

## Report of the auditor-general to Parliament on vote no. 15: Department of Higher Education and Training

### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the Department of Higher Education and Training (DHET) set out on pages 183 to 247, which comprise the appropriation statement, the statement of financial position as at 31 March 2019, 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 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 2019, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard prescribed by the National Treasury (MCS) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

#### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the department in accordance with section 290 and 291 of the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code), parts 1 and 3 of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) 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.

#### Responsibilities of accounting officer for the financial statements

6. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with MCS and the requirements of the PFMA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the accounting officer is responsible for assessing the DHET's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

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

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

### **Introduction and scope**

10. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report 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.
11. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures 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.
12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2019:

<b>Programmes</b>	<b>Pages in the annual performance report</b>
Programme 3 – university education	65-69 and 70-74
Programme 4 – technical and vocational education and training	76-81 and 82-84
Programme 5 – skills development	86-87 and 89
Programme 6 – community education training	91-92 and 93

13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

14. The material findings in respect of the usefulness and reliability of the selected programmes are as follows:

### **Programme 03 – university education**

*Eligible university students obtaining financial aid (National student financial aid scheme)*

15. The systems and processes that enable reliable reporting of achievement against the indicator were not adequately designed as the indicator description did not specify an adequate source or an adequate collection of data and how the indicator will be calculated. As a result, I was unable to obtain sufficient appropriate audit evidence for the reported achievement of 260 002. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievement of 260 002 for eligible university students obtaining financial aid as reported in the annual performance report.

### **Programme 04 – technical and vocational education and training**

*Qualifying TVET students obtaining national student financial aid scheme financial assistance*

16. The systems and processes that enable reliable reporting of achievement against the indicator were not adequately designed as the indicator description did not specify an adequate source or an adequate collection of data and how the indicator will be calculated. As a result, I was unable to obtain sufficient appropriate audit evidence for the reported achievement of 200 339. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievement of 200 339 for qualifying TVET students obtaining financial assistance as reported in the annual performance report.

### **Programme 06 – community education training**

*Headcount enrolment in community education and training colleges*

17. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the target of 193 185. I was unable to confirm the reported achievement by alternative means as it was impractical to do so. Consequently, I was unable to determine whether any adjustments were required to the achievement of 193 185 as reported in the annual performance report.

### **Other matters**

18. I draw attention to the matters below.

### **Achievement of planned targets**

19. Refer to the annual performance report on pages 65-69; 70-74; 76-81; 82-84; 86-87; 89; 91-92; and 93 for information on the achievement of planned targets for the year and explanations provided for the under-/over-achievement of a significant number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 15 to 19 of this report.

### **Adjustment of material misstatements**

20. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of programme 3 – university education; programme 4 – technical and vocational educational training; programme 5 – skill development and programme 6 – community education and training. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

## **Report on the audit of compliance with legislation**

### **Introduction and scope**

21. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the department with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
22. The material finding on compliance with a specific matter in key legislation is as follows:

### **Expenditure management**

23. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R16,7 million as disclosed in note 26 to the annual financial statements, as required by section 38(1) (c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the fruitless and wasteful expenditure was caused by payments made to Continuing Education and Training (CET) employees without proper approval.

## **Other information**

24. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
25. 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.
26. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
27. If based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

## Internal control deficiencies

28. I considered internal controls relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
29. Significant internal control deficiencies were identified with regards to payment of shift allowances to CET employees, as an employee was able to circumvent the controls in place and make fraudulent payments. Controls within the department only detected such instances and did not prevent.
30. The department did not have an adequate record management system to ensure that complete, relevant and accurate information is accessible and readily available to support the achievements reported on the annual performance report.
31. Management did not perform adequate reviews on the annual performance report submitted for auditing. This led to various misstatements identified on the performance indicators resulting in material findings being reported on performance information.

*Auditor-General*

Pretoria

31 July 2019



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure – Auditor-general's responsibility for the audit

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

### Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
  - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
  - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the DHET'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 this auditor's report. However, future events or conditions may cause a department to cease continuing 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

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

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
 VOTE 15  
**APPROPRIATION STATEMENT**  
 for the year ended 31 March 2019

Voted funds and Direct charges	Appropriation per programme										2017/18	
	2018/19										Final Appropriation	Actual Expenditure
	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		R'000	
<b>Programme</b>												
1. Administration	446 587	-	(4 807)	441 780	429 682	12 098	97.3%	396 458	393 112			
2. Planning, Policy and Strategy	79 904	-	-	79 904	72 051	7 853	90.2%	68 298	66 975			
3. University Education	59 250 157	-	(1 820)	59 248 337	59 229 916	18 421	100.0%	41 930 061	41 929 092			
4. Technical and Vocational Education and Training	10 727 339	-	17 134	10 744 473	10 725 440	19 033	99.8%	7 521 636	7 521 020			
5. Skills Development	264 489	-	(1 883)	262 606	259 692	2 914	98.9%	243 341	242 508			
6. Community Education and Training	2 355 597	-	(8 624)	2 346 973	2 206 957	140 016	94.0%	2 147 845	2 143 153			
<b>Programme sub total</b>	<b>73 124 073</b>	<b>-</b>	<b>-</b>	<b>73 124 073</b>	<b>72 923 738</b>	<b>200 335</b>	<b>99.7%</b>	<b>52 307 639</b>	<b>52 295 860</b>			
<b>Statutory Appropriation</b>	<b>17 479 896</b>	<b>-</b>	<b>-</b>	<b>17 479 896</b>	<b>17 479 896</b>	<b>-</b>	<b>100.0%</b>	<b>16 293 801</b>	<b>16 293 561</b>			
Skills Levy and Sector Education and Training Authorities	17 479 896	-	-	17 479 896	17 479 896	-	100.0%	16 293 801	16 293 561			
<b>TOTAL</b>	<b>90 603 969</b>	<b>-</b>	<b>-</b>	<b>90 603 969</b>	<b>90 403 634</b>	<b>200 335</b>	<b>99.8%</b>	<b>68 601 440</b>	<b>68 589 421</b>			
<b>Reconciliation with Statement of Financial Performance</b>												
<b>Add:</b>												
Departmental receipts				27 674				29 663				
Aid assistance				108 072				73 650				
				<b>90 739 715</b>				<b>68 704 753</b>				
				64 582							85 921	
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>				<b>90 739 715</b>				<b>68 704 753</b>			<b>68 675 342</b>	
<b>Add:</b> Aid assistance												
<b>Actual amounts per Statement of Financial Performance (Total Expenditure)</b>				<b>90 468 216</b>							<b>68 675 342</b>	



DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 15

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2019

	Appropriation per economic classification									
	2018/19					2017/18				
	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>9 380 199</b>	<b>(6 408)</b>	<b>70</b>	<b>9 373 861</b>	<b>9 180 312</b>	<b>193 549</b>	<b>97.9%</b>	<b>8 660 843</b>	<b>8 651 940</b>	
Compensation of employees	8 952 264	(6 150)	-	8 946 114	8 753 103	193 011	97.8%	8 273 772	8 268 038	
Salaries and wages	7 866 554	111 585	-	7 978 139	7 793 413	184 726	97.7%	7 275 534	7 270 927	
Social contributions	1 085 710	(117 735)	-	967 975	959 690	8 285	99.1%	998 238	997 111	
Goods and services	427 935	(258)	70	427 747	427 209	538	99.9%	387 071	383 902	
Administrative fees	1 087	16	-	1 103	1 104	(1)	100.1%	1 088	1 094	
Advertising	2 155	(318)	-	1 837	1 834	3	99.8%	2 915	2 813	
Minor assets	2 698	(467)	-	2 231	2 218	13	99.4%	2 162	2 065	
Audit costs: External	16 804	(3 654)	(2 537)	10 613	10 612	1	100.0%	12 385	12 384	
Bursaries: Employees	864	(441)	-	423	423	-	100.0%	288	288	
Catering: Departmental activities	6 427	(766)	-	5 661	5 642	19	99.7%	5 208	5 137	
Communication (G&S)	12 495	(3 560)	(113)	8 822	8 785	37	99.6%	8 792	8 686	
Computer services	47 934	13 986	16 347	78 267	78 241	26	100.0%	54 376	54 365	
Consultants: Business and advisory services	21 882	(7 870)	(3 090)	10 922	10 920	2	100.0%	12 293	11 598	
Legal services	5 555	(576)	-	4 979	4 979	-	100.0%	7 644	7 642	
Contractors	149	81	-	230	227	3	98.7%	59	57	
Agency and support / outsourced services	3 147	522	-	3 669	3 668	1	100.0%	2 608	2 607	
Entertainment	113	(85)	-	28	16	12	57.1%	36	35	
Fleet services (including government motor transport)	2 005	1 032	-	3 037	3 037	-	100.0%	1 730	1 726	
Inventory: Clothing material and accessories	510	(89)	-	421	421	-	100.0%	194	-	
Inventory: Fuel, oil and gas	210	(138)	-	72	72	-	100.0%	150	150	
Inventory: Material and supplies	3 749	(1)	-	3 748	3 745	3	99.9%	2 711	2 706	
Consumable supplies	5 049	(1 180)	(1 017)	2 852	2 823	29	99.0%	2 473	2 641	
Consumable: Stationery, printing and office supplies	49 402	(15 734)	(74)	33 594	33 530	64	99.8%	46 805	46 032	
Operating leases	59 516	8 108	(22)	67 602	67 587	15	100.0%	55 997	55 948	

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 15  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2019

Appropriation per economic classification									
2018/19									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Property payments	26 532	(3 068)	(1 717)	21 747	21 748	(1)	100.0%	24 471	24 449
Transport provided: Departmental activity	4 615	1 081	-	5 696	5 689	7	99.9%	7 047	7 004
Travel and subsistence	90 743	35 396	(7 291)	118 848	118 615	233	99.8%	81 424	80 492
Training and development	4 112	806	-	4 918	4 918	-	100.0%	2 718	2 710
Operating payments	15 674	(1 615)	(416)	13 643	13 577	66	99.5%	13 529	13 323
Venues and facilities	41 940	(19 307)	-	22 633	22 628	5	100.0%	37 752	37 740
Rental and hiring	2 568	(2 417)	-	151	150	1	99.3%	216	210
<b>Transfers and subsidies</b>	<b>81 208 548</b>	<b>6 300</b>	-	<b>81 214 848</b>	<b>81 209 907</b>	<b>4 941</b>	<b>100.0%</b>	<b>59 930 963</b>	<b>59 930 309</b>
Departmental agencies and accounts	38 083 487	1 761 790	-	39 845 277	39 845 557	(280)	100.0%	26 695 799	26 695 546
Departmental agencies (non-business entities)	38 083 487	1 761 790	-	39 845 277	39 845 557	(280)	100.0%	26 695 799	26 695 546
Higher education institutions	38 662 452	(1 761 640)	-	36 900 812	36 896 878	3 934	100.0%	31 580 518	31 580 302
Foreign governments and international organisations	3 691	-	-	3 691	2 770	921	75.0%	3 489	3 306
Non-profit institutions	4 454 218	-	-	4 454 218	4 454 217	1	100.0%	1 634 551	1 634 550
Households	4 700	6 150	-	10 850	10 485	365	96.6%	16 606	16 605
Social benefits	4 332	5 986	-	10 318	9 952	366	96.5%	16 606	16 605
Other transfers to households	368	164	-	532	533	(1)	100.2%	-	-
<b>Payments for capital assets</b>	<b>13 862</b>	<b>70</b>	<b>(70)</b>	<b>13 862</b>	<b>12 022</b>	<b>1 840</b>	<b>86.7%</b>	<b>9 551</b>	<b>7 079</b>
Building and other fixed structures	1 400	804	-	2 204	2 204	-	100.0%	-	-
Buildings	1 400	804	-	2 204	2 204	-	100.0%	-	-
Machinery and equipment	12 278	(1 549)	(70)	10 659	8 818	1 841	82.7%	8 130	7 059
Transport equipment	1 966	260	(87)	2 139	1 642	497	76.8%	313	313
Other machinery and equipment	10 312	(1 809)	17	8 520	7 176	1 344	84.2%	7 817	6 746
Software and other intangible assets	184	815	-	999	1 000	(1)	100.1%	1 421	20
<b>Payments for financial assets</b>	<b>1 360</b>	<b>38</b>	-	<b>1 398</b>	<b>1 393</b>	<b>5</b>	<b>99.6%</b>	<b>83</b>	<b>93</b>
<b>Total</b>	<b>90 603 969</b>	<b>-</b>	<b>-</b>	<b>90 603 969</b>	<b>90 403 634</b>	<b>200 335</b>	<b>99.8%</b>	<b>68 601 440</b>	<b>68 589 421</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 15

APPROPRIATION STATEMENT

Detail per programme 1 - Administration  
for the year ended 31 March 2019

Details per sub-programme	2018/19						2017/18		
	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	55 140	4 582	-	59 722	57 394	2 328	96.1%	39 308	39 060
2. Department Management	53 337	(898)	-	52 439	45 770	6 669	87.3%	45 042	44 665
3. Corporate Services	164 565	3 679	-	168 244	167 027	1 217	99.3%	155 165	153 514
4. Office of the Chief Financial Officer	88 496	(6 085)	-	82 411	81 042	1 369	98.3%	75 685	75 377
5. Internal Audit	11 172	(20)	(3 090)	8 062	7 547	515	93.6%	9 896	9 143
6. Office Accommodation	73 877	(1 258)	(1 717)	70 902	70 902	-	100.0%	71 362	71 353
<b>Total</b>	<b>446 587</b>	<b>-</b>	<b>(4 807)</b>	<b>441 780</b>	<b>429 682</b>	<b>12 098</b>	<b>97.3%</b>	<b>396 458</b>	<b>393 112</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 15

APPROPRIATION STATEMENT

Detail per programme 1 - Administration  
for the year ended 31 March 2019

	2018/19						2017/18		
	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 1 per economic classification</b>									
<b>Economic classification</b>									
<b>Current payments</b>	<b>440 418</b>	<b>(454)</b>	<b>(4 807)</b>	<b>435 157</b>	<b>424 736</b>	<b>10 421</b>	<b>97.6%</b>	<b>391 845</b>	<b>390 068</b>
Compensation of employees	247 728	(562)	-	247 166	236 926	10 240	95.9%	213 783	212 930
Salaries and wages	219 558	(594)	-	218 964	209 635	9 329	95.7%	189 168	188 491
Social contributions	28 170	32	-	28 202	27 291	911	96.8%	24 615	24 439
Goods and services	192 690	108	(4 807)	187 991	187 810	181	99.9%	178 062	177 138
Administrative fees	1 068	10	-	1 078	1 079	(1)	100.1%	1 057	1 065
Advertising	1 304	45	-	1 349	1 348	1	99.9%	2 112	2 110
Minor assets	729	195	-	924	915	9	99.0%	1 082	1 073
Audit costs: External	13 604	(3 654)	-	9 950	9 950	-	100.0%	12 385	12 384
Bursaries: Employees	367	56	-	423	423	-	100.0%	288	288
Catering: Departmental activities	1 678	164	-	1 842	1 838	4	99.8%	210	209
Communication (G&S)	4 976	(1 082)	-	3 894	3 880	14	99.6%	4 825	4 801
Computer services	22 418	8 663	-	31 081	31 077	4	100.0%	31 333	31 333
Consultants: Business and advisory services	19 160	(8 896)	(3 090)	7 174	7 173	1	100.0%	8 823	8 133
Legal services	793	256	-	1 049	1 048	1	99.9%	226	226
Contractors	96	(79)	-	17	16	1	94.1%	53	51
Agency and support / outsourced services	3 147	522	-	3 669	3 668	1	100.0%	2 595	2 594
Entertainment	113	(85)	-	28	16	12	57.1%	36	35
Fleet services (including government motor transport)	1 204	1 476	-	2 680	2 680	-	100.0%	1 522	1 521
Inventory: Clothing material and accessories	60	(60)	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	10	(10)	-	-	-	-	-	-	-
Inventory: Materials and supplies	101	(73)	-	28	25	3	89.3%	68	66
Consumable supplies	1 647	(460)	-	1 187	1 178	9	99.2%	951	948
Consumable: Stationery, printing and office supplies	6 444	(1 500)	-	4 944	4 920	24	99.5%	5 512	5 443

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
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APPROPRIATION STATEMENT

Detail per programme 1 - Administration  
for the year ended 31 March 2019

	2018/19						2017/18		
	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>Programme 1 per economic classification</b>									
Operating leases	54 176	3 450	-	57 626	57 615	11	100.0%	52 543	52 527
Property payments	22 861	(5 607)	(1 717)	15 537	15 537	-	100.0%	22 076	22 072
Transport provided: Departmental activity	2 916	283	-	3 199	3 198	1	100.0%	2 731	2 718
Travel and subsistence	16 959	3 453	-	20 412	20 363	49	99.8%	17 978	17 932
Training and development	3 740	1 015	-	4 755	4 754	1	100.0%	2 608	2 603
Operating payments	3 547	(1 026)	-	2 521	2 485	36	98.6%	2 850	2 811
Venues and facilities	9 485	3 085	-	12 570	12 570	-	100.0%	4 170	4 167
Rental and hiring	87	(33)	-	54	54	-	100.0%	28	28
<b>Transfers and subsidies</b>	<b>300</b>	<b>384</b>	<b>-</b>	<b>684</b>	<b>683</b>	<b>1</b>	<b>99.9%</b>	<b>981</b>	<b>975</b>
Departmental agencies and accounts	-	30	-	30	109	(79)	363.3%	59	54
Departmental agencies (non-business entities)	-	30	-	30	109	(79)	363.3%	59	54
Households	300	354	-	654	574	80	87.8%	922	921
Social benefits	300	354	-	654	574	80	87.8%	922	921
<b>Payments for capital assets</b>	<b>5 864</b>	<b>24</b>	<b>-</b>	<b>5 888</b>	<b>4 212</b>	<b>1 676</b>	<b>71.5%</b>	<b>3 549</b>	<b>1 983</b>
Machinery and equipment	5 704	(743)	-	4 961	3 285	1 676	66.2%	2 148	1 983
Transport equipment	1 766	(11)	-	1 755	1 258	497	71.7%	-	-
Other machinery and equipment	3 938	(732)	-	3 206	2 027	1 179	63.2%	2 148	1 983
Software and other intangible assets	160	767	-	927	927	-	100.0%	1 401	-
<b>Payments for financial assets</b>	<b>5</b>	<b>46</b>	<b>-</b>	<b>51</b>	<b>51</b>	<b>-</b>	<b>100.0%</b>	<b>83</b>	<b>86</b>
<b>Total</b>	<b>446 587</b>	<b>-</b>	<b>(4 807)</b>	<b>441 780</b>	<b>429 682</b>	<b>12 098</b>	<b>97.3%</b>	<b>396 458</b>	<b>393 112</b>

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

**Detail per programme 2 - Planning, Policy and Strategy**  
for the year ended 31 March 2019

Details per sub-programme	2018/19						2017/18		
	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: Planning, Policy and Strategy	2 583	1	-	2 584	1 431	1 153	55.4%	2 695	2 661
2. Human Resource Development, Strategic Planning and Coordination	20 715	30	-	20 745	18 351	2 394	88.5%	17 329	17 117
3. Planning, Information, Monitoring and Evaluation Coordination	16 493	14	-	16 507	15 449	1 058	93.6%	13 139	12 809
4. International Relations	14 748	960	-	15 708	14 397	1 311	91.7%	13 587	13 270
5. Legal and Legislative Services	17 711	(1 143)	-	16 568	15 503	1 065	93.6%	15 388	15 155
6. Social Inclusion in Education	7 654	138	-	7 792	6 920	872	88.8%	6 160	5 963
<b>Total</b>	<b>79 904</b>	<b>-</b>	<b>-</b>	<b>79 904</b>	<b>72 051</b>	<b>7 853</b>	<b>90.2%</b>	<b>68 298</b>	<b>66 975</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
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APPROPRIATION STATEMENT

Detail per programme 2 - Planning, Policy and Strategy  
for the year ended 31 March 2019

Programme 2 per economic classification	2018/19						2017/18		
	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>75 708</b>	<b>22</b>	-	<b>75 730</b>	<b>68 836</b>	<b>6 894</b>	<b>90.9%</b>	<b>64 139</b>	<b>63 240</b>
Compensation of employees	65 856	(15)	-	65 841	58 982	6 859	89.6%	52 699	52 063
Salaries and wages	58 613	(141)	-	58 472	52 441	6 031	89.7%	47 020	46 464
Social contributions	7 243	126	-	7 369	6 541	828	88.8%	5 679	5 599
Goods and services	9 852	37	-	9 889	9 854	35	99.6%	11 440	11 177
Administrative fees	6	19	-	25	25	-	100.0%	5	4
Advertising	-	1	-	1	1	-	100.0%	7	7
Minor assets	174	(2)	-	172	170	2	98.8%	31	29
Catering: Departmental activities	58	3	-	61	57	4	93.4%	16	12
Communication (G&S)	563	(130)	-	433	432	1	99.8%	555	539
Computer services	421	(6)	-	415	415	-	100.0%	345	340
Consultants: Business and advisory services	6	1	-	7	6	1	85.7%	392	391
Legal services	4 762	(832)	-	3 930	3 931	(1)	100.0%	5 659	5 658
Contractors	-	1	-	1	1	-	100.0%	2	2
Inventory: Materials and supplies	6	(6)	-	-	1	(1)	-	1	1
Consumable supplies	24	3	-	27	25	2	92.6%	23	19
Consumable: Stationery, printing and office supplies	701	(190)	-	511	509	2	99.6%	599	577
Operating leases	64	(7)	-	57	57	-	100.0%	51	51
Property payments	-	6	-	6	6	-	100.0%	7	6
Transport provided: Departmental activity	13	69	-	82	81	1	98.8%	58	56
Travel and subsistence	2 526	1 378	-	3 904	3 881	23	99.4%	3 167	2 976
Training and development	163	(151)	-	12	12	-	100.0%	36	35
Operating payments	231	(105)	-	126	125	1	99.2%	412	402
Venues and facilities	134	(16)	-	118	118	-	100.0%	74	72
Rental and hiring	-	1	-	1	1	-	100.0%	-	-

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

**Detail per programme 2 - Planning, Policy and Strategy**  
for the year ended 31 March 2019

Programme 2 per economic classification	2018/19							2017/18	
	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>3 691</b>	<b>16</b>	-	<b>3 707</b>	<b>2 785</b>	<b>922</b>	<b>75.1%</b>	<b>3 576</b>	<b>3 393</b>
Departmental agencies and accounts	-	8	-	8	7	1	87.5%	3	2
Departmental agencies (non-business entities)	-	8	-	8	7	1	87.5%	3	2
Foreign governments and international organisations	3 691	-	-	3 691	2 770	921	75.0%	3 489	3 306
Households	-	8	-	8	8	-	100.0%	84	85
Social benefits	-	8	-	8	8	-	100.0%	84	85
<b>Payments for capital assets</b>	<b>499</b>	<b>(38)</b>	-	<b>461</b>	<b>424</b>	<b>37</b>	<b>92.0%</b>	<b>583</b>	<b>341</b>
Machinery and equipment	499	(38)	-	461	424	37	92.0%	583	341
Other machinery and equipment	499	(38)	-	461	424	37	92.0%	583	341
<b>Payments for financial assets</b>	<b>6</b>	-	-	<b>6</b>	<b>6</b>	-	<b>100.0%</b>	-	<b>1</b>
<b>Total</b>	<b>79 904</b>	-	-	<b>79 904</b>	<b>72 051</b>	<b>7 853</b>	<b>90.2%</b>	<b>68 298</b>	<b>66 975</b>



DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
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APPROPRIATION STATEMENT

Detail per programme 3 - University Education  
for the year ended 31 March 2019

Details per sub-programme	2018/19						2017/18		
	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: University Education	5 681	50	(325)	5 406	4 174	1 232	77.2%	4 908	4 871
2. University Planning and Institutional Funding	17 091	47	(958)	16 180	13 195	2 985	81.6%	14 096	13 862
3. Institutional Governance and Management Support	20 470 669	1 800 416	(269)	22 270 816	22 266 410	4 406	100.0%	10 269 282	10 269 137
4. Higher Education Policy Development and Research	32 902	(100)	-	32 802	30 603	2 199	93.3%	21 080	20 900
5. Teaching and Learning Development	22 525	64	(268)	22 321	18 656	3 665	83.6%	13 854	13 697
6. University Subsidies	38 701 289	(1 800 477)	-	36 900 812	36 896 878	3 934	100.0%	31 606 841	31 606 625
<b>Total</b>	<b>59 250 157</b>	<b>-</b>	<b>(1 820)</b>	<b>59 248 337</b>	<b>59 229 916</b>	<b>18 421</b>	<b>100.0%</b>	<b>41 930 061</b>	<b>41 929 092</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 15  
APPROPRIATION STATEMENT

**Detail per programme 3 - University Education**  
for the year ended 31 March 2019

Programme 3 per economic classification	2018/19						2017/18		
	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>78 373</b>	<b>(25)</b>	<b>(1 820)</b>	<b>76 528</b>	<b>62 111</b>	<b>14 417</b>	<b>81.2%</b>	<b>58 268</b>	<b>57 681</b>
Compensation of employees	71 948	(100)	-	71 848	57 543	14 305	80.1%	52 458	52 129
Salaries and wages	63 947	40	-	63 987	51 292	12 695	80.2%	46 790	46 527
Social contributions	8 001	(140)	-	7 861	6 251	1 610	79.5%	5 668	5 602
Goods and services	6 425	75	(1 820)	4 680	4 568	112	97.6%	5 810	5 552
Administrative fees	-	-	-	-	-	-	-	15	14
Advertising	210	(98)	-	112	113	(1)	100.9%	277	277
Minor assets	104	(35)	-	69	70	(1)	101.4%	53	34
Catering: Departmental activities	108	(79)	-	29	28	1	96.6%	137	136
Communication (G&S)	403	52	(113)	342	332	10	97.1%	395	389
Computer services	790	295	(787)	298	291	7	97.7%	207	130
Consultants: Business and advisory services	46	(29)	-	17	17	-	100.0%	8	8
Contractors	-	2	-	2	-	2	-	-	-
Fleet services (including government motor transport)	10	(10)	-	-	-	-	-	-	-
Inventory: Materials and Supplies	-	1	-	1	1	-	100.0%	1	1
Consumable supplies	14	3	-	17	17	-	100.0%	9	7
Consumable: Stationery, printing and office supplies	647	(279)	(74)	294	290	4	98.6%	350	342
Operating leases	206	(53)	(22)	131	130	1	99.2%	81	78
Property payments	-	26	-	26	25	1	96.2%	-	-
Transport provided: Departmental activity	110	(38)	-	72	69	3	95.8%	184	177
Travel and subsistence	3 201	446	(754)	2 893	2 821	72	97.5%	3 489	3 376
Training and development	18	(18)	-	-	-	-	-	12	11
Operating payments	331	(30)	(70)	231	219	12	94.8%	298	279

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
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APPROPRIATION STATEMENT

Detail per programme 3 - University Education  
for the year ended 31 March 2019

Programme 3 per economic classification	2018/19						2017/18		
	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
Venues and facilities	226	(84)	-	142	141	1	99.3%	291	291
Rental and hiring	1	3	-	4	4	-	100.0%	3	2
<b>Transfers and subsidies</b>	<b>59 171 245</b>	<b>100</b>	<b>-</b>	<b>59 171 345</b>	<b>59 167 361</b>	<b>3 984</b>	<b>100.0%</b>	<b>41 871 434</b>	<b>41 871 218</b>
Departmental agencies and accounts	20 451 837	1 761 647	-	22 213 484	22 213 484	-	100.0%	10 255 989	10 255 989
Departmental agencies (non-business entities)	20 451 837	1 761 647	-	22 213 484	22 213 484	-	100.0%	10 255 989	10 255 989
Higher education institutions	38 662 452	(1 761 640)	-	36 900 812	36 896 878	3 934	100.0%	31 580 518	31 580 302
Non-profit institutions	56 756	-	-	56 756	56 756	-	100.0%	34 904	34 904
Households	200	93	-	293	243	50	82.9%	23	23
Social benefits	200	93	-	293	243	50	82.9%	23	23
<b>Payments for capital assets</b>	<b>531</b>	<b>(75)</b>	<b>-</b>	<b>456</b>	<b>440</b>	<b>16</b>	<b>96.5%</b>	<b>359</b>	<b>193</b>
Machinery and equipment	531	(75)	-	456	440	16	96.5%	359	193
Other machinery and equipment	531	(75)	-	456	440	16	96.5%	359	193
<b>Payments for financial assets</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>4</b>	<b>4</b>	<b>50.0%</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>59 250 157</b>	<b>-</b>	<b>(1 820)</b>	<b>59 248 337</b>	<b>59 229 916</b>	<b>18 421</b>	<b>100.0%</b>	<b>41 930 061</b>	<b>41 929 092</b>

**APPROPRIATION STATEMENT**

**Detail per programme 4 - Technical and Vocational Education and Training**  
for the year ended 31 March 2019

Details per sub-programme	2018/19						2017/18		
	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: Technical and Vocational Education and Training	4 258	40	-	4 298	3 915	383	91.1%	5 032	4 996
2. Technical and Vocational Education and Training System Planning and Institutional Support	10 222 922	(3 553)	-	10 219 369	10 218 611	758	100.0%	7 083 680	7 083 490
3. Programmes and Qualifications	14 150	2 206	-	16 356	16 015	341	97.9%	11 488	11 303
4. National Examination and Assessment	475 741	(188)	17 134	492 687	475 338	17 349	96.5%	413 932	413 832
5. Financial Planning	10 268	1 495	-	11 763	11 561	202	98.3%	7 504	7 399
<b>Total</b>	<b>10 727 339</b>	<b>-</b>	<b>17 134</b>	<b>10 744 473</b>	<b>10 725 440</b>	<b>19 033</b>	<b>99.8%</b>	<b>7 521 636</b>	<b>7 521 020</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
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APPROPRIATION STATEMENT

**Detail per programme 4 - Technical and Vocational Education and Training**  
for the year ended 31 March 2019

Programme 4 per economic classification	2018/19					2017/18			
	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>6 420 200</b>	<b>(3 387)</b>	<b>17 134</b>	<b>6 433 947</b>	<b>6 414 917</b>	<b>19 030</b>	<b>99.7%</b>	<b>6 001 266</b>	<b>6 000 761</b>
Compensation of employees	6 274 697	(3 794)	-	6 270 903	6 251 969	18 934	99.7%	5 859 271	5 858 992
Salaries and wages	5 317 232	115 182	-	5 432 414	5 413 796	18 618	99.7%	4 973 143	4 972 956
Social contributions	957 465	(118 976)	-	838 489	838 173	316	100.0%	886 128	886 036
Goods and services	145 503	407	17 134	163 044	162 948	96	99.9%	141 995	141 769
Advertising	-	55	-	55	54	1	98.2%	99	99
Minor assets	1 093	(996)	-	97	95	2	97.9%	121	120
Bursaries: Employees	497	(497)	-	-	-	-	-	-	-
Catering: Departmental activities	3 225	(653)	-	2 572	2 568	4	99.8%	3 495	3 482
Communication (G&S)	1 801	335	-	2 136	2 134	2	99.9%	1 364	1 354
Computer services	24 304	4 963	17 134	46 401	46 386	15	100.0%	22 491	22 562
Consultants: Business and advisory services	443	(264)	-	179	178	1	99.4%	388	387
Contractors	50	(45)	-	5	5	-	100.0%	1	2
Fleet services (including government motor transport)	521	(473)	-	48	47	1	97.9%	76	75
Inventory: Materials and supplies	-	4	-	4	4	-	100.0%	2	1
Consumable supplies	349	236	-	585	581	4	99.3%	669	665
Consumable: Stationery, printing and office supplies	34 804	(11 946)	-	22 858	22 844	14	99.9%	34 958	34 944
Operating leases	2 046	169	-	2 215	2 209	6	99.7%	852	848
Property payments	9	3 055	-	3 064	3 065	(1)	100.0%	6	6
Transport provided: Departmental activity	882	60	-	942	939	3	99.7%	2 533	2 525
Travel and subsistence	35 138	30 829	-	65 967	65 931	36	99.9%	35 742	35 574
Training and development	145	(68)	-	77	79	(2)	102.6%	41	41
Operating payments	9 655	(876)	-	8 779	8 771	8	99.9%	9 218	9 148

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

**Detail per programme 4 - Technical and Vocational Education and Training**  
for the year ended 31 March 2019

Programme 4 per economic classification	2018/19						2017/18		
	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
Venues and facilities	30 536	(23 488)	-	7 048	7 046	2	100.0%	29 939	29 936
Rental and hiring	5	7	-	12	12	-	100.0%	-	-
<b>Transfers and subsidies</b>	<b>4 304 227</b>	<b>4 003</b>	-	<b>4 308 230</b>	<b>4 308 230</b>	-	<b>100.0%</b>	<b>1 519 710</b>	<b>1 519 705</b>
Departmental agencies and accounts	15 189	6	-	15 195	15 389	(194)	101.3%	14 416	14 411
Departmental agencies (non-business entities)	15 189	6	-	15 195	15 389	(194)	101.3%	14 416	14 411
Non-profit institutions	4 287 538	-	-	4 287 538	4 287 538	-	100.0%	1 495 749	1 495 749
Households	1 500	3 997	-	5 497	5 303	194	96.5%	9 545	9 545
Social benefits	1 362	3 799	-	5 161	4 967	194	96.2%	9 545	9 545
Other transfers to households	138	198	-	336	336	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>1 950</b>	<b>(619)</b>	-	<b>1 331</b>	<b>1 328</b>	<b>3</b>	<b>99.8%</b>	<b>660</b>	<b>549</b>
Machinery and equipment	1 926	(667)	-	1 259	1 255	4	99.7%	640	529
Other machinery and equipment	1 926	(667)	-	1 259	1 255	4	99.7%	640	529
Software and other intangible assets	24	48	-	72	73	(1)	101.4%	20	20
<b>Payments for financial assets</b>	<b>962</b>	<b>3</b>	-	<b>965</b>	<b>965</b>	-	<b>100.0%</b>	-	<b>5</b>
<b>Total</b>	<b>10 727 339</b>	-	<b>17 134</b>	<b>10 744 473</b>	<b>10 725 440</b>	<b>19 033</b>	<b>99.8%</b>	<b>7 521 636</b>	<b>7 521 020</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 15

APPROPRIATION STATEMENT

**Detail per programme 5 - Skills Development**  
for the year ended 31 March 2019

Details per sub-programme	2018/19						2017/18		
	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	3 431	(72)	(62)	3 297	2 824	473	85.7%	2 663	2 493
2. SETA Coordination	221 939	73	(1 821)	220 191	219 242	949	99.6%	204 044	203 731
3. National Skills Development Services	11 739	(1)	-	11 738	10 246	1 492	87.3%	9 704	9 354
4. Quality Development and Promotion	27 380	-	-	27 380	27 380	-	100.0%	26 930	26 930
<b>Total</b>	<b>264 489</b>	<b>-</b>	<b>(1 883)</b>	<b>262 606</b>	<b>259 692</b>	<b>2 914</b>	<b>98.9%</b>	<b>243 341</b>	<b>242 508</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 15  
APPROPRIATION STATEMENT

**Detail per programme 5 - Skills Development**  
for the year ended 31 March 2019

Programme 5 per economic classification	2018/19						2017/18		
	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>129 407</b>	<b>(217)</b>	<b>(1 813)</b>	<b>127 377</b>	<b>124 568</b>	<b>2 809</b>	<b>97.8%</b>	<b>111 147</b>	<b>110 604</b>
Compensation of employees	113 712	(100)	-	113 612	110 825	2 787	97.5%	99 474	99 166
Salaries and wages	97 655	(238)	-	97 417	94 977	2 440	97.5%	85 291	85 060
Social contributions	16 057	138	-	16 195	15 848	347	97.9%	14 183	14 106
Goods and services	15 695	(117)	(1 813)	13 765	13 743	22	99.8%	11 673	11 438
Administrative fees	10	(10)	-	-	-	-	-	10	10
Advertising	20	(20)	-	-	-	-	-	1	-
Minor assets	151	261	-	412	412	-	100.0%	73	68
Catering: Departmental activities	91	(10)	-	81	80	1	98.8%	68	67
Communication (G&S)	2 086	(328)	-	1 758	1 753	5	99.7%	1 462	1 434
Computer services	1	-	-	1	1	-	100.0%	-	-
Consultants: Business and advisory services	713	(12)	-	701	701	-	100.0%	950	950
Legal services	-	-	-	-	-	-	-	977	976
Contractors	-	143	-	143	143	-	100.0%	3	2
Fleet services (including government motor transport)	270	(58)	-	212	213	(1)	100.5%	132	130
Inventory: Clothing material and accessories	450	(29)	-	421	421	-	100.0%	194	-
Inventory: Fuel, oil and gas	200	(128)	-	72	72	-	100.0%	150	150
Inventory: Materials and supplies	3 642	62	-	3 704	3 705	(1)	100.0%	2 636	2 635
Consumable supplies	1 945	(10)	(1 017)	918	914	4	99.6%	688	878
Consumable: Stationery, printing and office supplies	948	(266)	-	682	679	3	99.6%	852	828
Operating leases	254	64	-	318	319	(1)	100.3%	565	551
Property payments	921	548	-	1 469	1 469	-	100.0%	272	256
Transport provided: Departmental activity	304	(16)	-	288	287	1	99.7%	317	316



DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 15  
APPROPRIATION STATEMENT

**Detail per programme 5 - Skills Development**  
for the year ended 31 March 2019

Programme 5 per economic classification	2018/19						2017/18		
	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
Travel and subsistence	2 302	319	(450)	2 171	2 160	11	99.5%	2 087	1 979
Training and development	37	(17)	-	20	20	-	100.0%	9	8
Operating payments	1 132	(503)	(346)	283	283	-	100.0%	116	95
Venues and facilities	110	(70)	-	40	40	-	100.0%	47	45
Rental and hiring	108	(37)	-	71	71	-	100.0%	64	60
<b>Transfers and subsidies</b>	<b>134 005</b>	<b>217</b>	<b>-</b>	<b>134 222</b>	<b>134 221</b>	<b>1</b>	<b>100.0%</b>	<b>131 363</b>	<b>131 361</b>
Departmental agencies and accounts	133 805	72	-	133 877	133 885	(8)	100.0%	130 689	130 688
Departmental agencies (non-business entities)	133 805	72	-	133 877	133 885	(8)	100.0%	130 689	130 688
Households	200	145	-	345	336	9	97.4%	674	673
Social benefits	50	179	-	229	219	10	95.6%	674	673
Other transfers to households	150	(34)	-	116	117	(1)	100.9%	-	-
<b>Payments for capital assets</b>	<b>1 075</b>	<b>-</b>	<b>(70)</b>	<b>1 005</b>	<b>902</b>	<b>103</b>	<b>89.8%</b>	<b>831</b>	<b>542</b>
Machinery and equipment	1 075	-	(70)	1 005	902	103	89.8%	831	542
Transport equipment	200	(12)	(87)	101	101	-	100.0%	-	-
Other machinery and equipment	875	12	17	904	801	103	88.6%	831	542
<b>Payments for financial assets</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>50.0%</b>	<b>-</b>	<b>1</b>
<b>Total</b>	<b>264 489</b>	<b>-</b>	<b>(1 883)</b>	<b>262 606</b>	<b>259 692</b>	<b>2 914</b>	<b>98.9%</b>	<b>243 341</b>	<b>242 508</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 2019

Details per sub-programme	2018/19							2017/18	
	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: Community Education and Training	2 816	75	-	2 891	1 174	1 717	40.6%	1 563	1 496
2. Community Education and Training Colleges Systems Planning, Institutional Development and Support	2 160 820	575 (509)	- (8 624)	2 161 395	2 034 704	126 691	94.1%	1 994 182	1 991 417
3. Financial Planning	175 872	(509)	(8 624)	166 739	165 532	1 207	99.3%	150 077	148 847
4. Education and Training and Development Support	16 089	(141)	-	15 948	5 547	10 401	34.8%	2 023	1 393
<b>Total</b>	<b>2 355 597</b>	<b>-</b>	<b>(8 624)</b>	<b>2 346 973</b>	<b>2 206 957</b>	<b>140 016</b>	<b>94.0%</b>	<b>2 147 845</b>	<b>2 143 153</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 2019

Programme 6 per economic classification	2018/19						2017/18		
	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>2 236 093</b>	<b>(2 347)</b>	<b>(8 624)</b>	<b>2 225 122</b>	<b>2 085 144</b>	<b>139 978</b>	<b>93.7%</b>	<b>2 034 178</b>	<b>2 029 586</b>
Compensation of employees	2 178 323	(1 579)	-	2 176 744	2 036 858	139 886	93.6%	1 996 087	1 992 758
Salaries and wages	2 109 549	(2 664)	-	2 106 885	1 971 272	135 613	93.6%	1 934 122	1 931 429
Social contributions	68 774	1 085	-	69 859	65 586	4 273	93.9%	61 965	61 329
Goods and services	57 770	(768)	(8 624)	48 378	48 286	92	99.8%	38 091	36 828
Administrative fees	3	(3)	-	-	-	-	-	1	1
Advertising	621	(301)	-	320	318	2	99.4%	419	320
Minor assets	447	110	-	557	556	1	99.8%	802	741
Audit costs: External	3 200	-	(2 537)	663	662	1	99.8%	-	-
Catering: Departmental activities	1 267	(191)	-	1 076	1 071	5	99.5%	1 282	1 231
Communication (G&S)	2 666	(2 407)	-	259	254	5	98.1%	191	169
Computer services	-	71	-	71	71	-	100.0%	-	-
Consultants: Business and advisory services	1 514	1 330	-	2 844	2 845	(1)	100.0%	1 732	1 729
Legal services	-	-	-	-	-	-	-	782	782
Contractors	3	59	-	62	62	-	100.0%	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	13	13
Fleet services (including government motor transport)	-	97	-	97	97	-	100.0%	-	-
Inventory: Materials and supplies	-	11	-	11	9	2	81.8%	3	2
Consumable supplies	1 070	(952)	-	118	108	10	91.5%	133	124
Consumable: Stationery, printing and office supplies	5 858	(1 553)	-	4 305	4 288	17	99.6%	4 534	3 898
Operating leases	2 770	4 485	-	7 255	7 257	(2)	100.0%	1 905	1 893
Property payments	2 741	(1 096)	-	1 645	1 646	(1)	100.1%	2 110	2 109
Transport provided: Departmental activity	390	723	-	1 113	1 115	(2)	100.2%	1 224	1 212

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 15  
**APPROPRIATION STATEMENT**

**Detail per programme 6 - Community Education and Training**  
for the year ended 31 March 2019

Programme 6 per economic classification	2018/19						2017/18		
	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
Travel and subsistence	30 617	(1 029)	(6 087)	23 501	23 459	42	99.8%	18 961	18 655
Training and development	9	45	-	54	53	1	98.1%	12	12
Operating payments	778	925	-	1 703	1 694	9	99.5%	635	588
Venues and facilities	1 449	1 266	-	2 715	2 713	2	99.9%	3 231	3 229
Rental and hiring	2 367	(2 358)	-	9	8	1	88.9%	121	120
<b>Transfers and subsidies</b>	<b>115 184</b>	<b>1 580</b>	-	<b>116 764</b>	<b>116 731</b>	<b>33</b>	<b>100.0%</b>	<b>110 098</b>	<b>110 096</b>
Departmental agencies and accounts	2 760	27	-	2 787	2 787	-	100.0%	842	841
Departmental agencies (non-business entities)	2 760	27	-	2 787	2 787	-	100.0%	842	841
Non-profit institutions	109 924	-	-	109 924	109 923	1	100.0%	103 898	103 897
Households	2 500	1 553	-	4 053	4 021	32	99.2%	5 358	5 358
Social benefits	2 420	1 553	-	3 973	3 941	32	99.2%	5 358	5 358
Other transfers to households	80	-	-	80	80	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>3 943</b>	<b>778</b>	-	<b>4 721</b>	<b>4 716</b>	<b>5</b>	<b>99.9%</b>	<b>3 569</b>	<b>3 471</b>
Buildings and other fixed structures	1 400	804	-	2 204	2 204	-	100.0%	-	-
Buildings	1 400	804	-	2 204	2 204	-	100.0%	-	-
Machinery and equipment	2 543	(26)	-	2 517	2 512	5	99.8%	3 569	3 471
Transport equipment	-	283	-	283	283	-	100.0%	313	313
Other machinery and equipment	2 543	(309)	-	2 234	2 229	5	99.8%	3 256	3 158
<b>Payments for financial assets</b>	<b>377</b>	<b>(11)</b>	-	<b>366</b>	<b>366</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2 355 597</b>	<b>-</b>	<b>(8 624)</b>	<b>2 346 973</b>	<b>2 206 957</b>	<b>140 016</b>	<b>94.0%</b>	<b>2 147 845</b>	<b>2 143 153</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 15

APPROPRIATION STATEMENT

Details for Direct Charges against the National Revenue Fund  
for the year ended 31 March 2019

Statutory Appropriation	2018/19										2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure	
Direct charges	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	
1. Sector Education and Training Authorities	13 983 917	-	-	13 983 917	13 983 917	-	100.0%	13 094 581	13 094 581	13 094 581	13 094 581	
2. National Skills Fund	3 495 979	-	-	3 495 979	3 495 979	-	100.0%	3 199 220	3 199 220	3 199 220	3 198 980	
<b>Total</b>	<b>17 479 896</b>	<b>-</b>	<b>-</b>	<b>17 479 896</b>	<b>17 479 896</b>	<b>-</b>	<b>100.0%</b>	<b>16 293 801</b>	<b>16 293 801</b>	<b>16 293 801</b>	<b>16 293 561</b>	

Statutory appropriation per economic classification	2018/19										2017/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure	
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	
<b>Transfers and subsidies</b>	<b>17 479 896</b>	<b>-</b>	<b>-</b>	<b>17 479 896</b>	<b>17 479 896</b>	<b>-</b>	<b>100.0%</b>	<b>16 293 801</b>	<b>16 293 801</b>	<b>16 293 801</b>	<b>16 293 561</b>	
Departmental agencies and accounts	17 479 896	-	-	17 479 896	17 479 896	-	100.0%	16 293 801	16 293 801	16 293 801	16 293 561	
Departmental agencies (non-business entities)	17 479 896	-	-	17 479 896	17 479 896	-	100.0%	16 293 801	16 293 801	16 293 801	16 293 561	
<b>Total</b>	<b>17 479 896</b>	<b>-</b>	<b>-</b>	<b>17 479 896</b>	<b>17 479 896</b>	<b>-</b>	<b>100.0%</b>	<b>16 293 801</b>	<b>16 293 801</b>	<b>16 293 801</b>	<b>16 293 561</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 R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation %
<b>Administration</b>	441 780	429 682	12 098	2.74

The under-spending is due mainly to attrition posts that became vacant during the year that could not be filled as projected and concomitant savings on machinery and equipment as well as cost saving measures put in place with regards to replacement of computer equipment.

<b>Planning, Policy and Strategy</b>	79 904	72 051	7 853	9.83
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The under-spending is due mainly to posts that became vacant during the year that could not be filled as projected, due to a saving on the transfer to the India-Brazil-South Africa Trilateral Commission as no invoices were received for services rendered during the financial year and the favourable Rand/Euro Exchange rate that was applicable when payments were made to the Commonwealth of Learning.

<b>University Education</b>	59 248 337	59 229 916	18 421	0.03
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The under-spending is due mainly to posts on the staff establishment that was not filled as projected and unclaimed transfers by universities.

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 15

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2019

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
<b>Technical and Vocational Education and Training</b>	10 744 473	10 725 440	19 033	0.18

The under-spending is due mainly to vacant attrition posts, posts on the staff establishment that was not filled as projected and due to projected claims for examiners and moderators in respect of the February/March 2019 examination that were not received as planned.

<b>Skills Development</b>	262 606	259 692	2 914	1.11
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The under-spending is due mainly to attrition posts that became vacant during the year that could not be filled as projected.

<b>Community Education and Training</b>	2 346 973	2 206 957	140 016	5.97
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The under-spending is due mainly to posts on the staff establishment of the Department that was not filled as projected, CET lecturer claims not received as projected and concomitant savings on goods and services.

#### 4.2 Per economic classification:

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
<b>Current expenditure</b>				
Compensation of employees	8 946 114	8 753 103	193 011	2.16
Goods and services	427 747	427 209	538	0.13
<b>Transfers and subsidies</b>				
Departmental agencies and accounts	39 845 277	39 845 557	(280)	-
Higher education institutions	36 900 812	36 896 878	3 934	0.01
Foreign governments and international organisations	3 691	2 770	921	24.95
Non-profit institutions	4 454 218	4 454 217	1	-
Households	10 850	10 485	365	3.36
<b>Payments for capital assets</b>				
Buildings and other fixed structures	2 204	2 204	-	-
Machinery and equipment	10 659	8 818	1 841	17.27
Software and other intangible assets	999	1 000	(1)	(0.10)
<b>Payments for financial assets</b>	<b>1 398</b>	<b>1 393</b>	<b>5</b>	<b>0.36</b>

**Compensation of Employees**

The under-spending is due mainly to: 1) posts on the staff establishment that were not filled as projected; 2) attrition posts that became vacant during the year that could not be filled as projected; 3) projected claims for examiners and moderators in respect of the February/March 2019 examinations that were not received as planned; and 4) claims in respect of Community Education and Training lecturers that were not received as projected.

**Goods and services**

There were no material variances on goods and services.

**Foreign governments and international organisations**

The under-spending is due to a saving on the transfer to the India-Brazil-South Africa Trilateral Commission as no invoices were received for services rendered during the financial year and the favourable Rand/Euro Exchange rate that was applicable when payments were made to the Commonwealth of Learning.

**Households**

The under-spending is due to the planned claims for leave gratuity that was not finalised as projected.

**Payments for capital assets**

The under-spending is due mainly to cost saving measures put in place with regards to the replacement of computer equipment.



DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 15  
**STATEMENT OF FINANCIAL PERFORMANCE**  
for the year ended 31 March 2019

	<i>Note</i>	<b>2018/19</b> R'000	<b>2017/18</b> R'000
<b>REVENUE</b>			
Annual appropriation	1	73 124 073	52 307 639
Statutory appropriation	2	17 479 896	16 293 801
Departmental revenue	3	27 674	29 663
Aid assistance	4	108 072	73 650
<b>TOTAL REVENUE</b>		<b>90 739 715</b>	<b>68 704 753</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	5	8 753 103	8 268 038
Goods and services	6	427 209	383 902
Aid assistance	4	22 023	31 260
<b>Total current expenditure</b>		<b>9 202 335</b>	<b>8 683 200</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	8	81 209 907	59 930 309
Aid assistance	4	42 243	54 528
<b>Total transfers and subsidies</b>		<b>81 252 150</b>	<b>59 984 837</b>
<b>Expenditure for capital assets</b>			
Tangible assets	9	11 284	7 192
Software and other intangible assets	9	1 054	20
<b>Total expenditure for capital assets</b>		<b>12 338</b>	<b>7 212</b>
<b>Payments for financial assets</b>	7	<b>1 393</b>	<b>93</b>
<b>TOTAL EXPENDITURE</b>		<b>90 468 216</b>	<b>68 675 342</b>
<b>SURPLUS FOR THE YEAR</b>		<b>271 499</b>	<b>29 411</b>
<b>Reconciliation of Net Surplus for the year</b>			
Voted Funds		200 335	12 019
Annual appropriation		200 335	12 019
Departmental revenue and NRF receipts	15	27 674	29 663
Aid assistance	4	43 490	(12 271)
<b>SURPLUS FOR THE YEAR</b>		<b>271 499</b>	<b>29 411</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 15  
**STATEMENT OF FINANCIAL POSITION**  
as at 31 March 2019

	<i>Note</i>	<b>2018/19</b> R'000	<b>2017/18</b> R'000
<b>ASSETS</b>			
<b>Current Assets</b>		<b>673 910</b>	<b>685 442</b>
Cash and cash equivalents	10	265	46 732
Prepayments and advances	11	21 638	37 844
Receivables	12	648 907	585 623
Loans	13	3 100	2 972
Aid assistance receivable	4	-	12 271
<b>Non-Current Assets</b>		<b>20 381</b>	<b>13 801</b>
Receivables	12	12 156	2 475
Loans	13	8 225	11 326
<b>TOTAL ASSETS</b>		<b>694 291</b>	<b>699 243</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>678 966</b>	<b>682 333</b>
Voted funds to be surrendered to the Revenue Fund	14	200 335	12 019
Departmental revenue to be surrendered to the Revenue Fund	15	988	818
Bank overdraft	16	358 858	-
Payables	17	88 214	669 496
Aid assistance repayable	4	30 571	-
<b>TOTAL LIABILITIES</b>		<b>678 966</b>	<b>682 333</b>
<b>NET ASSETS</b>		<b>15 325</b>	<b>16 910</b>
<b>Represented by:</b>			
Capitalisation reserve		11 325	14 298
Recoverable revenue		4 000	2 612
<b>TOTAL</b>		<b>15 325</b>	<b>16 910</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 15  
**STATEMENT OF CHANGES IN NET ASSETS**  
for the year ended 31 March 2019

	<i>Note</i>	<b>2018/19</b> R'000	<b>2017/18</b> R'000
<b>Capitalisation Reserves</b>			
Opening balance		14 298	17 122
Transfers:			
Other movements		(2 973)	(2 824)
Closing balance		<b>11 325</b>	<b>14 298</b>
<b>Recoverable revenue</b>			
Opening balance		2 612	1 307
Transfers:		<b>1 388</b>	<b>1 305</b>
Irrecoverable amounts written off	7.1	(1 371)	-
Debt revised		(336)	-
Debts recovered (included in departmental receipts)		(13 834)	(10 872)
Debts raised		16 929	12 177
Closing balance		<b>4 000</b>	<b>2 612</b>
<b>TOTAL</b>		<b>15 325</b>	<b>16 910</b>

## DEPARTMENT OF HIGHER EDUCATION AND TRAINING

## VOTE 15

**CASH FLOW STATEMENT**

for the year ended 31 March 2019

		2018/19	2017/18
	<i>Note</i>	R'000	R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>90 739 715</b>	<b>68 704 253</b>
Annual appropriated funds received	1.1	73 124 073	52 307 639
Statutory appropriated funds received	2	17 479 896	16 293 801
Departmental revenue received	3	25 654	25 457
Interest received	3.2	2 020	3 706
Aid assistance received	4	108 072	73 650
Net (increase)/ decrease in working capital		(638 041)	397 148
Surrendered to Revenue Fund		(39 523)	(82 290)
Surrendered to RDP Fund/Donor		(648)	(16 422)
Current payments		(9 202 335)	(8 683 200)
Payments for financial assets		(1 393)	(93)
Transfers and subsidies paid		(81 252 150)	(59 984 837)
<b>Net cash flow available from operating activities</b>	<b>18</b>	<b>(394 375)</b>	<b>334 559</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	9	(12 338)	(7 212)
Proceeds from sale of capital assets	3.3	-	500
(Increase)/ decrease in loans		2 973	2 824
<b>Net cash flows from investing activities</b>		<b>(9 365)</b>	<b>(3 888)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/ (decrease) in net assets		(1 585)	(1 519)
Increase/ (decrease) in non-current payables		-	-
<b>Net cash flows from financing activities</b>		<b>(1 585)</b>	<b>(1 519)</b>
Net increase/ (decrease) in cash and cash equivalents		(405 325)	329 152
Cash and cash equivalents at beginning of period		46 732	(282 420)
<b>Cash and cash equivalents at end of period</b>	<b>19</b>	<b>(358 593)</b>	<b>46 732</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 comprises of Departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).

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

The net amount of any appropriated funds due to / from the National Revenue Fund at the reporting date is recognised as a payable / receivable in the Statement of Financial Position.

### 7.2 Departmental revenue

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

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

### 7.3 Accrued departmental revenue

Accruals in respect of Departmental revenue (excluding tax revenue) are recorded in the notes to the Financial Statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the Department; and
- the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and/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 and payments for capital assets) is recognised in the Statement of Financial Performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

### **8.3 Accruals and payables not recognised**

Accruals and payables not recognised are recorded in the notes to the Financial Statements 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 measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

### 13.2 Impairment of financial assets

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the Financial Statements.

## 14. Payables

Payables are recognised in the Statement of Financial Position at cost.

## 15. Capital Assets

### 15.1 Immovable capital assets

Immovable capital assets reflected in the asset register of the Department are recorded in the notes to the Financial Statements at cost or fair value where the cost cannot be determined reliably. Immovable capital assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable capital assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

Additional information on immovable capital assets not reflected in the asset register is provided in the notes to the Financial Statements.

## 15.2 Movable capital assets

Movable capital assets are initially recorded in the notes to the Financial Statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

## 15.3 Intangible assets

Intangible assets are initially recorded in the notes to the Financial Statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the Financial Statements when the Department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

## 16. Provisions and Contingents

### 16.1 Provisions

Provisions are recorded in the notes to the Financial Statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

## 16.2 Contingent liabilities

Contingent liabilities are recorded in the notes to the Financial Statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

## 16.3 Contingent assets

Contingent assets are recorded in the notes to the Financial Statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department.

## 16.4 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 college campus sites once the construction has been completed. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Any unspent funds will be returned to the National Skills Fund. Principal-Agent arrangements have been accounted for in the notes to the Financial Statements where appropriate. Additional disclosures have been provided in the notes to the Financial Statements where appropriate.

## 23. Departures from Modified Cash Standard requirements

Management has concluded that the Financial Statements present fairly the Department's primary and secondary information. The Department complied with the Modified Cash Standard requirements.

## 24. Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National Revenue Fund when recovered or are transferred to the Statement of Financial Performance when written-off.

## 25. Related party transactions

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 inventories are measured at fair value as at the date of acquisition.

Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.

The cost of inventories is assigned by using the weighted average cost basis.

## 27. Employee benefits

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 15  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2019

## 1. Annual Appropriation

### 1.1 Annual Appropriation

Programmes	2018/19			2017/18	
	Final	Actual Funds	Funds not	Final	Appropriation
	Appropriation	Received	requested/ not received	Appropriation	Received
	R'000	R'000	R'000	R'000	R'000
Administration	441 780	441 780	-	396 458	396 458
Planning, Policy and Strategy	79 904	79 904	-	68 298	68 298
University Education	59 248 337	59 248 337	-	41 930 061	41 930 061
Technical and Vocational Education and Training	10 744 473	10 744 473	-	7 521 636	7 521 636
Skills Development	262 606	262 606	-	243 341	243 341
Community Education and Training	2 346 973	2 346 973	-	2 147 845	2 147 845
<b>Total</b>	<b>73 124 073</b>	<b>73 124 073</b>	<b>-</b>	<b>52 307 639</b>	<b>52 307 639</b>

The Department had no specifically and exclusively appropriated amounts voted for.

## 2. Statutory Appropriation

Skills levy and sector education and training authorities

Note	2018/19 R'000	2017/18 R'000
	17 479 896	16 293 801
<b>Total</b>	<b>17 479 896</b>	<b>16 293 801</b>
Actual statutory appropriation received	<b>17 479 896</b>	<b>16 293 801</b>

## 3. Departmental Revenue

Sales of goods and services other than capital assets	3.1	10 453	11 710
Interest, dividends and rent on land	3.2	2 020	3 706
Sales of capital assets	3.3	-	500
Transactions in financial assets and liabilities	3.4	15 201	13 747
Total revenue collected		<b>27 674</b>	<b>29 663</b>
<b>Departmental revenue collected</b>		<b>27 674</b>	<b>29 663</b>

### 3.1 Sales of goods and services other than capital assets

	Note	2018/19 R'000	2017/18 R'000
Sales of goods and services produced by the department	3	<b>10 391</b>	<b>11 707</b>
Sales by market establishment		516	475
Administrative fees		1 999	3 347
Other sales		7 876	7 885
Sales of scrap, waste and other used current goods		62	3
<b>Total</b>		<b>10 453</b>	<b>11 710</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 15  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2019

	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
		<b>R'000</b>	<b>R'000</b>
<b>3.2 Interest, dividends and rent on land</b>	3		
Interest		2 020	3 706
<b>Total</b>		<b>2 020</b>	<b>3 706</b>
<b>3.3 Sales of capital assets</b>	3		
<b>Tangible assets</b>			
Machinery and equipment		-	500
<b>Total</b>		<b>-</b>	<b>500</b>
<b>3.4 Transactions in financial assets and liabilities</b>	3		
Other receipts including recoverable revenue		15 201	13 747
<b>Total</b>		<b>15 201</b>	<b>13 747</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		(12 271)	16 422
Transferred from statement of financial performance		43 490	(12 271)
Paid during the year		(648)	(16 422)
<b>Closing Balance</b>		<b>30 571</b>	<b>(12 271)</b>
<b>4.1 Analysis of balance by source</b>	4		
Aid assistance from RDP		30 571	(12 271)
<b>Closing Balance</b>		<b>30 571</b>	<b>(12 271)</b>
<b>4.2 Analysis of balance</b>	4		
Aid assistance receivable		-	(12 271)
Aid assistance repayable		30 571	-
<b>Closing balance</b>		<b>30 571</b>	<b>(12 271)</b>
<b>4.3 Aid assistance expenditure per economic classification</b>	4		
Current		22 023	31 260
Capital		316	133
Transfers and subsidies		42 243	54 528
<b>Total aid assistance expenditure</b>		<b>64 582</b>	<b>85 921</b>
<b>4.4 Reconciliation of closing balance</b>	4		
Revenue		108 072	73 650
Expenditure		64 399	85 788
<b>Closing balance</b>		<b>43 673</b>	<b>(12 138)</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 15  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2019

	<b>2018/19</b>	<b>2017/18</b>
<i>Note</i>	<b>R'000</b>	<b>R'000</b>
<b>5. Compensation of employees</b>		
<b>5.1 Salaries and wages</b>		
Basic salary	5 832 940	5 535 388
Performance award	52 834	43 550
Service based	3 919	6 244
Compensative/circumstantial	1 057 188	877 118
Periodic payments	216	418
Other non-pensionable allowances	846 316	808 209
<b>Total</b>	<b>7 793 413</b>	<b>7 270 927</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	625 999	698 187
Medical	331 044	295 999
UIF	78	406
Bargaining council	1 314	1 239
Official unions and associations	1 255	1 280
<b>Total</b>	<b>959 690</b>	<b>997 111</b>
<b>Total compensation of employees</b>	<b>8 753 103</b>	<b>8 268 038</b>
Average number of employees	26 826	27 270

*The decrease in pension is due to the payment of R110.467 million to the Government Employees Pension Fund for TVET college staff members that were made in the 2017/18 financial year.*



DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 15  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2019

	<b>Note</b>	<b>2018/19</b> <b>R'000</b>	<b>2017/18</b> <b>R'000</b>
<b>6. Goods and services</b>			
Administrative fees		1 104	1 094
Advertising		1 834	2 813
Minor assets	6.1	2 218	2 065
Bursaries (employees)		423	288
Catering		5 642	5 137
Communication		8 785	8 686
Computer services	6.2	78 241	54 365
Consultants: Business and advisory services		10 920	11 598
Legal services		4 979	7 642
Contractors		227	57
Agency and support / outsourcing services		3 668	2 607
Entertainment		16	35
Audit cost – external	6.3	10 612	12 384
Fleet services		3 037	1 726
Inventory	6.4	4 238	2 856
Consumables	6.5	36 353	48 673
Operating leases		67 587	55 948
Property payments	6.6	21 748	24 449
Rental and hiring		150	210
Transport provided as part of the departmental activities		5 689	7 004
Travel and subsistence	6.7	118 615	80 492
Venues and facilities		22 628	37 740
Training and development		4 918	2 710
Other operating expenditure	6.8	13 577	13 323
<b>Total</b>		<b>427 209</b>	<b>383 902</b>
<b>6.1 Minor assets</b>			
	6		
<b>Tangible assets</b>		<b>1 711</b>	<b>2 041</b>
Machinery and equipment		1 711	2 041
<b>Intangible assets</b>		<b>507</b>	<b>24</b>
Software		494	24
Patents, licences, copyright, brand names, trademarks		13	-
<b>Total</b>		<b>2 218</b>	<b>2 065</b>
<b>6.2 Computer Services</b>			
	6		
SITA computer services		74 926	49 371
External computer services providers		3 315	4 994
<b>Total</b>		<b>78 241</b>	<b>54 365</b>

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	Note	2018/19 R'000	2017/18 R'000
<b>6.3 Audit cost –external</b>	6		
Regularity audits		7 238	9 656
Performance audits		-	510
Computer audits		3 374	2 218
<b>Total</b>		<b>10 612</b>	<b>12 384</b>
<b>6.4 Inventory</b>	6		
Clothing material and accessories		421	-
Fuel, oil and gas		72	150
Materials and supplies		3 745	2 706
<b>Total</b>		<b>4 238</b>	<b>2 856</b>
<b>6.5 Consumables</b>	6		
Consumables supplies		2 823	2 641
Uniform and clothing		358	437
Household supplies		2 249	1 989
Communication accessories		14	5
IT consumables		128	113
Other consumables		74	97
Stationery, printing and office supplies		33 530	46 032
<b>Total</b>		<b>36 353</b>	<b>48 673</b>
<b>6.6 Property payments</b>	6		
Municipal services		14 242	21 749
Property management fees		708	-
Property maintenance and repairs		1 491	1 829
Other		5 307	871
<b>Total</b>		<b>21 748</b>	<b>24 449</b>
<b>6.7 Travel and subsistence</b>	6		
Local		114 363	77 152
Foreign		4 252	3 340
<b>Total</b>		<b>118 615</b>	<b>80 492</b>
<b>6.8 Other operating expenditure</b>	6		
Professional bodies, members and subscription fees		8	-
Resettlement costs		1 544	2 240
Other		12 025	11 083
<b>Total</b>		<b>13 577</b>	<b>13 323</b>

*Other includes courier and delivery services, printing and publications and insurance payments.*

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	<b>Note</b>	<b>2018/19</b> <b>R'000</b>	<b>2017/18</b> <b>R'000</b>
<b>7. Payments for financial assets</b>			
Debts written off	7.1	1 393	93
<b>Total</b>		<b>1 393</b>	<b>93</b>
<b>7.1 Debts written off</b>			
<b>Nature of debts written off</b>			
<b>Irregular expenditure written off</b>			
Petty Cash Stolen through a Burglary at INDLELA		-	1
<b>Total</b>		<b>-</b>	<b>1</b>
<b>Recoverable revenue written off</b>			
Gauteng Department of Education		-	6
South African National AIDS Council		-	29
Gauteng Department of Correctional Services		-	11
<b>Total</b>		<b>-</b>	<b>46</b>
<b>Other debt written off</b>			
Other		34	36
Salary Overpayment Debt		1 186	3
Salary Tax Debt		146	1
No show		-	6
Salary: Medical Aid Debts		17	-
Acting Allowance Debt Waived		10	-
<b>Total</b>		<b>1 393</b>	<b>46</b>
<b>Total debt written off</b>		<b>1 393</b>	<b>93</b>
<b>8. Transfers and subsidies</b>			
Departmental agencies and accounts	<i>Annex 1A</i>	39 845 557	26 695 546
Higher education institutions	<i>Annex 1B</i>	36 896 878	31 580 302
Foreign governments and international organisations	<i>Annex 1C</i>	2 770	3 306
Non-profit institutions	<i>Annex 1D</i>	4 454 217	1 634 550
Households	<i>Annex 1E</i>	10 485	16 605
<b>Total</b>		<b>81 209 907</b>	<b>59 930 309</b>

*The large increase in transfers to Departmental Agencies and Accounts, Higher Education Institutions and Non-profit institutions is due mainly to additional allocations made to the National Student Financial Aid Scheme, Higher Education Institutions and TVET colleges for poor and working class students and additional funds for TVET college infrastructure.*

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	Note	2018/19 R'000	2017/18 R'000
<b>9. Expenditure for capital assets</b>			
<b>Tangible assets</b>		<b>11 284</b>	<b>7 192</b>
Buildings and other fixed structures	32	2 204	-
Machinery and equipment	30	9 080	7 192
<b>Intangible assets</b>		<b>1 054</b>	<b>20</b>
Software	31	1 054	20
<b>Total</b>		<b>12 338</b>	<b>7 212</b>

**9.1 Analysis of funds utilised to acquire capital assets – 2018/19**

	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>	<b>11 022</b>	<b>262</b>	<b>11 284</b>
Buildings and other fixed structures	2 204	-	2 204
Machinery and equipment	8 818	262	9 080
<b>Intangible assets</b>	<b>1 000</b>	<b>54</b>	<b>1 054</b>
Software	430	54	484
Patents, licences, copyright, brand names, trademarks	570	-	570
<b>Total</b>	<b>12 022</b>	<b>316</b>	<b>12 338</b>

**9.2 Analysis of funds utilised to acquire capital assets – 2017/18**

	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>	<b>7 059</b>	<b>133</b>	<b>7 192</b>
Machinery and equipment	7 059	133	7 192
<b>Intangible assets</b>	<b>20</b>	<b>-</b>	<b>20</b>
Software	20	-	20
<b>Total</b>	<b>7 079</b>	<b>133</b>	<b>7 212</b>

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	Note	2018/19 R'000	2017/18 R'000
<b>10. Cash and cash equivalents</b>			
Consolidated Paymaster-General Account		-	46 553
Disbursements		(1)	(33)
Cash on hand		45	40
Investments (Domestic)		221	172
<b>Total</b>		<b>265</b>	<b>46 732</b>

*The main reason for the decrease is due mainly to outstanding claims, claims from the National Skills Fund not paid and to Sefako Makgatho University for incorrect payment made in 2018/19 that was not reimbursed by 31 March 2019. Investments (Domestic) are money received in the commercial bank of the Department in April 2019 that is in respect of the previous financial year. Disbursements are cheques that was cancelled. There is no amounts included in Cash and Cash Equivalents of undrawn borrowings, facilities that may be available for future operating activities and to settle capital commitments.*

### 11. Prepayments and advances

Travel and subsistence		117	53
Prepayments	11.2	-	289
Advances paid	11.1	21 521	37 502
<b>Total</b>		<b>21 638</b>	<b>37 844</b>

#### 11.1 Advances paid (not expensed)

Note	Balance as at 1 April 2018 R'000	Less: Amount expensed in current year R'000	Add: Current year advances R'000	Balance as at 31 March 2019 R'000
11				
National departments	17 680	(19 044)	9 562	8 198
Public entities	19 822	(6 499)	-	13 323
<b>Total</b>	<b>37 502</b>	<b>(25 543)</b>	<b>9 562</b>	<b>21 521</b>

*The prepayments to public entities is in respect of the advance payment to the National Student Financial Aid Scheme for TRC student related funds that are cleared when qualifying students are registered at institutions and confirmed with the Department of Justice and Constitutional Development.*

#### Advances paid (not expensed)

Note	Balance as at 1 April 2017 R'000	Less: Amount expensed in current year R'000	Add: Current year advances R'000	Balance as at 31 March 2018 R'000
11				
National departments	13 055	(13 886)	18 511	17 680
Public entities	20 256	(434)	-	19 822
<b>Total</b>	<b>33 311</b>	<b>(14 320)</b>	<b>18 511</b>	<b>37 502</b>

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**11.2 Prepayments (Not expensed)**

	Note	Balance as at 1 April 2018	Less: Amount expensed in current year	Add: Current Year prepayments	Balance as at 31 March 2019
		R'000	R'000	R'000	R'000
Goods and services	11	289	(289)	-	-
<b>Total</b>		<b>289</b>	<b>(289)</b>	<b>-</b>	<b>-</b>

**Prepayments (Not expensed)**

	Note	Balance as at 1 April 2017	Less: Amount expensed in current year	Add: Current Year prepayments	Balance as at 31 March 2018
		R'000	R'000	R'000	R'000
Goods and services	11	2 004	(2 004)	289	289
<b>Total</b>		<b>2 004</b>	<b>(2 004)</b>	<b>289</b>	<b>289</b>

*The prepayments are mainly in respect of payments made to service providers for which there was a dispute that still needs to be resolved.*

**12. Receivables**

	Note	2018/19			2017/18		
		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	598 995	-	598 995	550 355	-	550 355
Recoverable expenditure	12.2	29 190	-	29 190	16 140	-	16 140
Staff debt	12.3	1 496	3 626	5 122	3 801	2 475	6 276
Fruitless and wasteful expenditure	12.5	680	6 212	6 892	-	-	-
Other receivables	12.4	18 546	2 318	20 864	15 327	-	15 327
<b>Total</b>		<b>648 907</b>	<b>12 156</b>	<b>661 063</b>	<b>585 623</b>	<b>2 475</b>	<b>588 098</b>

*Claims Recoverable includes claims for March 2019 for services rendered on behalf of the National Skills Fund, Claims in respect of NSF Growth Projects, the NSF and the NSF Infrastructure projects. Claims in respect of March 2019 were issued during April 2019.*

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	<i>Note</i>	<b>2018/19</b> <b>R'000</b>	<b>2017/18</b> <b>R'000</b>
<b>12.1 Claims recoverable</b>	12		
National departments		182	103
Provincial departments		1 201	504
Public entities		494 569	500 954
Private enterprises		3 001	48 752
Higher education institutions		100 042	42
<b>Total</b>		<b>598 995</b>	<b>550 355</b>
<i>Claims Recoverable includes claims for March 2019 for services rendered on behalf of the National Skills Fund, Claims in respect of NSF Growth Projects, the NSF and the NSF Infrastructure projects. Claims in respect of March 2019 were issued during April 2019.</i>			
<b>12.2 Recoverable expenditure (disallowance accounts)</b>	12		
Salaries		27 685	15 845
No Shows		276	230
Miscellaneous		1 229	65
<b>Total</b>		<b>29 190</b>	<b>16 140</b>
<b>12.3 Staff debt</b>	12		
Motor accidents		840	770
Other		107	4 761
Pension Fund		289	170
Salary overpayment debt		2 952	-
Salary tax debt		164	575
Salary Income Tax debt		770	-
<b>Total</b>		<b>5 122</b>	<b>6 276</b>
<b>12.4 Other receivables</b>	12		
Tax debt		80	80
Other debtors		20 784	15 247
<b>Total</b>		<b>20 864</b>	<b>15 327</b>
<i>Increase on other debtors includes salary overpayments in respect of staff who left the service.</i>			
<b>12.5 Fruitless and wasteful expenditure</b>	12		
Opening balance		-	-
Transfers from note 26 Fruitless and wasteful expenditure		6 892	-
<b>Total</b>		<b>6 892</b>	<b>-</b>
<i>The Fruitless and Wasteful Expenditure is in respect of fraudulent salary overpayments discovered in 2018/19 in respect of payments made in the latter part of 2017/18 and beginning of 2018/19. The matter is currently under investigation and steps have commenced with recovery of debt.</i>			

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	<b>Note</b>	<b>2018/19</b> <b>R'000</b>	<b>2017/18</b> <b>R'000</b>
<b>12.6 Impairment of receivables</b>			
Estimate of impairment of receivables		11 306	2 466
<b>Total</b>		<b>11 306</b>	<b>2 466</b>

*Items older than three years were impaired. The majority of debt cases are in respect of salary over-payments for deceased cases.*

### 13. Loans

Higher education institutions		11 325	14 298
<b>Total</b>		<b>11 325</b>	<b>14 298</b>

#### Analysis of balance

Opening balance		14 298	17 122
Repayments		(2 973)	(2 824)
<b>Closing balance</b>		<b>11 325</b>	<b>14 298</b>

Cape Peninsula University of Technology		1 154	1 667
Durban University of Technology		3 492	4 268
Nelson Mandela University		98	111
Tshwane University of Technology		3 476	4 239
Vaal University of Technology		1 072	1 349
University of Johannesburg		2 033	2 597
Stellenbosch University		-	67
		<b>11 325</b>	<b>14 298</b>

Current portion of loans		3 100	2 972
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### 14. Voted funds to be surrendered to the Revenue Fund

Opening balance		12 019	50 717
Transfer from Statement of Financial Performance		200 335	12 019
Paid during the year		(12 019)	(50 717)
<b>Closing balance</b>		<b>200 335</b>	<b>12 019</b>

### 15. Departmental revenue and NRF receipts to be surrendered to the Revenue Fund

Opening balance		818	2 728
Transfer from Statement of Financial Performance		27 674	29 663
Paid during the year		(27 504)	(31 573)
<b>Closing balance</b>		<b>988</b>	<b>818</b>



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	Note	2018/19 R'000	2017/18 R'000
<b>16. Bank overdraft</b>			
Consolidated Paymaster-General Account		358 858	-
<b>Total</b>		<b>358 858</b>	<b>-</b>

*The increase is due mainly to claims issued to the National Skills Fund not paid by 31 March 2019 and a claim issued to Sefako Makgatho University for an incorrect payment made in 2018/19.*

**17. Payables - current**

Advances received	17.1	83 004	665 048
Clearing accounts	17.2	210	179
Other payables	17.3	5 000	4 269
<b>Total</b>		<b>88 214</b>	<b>669 496</b>

*The decrease is due mainly to payments of funds to the NSF for the shortfalls provision in University Education for which claims were not received.*

<b>17.1 Advances received</b>	17		
Public entities	Annex 5B	83 004	665 048
<b>Total</b>		<b>83 004</b>	<b>665 048</b>

*The decrease is due mainly to payments of funds to the NSF for shortfalls provision in University Education for which claims were not received.*

<b>17.2 Clearing accounts</b>	17		
Salary Claims: Limpopo and Mpumalanga		29	29
Salary Claims: Free State		-	150
Other		181	-
<b>Total</b>		<b>210</b>	<b>179</b>

<b>17.3 Other payables</b>	17		
Unidentified deposits		755	98
Other payables		2 408	1 537
Salary Income Tax		-	2 309
Salary: Money Back		502	325
Salary: GEHS Refund		1 335	-
<b>Total</b>		<b>5 000</b>	<b>4 269</b>

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	<b>2018/19</b>	<b>2017/18</b>
<i>Note</i>	<b>R'000</b>	<b>R'000</b>
<b>18. Net cash flow available from operating activities</b>		
Net surplus/(deficit) as per Statement of Financial Performance	271 499	29 411
Add back non cash/cash movements not deemed operating activities	(665 874)	305 148
(Increase)/decrease in receivables – current	(72 965)	(232 497)
(Increase)/decrease in prepayments and advances	16 206	(2 453)
Increase/(decrease) in payables – current	(581 282)	632 098
Proceeds from sale of capital assets	-	(500)
Expenditure on capital assets	12 338	7 212
Surrenders to Revenue Fund	(39 523)	(82 290)
Surrenders to RDP Funds/Donor	(648)	(16 422)
<b>Net cash flow generated by operating activities</b>	<b>(394 375)</b>	<b>334 559</b>

**19. Reconciliation of cash and cash equivalents for cash flow purposes**

Consolidated Paymaster-General account	(358 858)	46 553
Disbursements	(1)	(33)
Cash on hand	45	40
Cash with commercial banks (local)	221	172
<b>Total</b>	<b>(358 593)</b>	<b>46 732</b>

*Cash with commercial banks (Local) are money received in the commercial bank account of the Department in April 2019 that is in respect of the previous financial year. Disbursements are cheques that was cancelled.*

**20. Contingent liabilities and contingent assets**

**20.1 Contingent liabilities**

**Liable to**

Claims against the department	<i>Annex 2A</i>	150 510	148 941
<b>Total</b>		<b>150 510</b>	<b>148 941</b>

*There is uncertainties relating to the cases of Vital vs Vista University (R4 million) as this case is dormant and it might not realise.*

**21. Commitments**

**Current expenditure**

Approved and contracted	50 883	40 079
	<b>50 883</b>	<b>40 079</b>

**Capital expenditure (including transfers)**

Approved and contracted	596	507
	<b>596</b>	<b>507</b>

<b>Total Commitments</b>	<b>51 479</b>	<b>40 586</b>
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*Commitments to the amount of R4.564 million is longer than a year. The main reason for the increase in commitments is due to the new commitments entered into by the Department for printing of the March 2019 examinations.*

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## 22. Accruals and payables not recognised

### 22.1 Accruals

<b>Listed by economic classification</b>	<b>30 days</b>	<b>30+ days</b>	<b>Total</b>	<b>Total</b>
Goods and services	10 992	4 920	<b>15 912</b>	23 206
Capital assets	20	-	<b>20</b>	36
Other	7 988	3 250	<b>11 238</b>	29 832
<b>Total</b>	<b>19 000</b>	<b>8 170</b>	<b>27 170</b>	<b>53 074</b>

<b>Listed by programme level</b>	<b>Note</b>	<b>2018/19</b>	<b>2017/18</b>
		<b>R'000</b>	<b>R'000</b>
Programme 1: Administration		7 887	7 503
Programme 2: Planning, Policy and Strategy		251	273
Programme 3: University Education		477	430
Programme 4: Technical and Vocational Education and Training		8 431	18 955
Programme 5: Skills Development		519	7 378
Programme 6: Community Education and Training		9 604	18 080
Unallocated		1	455
<b>Total</b>		<b>27 170</b>	<b>53 074</b>

*Reasons for material accruals:*

*Claims in respect of the Rennies account, Community Education and Training lecturers as well as examiners and moderators were not received before closure of the financial year. Other accruals include, claims from Community Education and Training lecturers as well as examiners and moderators.*

### 22.2 Payables not recognised

<b>Listed by economic classification</b>	<b>30 days</b>	<b>30+ days</b>	<b>Total</b>	<b>Total</b>
Goods and services	35 744	39	<b>35 783</b>	2 666
Capital assets	-	-	-	6
Other	19 260	1 192	<b>20 452</b>	7 487
<b>Total</b>	<b>55 004</b>	<b>1 231</b>	<b>56 235</b>	<b>10 159</b>

<b>Listed by programme level</b>	<b>Note</b>	<b>2018/19</b>	<b>2017/18</b>
		<b>R'000</b>	<b>R'000</b>
Programme 1: Administration		981	230
Programme 2: Planning, Policy and Strategy		175	27
Programme 3: University Education		101	60
Programme 4: Technical and Vocational Education and Training		34 055	4 764
Programme 5: Skills Development		71	86
Programme 6: Community Education and Training		20 852	4 992
<b>Total</b>		<b>56 235</b>	<b>10 159</b>

*Reasons for material payables:*

*Claims in respect of the Rennies account, Community Education and Training lecturers as well as examiners and moderators were not received before closure of the financial year. Other payables include, claims from Community Education and Training lecturers as well as examiners and moderators.*

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	<b>2018/19</b>	<b>2017/18</b>
<b>Note</b>	<b>R'000</b>	<b>R'000</b>
<b>23. Employee benefits</b>		
Leave entitlement	138 960	138 106
Service bonus (Thirteenth cheque)	211 446	197 323
Performance awards	89 576	82 048
Capped leave commitments	106 362	108 032
Other	10 531	6 261
<b>Total</b>	<b>556 875</b>	<b>531 770</b>

*At this stage the Department is not able to reliably measure the long-term portion of the long service awards.*

**Negative leave balances**

Differences in the reporting cycle for leave	425	488
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*Negative leave balances: Differences in reporting cycle for leave: 2017/18: R0.488 million; 2018/19 R0.425 million. The negative leave balance is due to pro-rata leave granted for the year by the of March.*

**24. Lease commitments**

**24.1 Operating leases expenditure**

	<b>Buildings and other fixed structures</b>	<b>Machinery and equipment</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>2018/19</b>			
Not later than 1 year	2 705	7 264	9 969
Later than 1 year and not later than 5 years	9 069	1 916	10 985
<b>Total lease commitments</b>	<b>11 774</b>	<b>9 180</b>	<b>20 954</b>
<b>2017/18</b>			
Not later than 1 year	-	6 392	6 392
Later than 1 year and not later than 5 years	-	1 671	1 671
<b>Total lease commitments</b>	<b>-</b>	<b>8 063</b>	<b>8 063</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 Ndinaye House and 123 Francis Baard Street as this agreement have not yet been concluded. The lease agreement for machinery and equipment is mainly in respect of photocopy machines and these contracts are for a period of three to five years and motor vehicles contracts which are mainly for one year.*

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	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
		<b>R'000</b>	<b>R'000</b>
<b>25. Irregular expenditure</b>			
<b>25.1 Reconciliation of irregular expenditure</b>			
Opening balance		149 204	94 429
Prior period error		-	-
		149 204	94 429
Add: Irregular expenditure – relating to current year		18 212	56 785
Less: Prior year amounts condoned		-	(2 010)
Less: Amounts not condoned and not recoverable		(29 222)	-
<b>Irregular expenditure awaiting condonation</b>		<b>138 194</b>	<b>149 204</b>
<b>Analysis of awaiting condonation per age classification</b>			
Current year		126	56 785
Prior years		138 068	92 419
<b>Total</b>		<b>138 194</b>	<b>149 204</b>
			<b>2018/19</b>
			<b>R'000</b>
<b>25.2 Details of irregular expenditure – added current year (relating to current and prior years)</b>			
<b>Incident</b>	<b>Disciplinary steps taken/ criminal proceedings</b>		
Correct procurement procedures were not followed due to time constraints	Under investigation		5
Correct procurement procedures were not followed	Under investigation		5
Correct procurement procedures were not followed	Investigation was completed and the matter was referred to National Treasury		18
Correct procurement procedures were not followed	Under investigation		96
Correct procurement procedures were not followed	Under investigation		2
Contract awarded after bid process was advertised for two weeks	Investigation was completed and the matter was referred to the Director-General in 2018/19		18 086
<b>Total</b>			<b>18 212</b>
			<b>2018/19</b>
			<b>R'000</b>
<b>25.3 Details of irregular expenditure removed – not recoverable (not condoned)</b>			
<b>Incident</b>	<b>Not condoned by (condoning authority)</b>		
Contract awarded after bid process was advertised for two weeks	Matter was investigated and written off by the Accounting Officer		29 222
<b>Total</b>			<b>29 222</b>

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	<b>Note</b>	<b>2018/19</b> <b>R'000</b>	<b>2017/18</b> <b>R'000</b>
<b>26. Fruitless and wasteful expenditure</b>			
<b>26.1 Reconciliation of fruitless and wasteful expenditure</b>			
Fruitless and wasteful expenditure – relating to prior year		8 289	-
Fruitless and wasteful expenditure – relating to current year		16 483	-
Less: Amounts resolved		(5 924)	-
Less: Amounts transferred to receivables for recovery	12.5	(6 892)	-
<b>Closing balance</b>		<b>11 956</b>	<b>-</b>
<b>26.2 Analysis of awaiting resolution per economic classification</b>			<b>2018/19</b> <b>R'000</b>
Current			11 956
<b>Total</b>			<b>11 956</b>
<b>26.3 Analysis of current year's (relating to current and prior years) fruitless and wasteful expenditure</b>			
<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>		
Fraudulent salary overpayments	Under investigation		24 772
<b>Total</b>			<b>24 772</b>

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**27. Related party transactions**

**In kind goods and services received**

Computer Services: National Skills Fund

**Total**

*Note*

**2018/19**

**R'000**

31 689

**31 689**

*List related party relationships*

Ministerial Portfolio	Departmental Schedule	Public Entity
Higher Education and Training	3A	Council on Higher Education and Training National Student Financial Aid Scheme South African Qualifications Authority Quality Council for Trades and Occupations National Skills Fund <b>Sector Education and Training Authorities (SETAs):</b> Agriculture SETA Banking SETA Chemical Industries Education and Training Authority Construction SETA Culture, Arts, Tourism, Hospitality and Sports SETA Education, Training and Development Practices SETA Energy and Water SETA Fibre, Processing and Manufacturing SETA Financial Accounting Services SETA Food and Beverages SETA Health and Welfare SETA Insurance SETA Local Government SETA Manufacturing, Engineering and Related Services SETA Media, Information and Communication Technologies SETA Mining Qualifications Authority Public Services SETA Safety and Security SETA Services SETA Transport Education and Training Authority Wholesale and Retail SETA

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Ministerial Portfolio	Departmental Schedule	Public Entity
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**Technical and Vocational Education and Training Colleges**

Buffalo City College; East Cape Midlands College; Ikhala College; Ingwe College; King Hintsa College, King Sabata College; Lovedale College; Port Elizabeth College; Flavius Mareka College; Gold Fields College; Maluti College; Motheo College; Central Johannesburg College; Ekurhuleni East College; Ekurhuleni West College; Sedibeng College; South West College; Tshwane North College; Tshwane South College; Western College; Coastal College; Elangeni College; Esayidi College; Majuba College; Mnambithi College; Mthashana College; Thekwini College; Umfolozi College; Umgungundlovu College; Capricorn College; Lephalale College; Letaba College; Mopani College; Sekhukhune College; Vhembe College; Waterberg College; Ehlanzeni College; Gert Sibande College; Nkangala College; Rural College; Urban College; Orbit College; Taletso College; Vuselela College; Boland College; Cape Town College; False Bay College; Northlink College; South Cape College; West Coast College

**Community Education and Training Colleges**

Eastern Cape Community Education and Training College; Free State Community Education and Training College; Gauteng Community Education and Training College; KwaZulu Natal Community Education and Training College; Limpopo Community Education and Training College; Mpumalanga Community Education and Training College; Northern Cape Community Education and Training College; North West Community Education and Training College; Western Cape Community Education and Training College

**Government Departments and other entities in the same sphere of government**

All government departments and public entities in the same sphere of government are related parties to the Department of Higher Education and Training

*The Department did not have any transactions with these entities that is required to be disclosed in terms of the Departmental Reporting Framework.*

**28. Key Management Personnel**

	No. of Individuals	2018/19 R'000	2017/18 R'000
Political office bearers	2	4 245	3 902
Officials:			
Level 15 to 16	8	13 179	15 679
Level 14	30	44 262	34 243
<b>Total</b>		<b>61 686</b>	<b>53 824</b>

Minister's: 2018/19: R2.267 million; 2017/18: R2.252 million.

Deputy Minister's: 2018/19: R1.978 million; 2017/18: R1.902 million.



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	2018/19	2017/18
	R'000	R'000
<b>29. Provisions</b>		
Rennies account	-	1 920
CET claims	8 224	9 468
Limpopo CET examinations	3 645	-
Examination claims	259	-
<b>Total</b>	<b>12 128</b>	<b>11 388</b>

**29.1 Reconciliation of movement in provisions - 2018/19**

	Provision 1	Provision 2	Provision 3	Provision 4	Total provisions
	R'000	R'000	R'000	R'000	R'000
Opening balance	1 920	9 468	-	-	<b>11 388</b>
Increase in provision	-	4 894	3 645	259	<b>8 798</b>
Settlement of provision	(1 920)	(6 138)	-	-	<b>(8 058)</b>
Unused amount reversed	-	-	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>8 224</b>	<b>3 645</b>	<b>259</b>	<b>12 128</b>

*Provision 1: Provision in respect of Rennies account claim received during May 2018 in respect of the previous financial year for which supporting evidence is not attached. The amount included is based on claims received. There is uncertainty whether these claims will be processed and by when these claims will be processed.*

*Provision 2: Provision in respect of community education and training centres received in the previous financial year for which necessary appointment documents were not received. The amount included is based on claims received. There is uncertainty whether these claims will be processed and by when these claims will be processed.*

*Provision 3: Provision in respect of community education and training examination claim received during 2018/19 in respect of the previous financial year for which supporting evidence is not attached. The amount included is based on claims received. There is uncertainty whether these claims will be processed and by when these claims will be processed.*

*Provision 4: Provision in respect of examination and assessment related claims received during May 2019 in respect of the previous financial year for which supporting evidence is not attached. The amount included is based on claims received. There is uncertainty whether these claims will be processed and by when these claims will be processed.*

**29.2 Reconciliation of movements in provisions - 2017/18**

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	-	9 730	1 354	<b>11 084</b>
Increase in provision	1 920	5 956	-	<b>7 876</b>
Settlement of provision	-	(4 575)	(1 354)	<b>(5 929)</b>
Unused amount reversed	-	(1 643)	-	<b>(1 643)</b>
<b>Closing balance</b>	<b>1 920</b>	<b>9 468</b>	<b>-</b>	<b>11 388</b>

*Provision 1: Provision in respect of Rennies account claim received during May 2018 in respect of the previous financial year for which supporting evidence is not attached. The amount included is based on claims received. There is uncertainty whether these claims will be processed and by when these claims will be processed.*

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Provision 2: Provision in respect of community education and training centres received in the previous financial year for which necessary appointment documents were not received. The amount included is based on claims received. There is uncertainty whether these claims will be processed and by when these claims will be processed.

Provision 3: Provision in respect of community education and training examination claim received during April 2018 in respect of the previous financial year for which supporting evidence is not attached. The amount included is based on claims received. There is uncertainty whether these claims will be processed and by when these claims will be processed.

### 30. Movable Tangible Capital Assets

#### MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>56 194</b>	<b>4</b>	<b>8 693</b>	<b>1 548</b>	<b>63 343</b>
Transport assets	4 249	1	1 641	-	5 891
Computer equipment	38 737	2	4 644	1 242	42 141
Furniture and office equipment	8 521	1	1 939	90	10 371
Other machinery and equipment	4 687	-	469	216	4 940
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>56 194</b>	<b>4</b>	<b>8 693</b>	<b>1 548</b>	<b>63 343</b>

#### Movable Tangible Capital Asset under investigation

	Number	Value
		R'000
<b>Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:</b>		
Machinery and equipment	12	135

1) Some officials terminated service and some assets were not properly re-assigned and in some cases they were not all returned to the Department. The Department is still dealing with the recovery of these assets; 2) Some officials did not adhere to policy and hence made un-authorised movements and these caused the assets to be placed as missing whilst we still investigating the recovery/current location of the assets; and 3) At times when movements were made some assets got misplaced along the exercise. The Department is still investigating the whereabouts of these assets and if not found these will be referred to the Loss and Disposal Committee for a recommendation.

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**Additions**

**30.1 ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019**

	Cash R'000	Non-cash R'000	(Capital work-in-progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>9 080</b>	-	-	<b>(387)</b>	<b>8 693</b>
Transport assets	1 641	-	-	-	1 641
Computer equipment	4 624	-	-	20	4 644
Furniture and office equipment	1 981	-	-	(42)	1 939
Other machinery and equipment	834	-	-	(365)	469
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>9 080</b>	-	-	<b>(387)</b>	<b>8 693</b>

**Disposals**

**30.2 DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019**

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash received Actual R'000
<b>MACHINERY AND EQUIPMENT</b>	-	<b>1 548</b>	<b>1 548</b>	-
Computer equipment	-	1 242	1 242	-
Furniture and office equipment	-	90	90	-
Other machinery and equipment	-	216	216	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	-	<b>1 548</b>	<b>1 548</b>	-

**30.3 Movement for 2017/18**

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	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>52 018</b>	-	<b>6 424</b>	<b>2 248</b>	<b>56 194</b>
Transport assets	5 026	-	313	1 090	4 249
Computer equipment	35 876	-	3 950	1 089	38 737
Furniture and office equipment	6 868	-	1 683	30	8 521
Other machinery and equipment	4 248	-	478	39	4 687
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>52 018</b>	-	<b>6 424</b>	<b>2 248</b>	<b>56 194</b>

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**30.4 Minor assets**

**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019**

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	739	10 253	10 992
Additions	507	1 431	1 938
Disposals	-	290	290
<b>TOTAL MINOR ASSETS</b>	<b>1 246</b>	<b>11 394</b>	<b>12 640</b>

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	1	23 166	23 167
Number of minor assets at cost	530	6 386	6 916
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>531</b>	<b>29 552</b>	<b>30 083</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	-	-

**Minor assets**

**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	742	8 801	9 543
Additions	-	1 647	1 647
Disposals	3	195	198
<b>TOTAL MINOR ASSETS</b>	<b>739</b>	<b>10 253</b>	<b>10 992</b>

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	1	23 391	23 392
Number of minor assets at cost	283	6 070	6 353
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>284</b>	<b>29 461</b>	<b>29 745</b>

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**30.5 Movable assets written off**

**MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2019**

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Assets written off	-	290	290
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>-</b>	<b>290</b>	<b>290</b>

**MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2018**

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Assets written off	-	-	-
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>-</b>	<b>-</b>	<b>-</b>

**31. Intangible Capital Assets**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019**

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	11 131	-	430	-	11 561
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	245	-	623	-	868
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>11 376</b>	<b>-</b>	<b>1 053</b>	<b>-</b>	<b>12 429</b>

**Additions**

**31.1 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019**

	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	430	-	-	-	430
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	623	-	-	-	623
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	<b>1 053</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 053</b>

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**Disposals**

**31.2 DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019**

	Sold for cash	Non-cash disposal	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Movement for 2017/18**

**31.3 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	11 680	-	20	569	11 131
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	251	-	-	6	245
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>11 931</b>	<b>-</b>	<b>20</b>	<b>575</b>	<b>11 376</b>

**32. Immovable Tangible Capital Assets**

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019**

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>-</b>	<b>-</b>	<b>2 204</b>	<b>-</b>	<b>2 204</b>
Non-residential buildings	-	-	2 204	-	2 204
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>-</b>	<b>2 204</b>	<b>-</b>	<b>2 204</b>

*Ten mobile classrooms were purchased for Community Education and Training purposes in Gauteng.*

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**32.1 ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019**

			(Capital work-in-progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	Cash	Non-cash	R'000	R'000	
	R'000	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	-	-	2 204	-	2 204
Non-residential buildings	-	-	2 204	-	2 204
<b>TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	-	-	<b>2 204</b>	-	<b>2 204</b>

Ten mobile classrooms were purchased for Community Education and Training purposes in Gauteng.

**33. Agent-principal arrangements**

**33.1 Department acting as the agent**

**33.1.1 Revenue received for agency activities**

National Skills Fund

	2018/19	2017/18
	R'000	R'000
	-	-
	-	-

The Department has been appointed by the National Skills Fund to project manage the TVET College Infrastructure Development project funded by the NSF and relevant SETAs. The beneficiaries of the project will be the respective TVET colleges who will receive the new or improved TVET college sites once the construction has been completed. Any unspent funds will be returned to the NSF.

**33.1.2 Reconciliation of funds and disbursements – 2018/19**

Category of revenue/ expenditure per arrangement	Total funds received	Expenditure incurred against funds	Amount remitted to the principal	Variance between amounts received and amounts remitted	Explanation of the variance
	R'000	R'000	R'000	R'000	
National Skills Fund	319 200	267 006	-	52 194	Amounts are claimed back from the NSF as claims recoverable.
<b>Total</b>	<b>319 200</b>	<b>267 006</b>	<b>-</b>	<b>52 194</b>	

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**33.1.3 Reconciliation of carrying amount of receivables and payables – 2018/19**

**Receivable**

Name of entity	Opening balance R'000	Revenue principal is entitled to R'000	Less: Write-offs/ settlement/ waivers R'000	Cash received on behalf of principal R'000	Closing balance R'000
National Skills Fund	(149 821)	319 200	-	267 006	(97 627)
<b>Total</b>	<b>(149 821)</b>	<b>319 200</b>	<b>-</b>	<b>267 006</b>	<b>(97 627)</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, Nongoma Campus for Mthashana TVET College, Balfour Campus for Gert Sibande TVET College, Msinga Campus for Umgungundlovu TVET College, Aliwal North Campus for Ikhala TVET College, Mzimkhulu Campus for Esayidi TVET College, Graaff-Reinet Campus for East Cape Midlands TVET College, Ngqungqushu Campus for Ingwe TVET College, Sterkspruit Campus for Ikhala TVET College, Kwagqikazi Campus for Mthashana TVET College, Greytown Campus for Umgungundlovu TVET College. The following amounts have been incurred to date at the campus:

	<b>R'000</b>
Thabazimbi:	181 645
Nkandla A:	240 032
Bhambanana:	164 950
Nongoma	29 837 <i>(Includes accrual amount of R4.979 million)</i>
Balfour	1 382
Msinga	56 596 <i>(includes accrual amount of R16.133 million)</i>
Aliwal North	45 788 <i>(includes accrual amount of R5.777 million)</i>
Umsimkhulu	54 261 <i>(includes accrual amount of R11.554 million)</i>
Ikhala	-
Graaff-Reinet	43 139 <i>(includes accrual amount of R4.763 million)</i>
Ngqungqushu	24 966 <i>(includes accrual amount of R5.220 million)</i>
Sterkspruit	46 574 <i>(includes accrual amount of R6.213 million)</i>
Kwagqikazi	2 465 <i>(includes accrual amount of R2.126 million)</i>
Greytown	6 445 <i>(includes accrual amount of R1.026 million)</i>
Project management costs:	196 215
Municipal services:	3 398





# Unaudited Supplementary Annexures

## ANNEXURE 1A

### STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2017/18 Appropriation Act R'000
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of Available funds transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Education Training and Development Practices SETA	17 949	-	-	17 949	17 949	100%	15 158
Council on Higher Education	50 727	-	-	50 727	50 727	100%	47 946
National Student Financial Aid Scheme	20 334 391	-	1 761 640	22 096 031	22 096 031	100%	10 143 091
South African Qualifications Authority	66 719	-	-	66 719	66 719	100%	64 940
Direct Charge: Sector Education and Training Authorities	13 849 729	-	-	13 849 729	13 983 917	101%	12 616 443
Direct Charge: National Skills Fund	3 462 432	-	-	3 462 432	3 495 979	101%	3 154 111
Claims against the State	-	-	150	150	430	287%	183
Quality Council for Trades and Occupations	27 380	-	-	27 380	27 380	100%	26 920
Public Services SETA	106 425	-	-	106 425	106 425	100%	103 760
<b>Total</b>	<b>37 915 752</b>	<b>-</b>	<b>1 761 790</b>	<b>39 677 542</b>	<b>39 845 557</b>		<b>26 172 552</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 R167.735 million.

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
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## ANNEXURE 1B

### STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION					TRANSFER			2017/18
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	Amount not transferred R'000	Available funds transferred %	Appropriation Act R'000	
Cape Peninsula University of Technology	1 225 159	-	185 335	1 410 494	1 410 494	-	100%	1 261 058	
Central University of Technology, Free State	507 573	-	166 559	674 132	674 133	(1)	100%	599 942	
Durban University of Technology	1 000 363	-	234 167	1 234 530	1 234 530	-	100%	941 584	
Mangosuthu University of Technology	353 229	-	271 595	624 824	624 824	-	100%	518 111	
Nelson Mandela University	1 054 581	-	297 813	1 352 394	1 352 395	(1)	100%	1 038 645	
North West University	1 882 692	-	266 296	2 148 988	2 148 988	-	100%	1 770 743	
Rhodes University	450 396	-	188 222	638 618	638 618	-	100%	476 457	
Tshwane University of Technology	1 834 952	-	262 627	2 097 579	2 097 579	-	100%	1 801 539	
University of Cape Town	1 439 369	-	347 117	1 786 486	1 786 486	-	100%	1 435 635	
University of Fort Hare	567 202	-	134 664	701 866	701 865	1	100%	730 064	
University of the Free State	1 171 066	-	357 495	1 528 561	1 528 562	(1)	100%	1 255 684	
University of Johannesburg	1 846 859	-	338 752	2 185 611	2 185 612	(1)	100%	1 880 776	
University of KwaZulu-Natal	2 007 678	-	366 640	2 374 318	2 374 318	-	100%	1 977 664	
University of Mpumalanga	962 906	-	17 439	980 345	980 345	-	100%	841 128	
Sefako Makgatho Health Sciences University	591 392	-	151 692	743 084	743 085	(1)	100%	686 370	
Sol Plaatje University	593 229	-	16 935	610 164	610 164	-	100%	511 727	
University of Limpopo	811 142	-	204 539	1 015 681	1 015 681	-	100%	839 460	
University of Pretoria	2 262 426	-	481 690	2 744 116	2 744 115	1	100%	2 415 378	
University of South Africa	3 554 502	-	204 243	3 758 745	3 758 744	1	100%	3 331 068	
Stellenbosch University	1 579 778	-	378 025	1 957 803	1 957 801	2	100%	1 514 777	
University of Venda	560 382	-	134 169	694 551	694 550	1	100%	653 749	

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**ANNEXURE 1B (continued)**

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION				TRANSFER		2017/18	
	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	%	R'000
University of the Western Cape	907 296	-	384 032	1 291 328	1 291 327	1	100%	1 006 997
University of the Witwatersrand	1 624 854	-	295 812	1 920 666	1 920 667	(1)	100%	1 646 130
University of Zululand	503 729	-	116 549	620 278	620 278	-	100%	668 785
Vaal University of Technology	719 186	-	150 306	869 492	869 491	1	100%	707 240
Walter Sisulu University	770 816	-	161 410	932 226	932 226	-	100%	1 069 807
Higher Education Institutions: Other Grants	4 613 814	-	(4 609 882)	3 932	-	3 932	0.0%	-
Interest and redemption of private and government infrastructure loans	3 484	-	(3 484)	-	-	-	0.0%	-
University infrastructure projects	2 688 063	-	(2 688 063)	-	-	-	0.0%	-
Academic clinical training grants	574 334	-	(574 334)	-	-	-	0.0%	-
<b>Total</b>	<b>38 662 452</b>	<b>-</b>	<b>(1 761 640)</b>	<b>36 900 812</b>	<b>36 896 878</b>	<b>3 934</b>		<b>31 580 518</b>

## ANNEXURE 1C

### STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENTS / INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2017/18 Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	% of Available funds transferred %	
<b>Transfers</b>							
Commonwealth of Learning	3 106	-	-	3 106	2 770	89%	2 936
India-Brazil-South Africa Trilateral Commission	585	-	-	585	-	0.0%	553
<b>Total</b>	<b>3 691</b>	<b>-</b>	<b>-</b>	<b>3 691</b>	<b>2 770</b>		<b>3 489</b>

## ANNEXURE 1D

### STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2017/18
	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
<b>Transfers</b>							
Universities South Africa	17 919	-	-	17 919	17 919	100%	8 581
Community Education and Training Centres: Subsidies	109 924	-	-	109 924	109 923	100%	103 898
National Institute for the Humanities and Social Sciences	38 837	-	-	38 837	38 837	100%	26 323
<i>Technical and Vocational Education and Training Colleges:</i>							
<i>Subsidies</i>							
Buffalo City College	66 077	-	-	66 077	66 077	100%	34 683
East Cape Midlands College	78 923	-	-	78 923	78 922	100%	35 693
Ikhala College	50 750	-	-	50 750	50 750	100%	24 162
Ingwe College	63 493	-	-	63 493	63 493	100%	39 896
King Hintsa College	52 729	-	-	52 729	52 729	100%	21 442
King Sabata College	63 087	-	-	63 087	63 087	100%	34 336
Lovedale College	53 154	-	-	53 154	53 154	100%	21 130
Port Elizabeth College	91 096	-	-	91 096	91 095	100%	38 796
Flavius Mareka College	45 855	-	-	45 855	45 854	100%	13 454
Gold Fields College	42 770	-	-	42 770	42 770	100%	17 416
Maluti College	52 922	-	-	52 922	52 922	100%	26 962
Motheo College	73 064	-	-	73 064	73 064	100%	47 803
Central Johannesburg College	69 604	-	-	69 604	69 604	100%	28 692
Ekurhuleni East College	85 131	-	-	85 131	85 131	100%	39 792

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**ANNEXURE 1D (continued)**

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2017/18
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	% of Available funds transferred %	
Ekurhuleni West College	103 918	-	-	103 918	103 918	100%	58 187
Sedibeng College	81 874	-	-	81 874	81 874	100%	35 410
South West College	103 535	-	-	103 535	103 535	100%	54 633
Tshwane North College	83 950	-	-	83 950	83 949	100%	46 156
Tshwane South College	98 079	-	-	98 079	98 080	100%	49 599
Western College	86 564	-	-	86 564	86 565	100%	32 763
Coastal College	109 162	-	-	109 162	109 162	100%	26 453
Elangeni College	87 873	-	-	87 873	87 873	100%	22 466
Esayidi College	76 329	-	-	76 329	76 330	100%	11 909
Majuba College	151 872	-	-	151 872	151 873	100%	53 148
Mnambithi College	59 173	-	-	59 173	59 173	100%	8 618
Mthashana College	54 014	-	-	54 014	54 014	100%	7 728
Thekwini College	60 824	-	-	60 824	60 824	100%	14 816
Umfolosi College	113 040	-	-	113 040	113 039	100%	32 282
Umgungundlovu College	55 078	-	-	55 078	55 078	100%	6 888
Capricorn College	80 306	-	-	80 306	80 306	100%	30 364
Lephalale College	34 199	-	-	34 199	34 199	100%	5 044
Letaba College	46 939	-	-	46 939	46 939	100%	16 112
Mopani College	71 315	-	-	71 315	71 314	100%	24 941
Sekhukhune College	49 181	-	-	49 181	49 181	100%	11 841
Vhembe College	90 813	-	-	90 813	90 812	100%	37 798
Waterberg College	46 973	-	-	46 973	46 973	100%	13 735

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**ANNEXURE 1D (continued)**

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2017/18
	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
Ehlanzeni College	105 329	-	-	105 329	105 329	100%	37 144
Gert Sibande College	163 934	-	-	163 934	163 934	100%	45 214
Nkangala College	116 251	-	-	116 251	116 251	100%	46 669
Rural College	72 429	-	-	72 429	72 430	100%	10 491
Urban College	76 189	-	-	76 189	76 189	100%	10 042
Orbit College	145 942	-	-	145 942	145 942	100%	47 507
Taletso College	75 993	-	-	75 993	75 993	100%	12 505
Vuselela College	80 853	-	-	80 853	80 854	100%	11 490
Boland College	69 499	-	-	69 499	69 499	100%	28 866
Cape Town College	75 477	-	-	75 477	75 477	100%	46 845
False Bay College	451 248	-	-	451 248	451 248	100%	37 677
Northlink College	98 281	-	-	98 281	98 281	100%	48 924
South Cape College	56 160	-	-	56 160	56 161	100%	23 450
West Coast College	66 287	-	-	66 287	66 287	100%	31 124
<b>Total</b>	<b>4 454 218</b>	<b>-</b>	<b>-</b>	<b>4 454 218</b>	<b>4 454 217</b>		<b>1 601 898</b>
<b>Transfers</b>							
<i>Technical and Vocational Education and Training Colleges for Skills Development</i>							
Buffalo City College	-	-	-	-	-	-	568
East Cape Midlands College	-	-	-	-	-	-	636
Ikhala College	-	-	-	-	-	-	419
Ingwe College	-	-	-	-	-	-	585



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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2019

**ANNEXURE 1D (continued)**

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE			2017/18
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	Available funds transferred %	Appropriation Act R'000	
King Hintsa College	-	-	-	-	-	-	450	
King Sabata College	-	-	-	-	-	-	630	
Lovedale College	-	-	-	-	-	-	373	
Port Elizabeth College	-	-	-	-	-	-	685	
Flavius Mareka College	-	-	-	-	-	-	294	
Gold Fields College	-	-	-	-	-	-	337	
Maluti College	-	-	-	-	-	-	563	
Motheo College	-	-	-	-	-	-	952	
Central Johannesburg College	-	-	-	-	-	-	852	
Ekurhuleni East College	-	-	-	-	-	-	865	
Ekurhuleni West College	-	-	-	-	-	-	1 091	
Sedibeng College	-	-	-	-	-	-	826	
South West College	-	-	-	-	-	-	1 171	
Tshwane North College	-	-	-	-	-	-	1 150	
Tshwane South College	-	-	-	-	-	-	991	
Western College	-	-	-	-	-	-	697	
Coastal College	-	-	-	-	-	-	1 071	
Elangeni College	-	-	-	-	-	-	805	
Esayidi College	-	-	-	-	-	-	737	
Majuba College	-	-	-	-	-	-	1 135	
Mnambithi College	-	-	-	-	-	-	421	

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**ANNEXURE 1D (continued)**

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE			2017/18
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	Available funds transferred %	Appropriation Act R'000	
Mthashana College	-	-	-	-	-	-	422	
Thekwini College	-	-	-	-	-	-	484	
Umfolazi College	-	-	-	-	-	-	793	
Umgungundlovu College	-	-	-	-	-	-	427	
Capricorn College	-	-	-	-	-	-	872	
Lephalale College	-	-	-	-	-	-	212	
Letaba College	-	-	-	-	-	-	351	
Mopani College	-	-	-	-	-	-	531	
Sekhukhune College	-	-	-	-	-	-	400	
Vhembe College	-	-	-	-	-	-	1 044	
Waterberg College	-	-	-	-	-	-	401	
Ehlanzeni College	-	-	-	-	-	-	659	
Gert Sibande College	-	-	-	-	-	-	763	
Nkangala College	-	-	-	-	-	-	779	
Rural College	-	-	-	-	-	-	268	
Urban College	-	-	-	-	-	-	276	
Orbit College	-	-	-	-	-	-	888	
Taletso College	-	-	-	-	-	-	426	
Vuselela College	-	-	-	-	-	-	517	
Boland College	-	-	-	-	-	-	553	
Cape Town College	-	-	-	-	-	-	721	

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**ANNEXURE 1D (continued)**

	TRANSFER ALLOCATION				EXPENDITURE			2017/18
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	Available funds transferred %	Appropriation Act R'000	
<b>NON-PROFIT INSTITUTIONS</b>								
False Bay College	-	-	-	-	-	-	544	
Northlink College	-	-	-	-	-	-	971	
South Cape College	-	-	-	-	-	-	444	
West Coast College	-	-	-	-	-	-	603	
<b>Total</b>	-	-	-	-	-	-	<b>32 653</b>	
<b>Total</b>	<b>4 454 218</b>	-	-	<b>4 454 218</b>	<b>4 454 217</b>		<b>1 634 551</b>	

**ANNEXURE 1E**  
**STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2017/18 Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	% of Available funds transferred %	
<b>Transfers</b>							
Employee Social Benefits	4 332	-	5 986	10 318	9 953	96%	16 244
Claims against the State	368	-	164	532	532	100%	362
<b>Total</b>	<b>4 700</b>	<b>-</b>	<b>6 150</b>	<b>10 850</b>	<b>10 485</b>		<b>16 606</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
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## ANNEXURE 1F

### STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION <b>Received in kind</b>	NATURE OF GIFT, DONATION OR SPONSORSHIP	2018/19	2017/18
		R'000	R'000
United Nations	Attending the expert group meeting and second session of the Economic Commission for Africa Commission in Addis Ababa, Ethiopia	-	15
BANKSETA	Participating in the "Fact Finding Mission" in Holland, and/or Singapore, and to Denmark and Sweden	-	189
German Government	Participating in the inauguration of the Artisan Training Centre at Umfolozi TVET College in Richards Bay	-	5
African Union	Participating in the Technical Consultations on Continental Teacher Mobility, Motivation and Qualification Frameworks in Addis Ababa, Ethiopia	30	-
Southern African Society for Cooperative Education	Attending the Work Integrated Learning Cooperative Education conference in Nairobi	35	-
Royal Academy of Engineering	Attending the Engineering Education systems	36	-
Teaching and Learning Development Capacity Improvement Programme	Participating in the United States-South African Higher Education workshop in Washington	81	-
Islamic Development Bank	Participating on the Scientific Advisory Board on the Islamic Development Bank in New York	38	-
British Council	Attending the Future of TVET: Disruption and Development seminar in the United Kingdom	82	-
UNESCO	Attending the Continuous Professional Development of Teachers in Lilongwe, Malawi	16	-
UNESCO	Attending the Continuous Professional Development of Teachers in Maputo, Mozambique	12	-
UNESCO	Attending the Capacity Building workshop on quality assurance in Higher Education in Lusaka, Zambia	18	-
UNESCO	Attending Work Based Learning workshop in Gaborone, Botswana	9	-
UNESCO	Attending TVET Governance and Funding workshop in Durban	41	-
National Skills Fund	Information Technology Services	31 689	-
<b>TOTAL</b>		<b>32 087</b>	<b>209</b>

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**ANNEXURE 1G**  
**STATEMENT OF AID ASSISTANCE RECEIVED**

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	PAID BACK ON/BY 31 MAR	CLOSING BALANCE
		R'000	R'000	R'000	R'000	R'000
<b>Received in cash</b>						
<b>Received in cash in the PMG Account</b>						
EU Budget Support	Career Guidance Services Project (EU1)	(5 889)	10 000	3 878	-	233
EU Budget Support	Career Guidance Services Project (EU2)	(17 294)	23 000	5 230	-	476
EU Budget Support	Open Learning System for Post-School Education and Training	(3 933)	12 000	6 487	-	1 580
EU Budget Support	Teaching and Learning Development Sector Policy Support Programme	14 197	32 422	44 701	-	1 918
USAID	Development of an updated solar energy resource map and database and the African soil micro-organism as a critical resource for Agriculture and Biotechnology	648	3 940	3 669	648	271
EU Budget Support	Artisan Trade Test System	-	26 710	617	-	26 093
<b>Total</b>		<b>(12 271)</b>	<b>108 072</b>	<b>64 582</b>	<b>648</b>	<b>30 571</b>

*EU Budget Support: Career Guidance Services Project previously recorded as one project with an opening balance of (R9,679 million) are now split into two projects to reflect Phase I (Career Guidance Services Project (EU1) and Phase II (Career Guidance Services Project (EU2)) separately. The opening balance for Career Guidance Services Project (EU1) is (R5,889 million). The opening balance for Career Guidance Services Project (EU2) is amended due to amounts not included in the Annexure on Donor Aid Assistance in the 2017/18 financial year and is amended from (R3,789 million) to (R17,293 million). The opening balance for Open Learning System for Post-School Education and Training is amended due to amounts not included in the Annexure on Donor Aid Assistance in the 2017/18 financial year and is amended from (R3,915 million) to (R3,933 million). The opening balance for the Teaching and Learning Development Sector Policy Support Programme is amended due to amounts not included in the Annexure on Donor Aid Assistance in the 2017/18 financial year and is restated from R17,097 million to R14,197 million.*

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2019

**ANNEXURE 1G (continued)**

NAME OF DONOR	PURPOSE	OPENING	REVENUE	EXPENDITURE	PAID BACK	CLOSING
		BALANCE			ON/BY 31	BALANCE
		R'000	R'000	R'000	MAR	R'000
<b>Received in cash in the RDP Fund</b>						
EU Budget Support	Career Guidance Services Project (EU1)	5 882	-	3 878	-	2 004
EU Budget Support	Career Guidance Services Project (EU2)	10 895	-	5 230	-	5 665
EU Budget Support	Open Learning System for Post-School Education and Training	46 971	-	6 487	-	40 484
EU Budget Support	Teaching and Learning Development Sector Policy Support Programme	84 386	-	44 701	-	39 685
USAID	Development of an updated solar energy resource map and database and the African soil micro-organism as a critical resource for Agriculture and Biotechnology	648	3 940	3 669	648	271
EU Budget Support	Artisan Trade Test System	-	26 710	617	-	26 093
<b>Total</b>		<b>148 782</b>	<b>30 650</b>	<b>64 582</b>	<b>648</b>	<b>114 202</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
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**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	2018/19	2017/18
	R'000	R'000
<b>Made in kind</b>		
Gift bought for the Chinese counterpart during the BRICS Minister's meeting	-	1
Gift bought for the best performing workshops at INDELELA	-	2
Gift bought for the Finnish counterpart during the Ministers meeting	-	1
Minister's awards for TVET Imbizo	-	2
Gift bought for the State Visit to New Delhi, Republic of India	1	-
Gift bought for the Chinese counterpart during the State Visit and the Forum on China Africa Cooperation	1	-
Gift bought for the Cypriot Counterpart	1	-
Gift bought for the Norwegian counterpart during the Nyobo visit	1	-
<b>Total</b>	<b>4</b>	<b>6</b>



DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**ANNEXURE 2A**

**STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2019**

Nature of Liability	Opening Balance 1 April 2018	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable	Closing balance 31 March 2019
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>					
Damaged Cars	-	784	784	-	-
Pension fund liability for TVET lecturers	2 653	-	2 653	-	-
Johann Raath vs Minister of Higher Education and Training	1 900	-	54	-	1 846
Vital vs Vista University	4 000	-	-	-	4 000
Business Unity SA vs Minister of Higher Education and Training (Case JR1110/2013)	402	-	402	-	-
Business Unity SA vs Minister of Higher Education and Training (Case JR1040/16)	568	-	231	-	337
LM Mapeka (Plane) vs Department of Higher Education and Training	973	-	-	-	973
Moses Sithole and others vs Mzukisi Dondole and others	200	-	-	-	200
Mxolisi Collin Mashabela vs Minister of Higher Education and Training and others	986	-	-	-	986
Dr Thokozani S Simelane vs Centre for Education Policy Development	778	-	-	-	778
Zakhele AT Zitha vs Minister of Higher Education and Training	35 438	-	-	-	35 438
Thiba Takalani vs Minister of Higher Education and Training	5 194	-	-	-	5 194
P P Gedze vs Nenga River Lodge and others	3 629	-	-	-	3 629
True Harvest (Pty) Ltd vs Minister of Higher Education and Training	50	-	-	-	50
Kamva Trading cc vs MEC for Basic Education and others	382	-	43	-	339
Minister of Higher Education and Training vs Public Protector SA and others	46	-	-	-	46
Transnet Soc Limited vs Minister of Higher Education and Training	39	-	39	-	-
Matome Maphalle vs Minister of Higher Education and Training and others	4	-	-	-	4
William Resinga Tshabalala vs Minister of Higher Education and Training	55	-	-	-	55

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**ANNEXURE 2A (continued)**

Nature of Liability	Opening Balance 1 April 2018 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 2019 R'000
South African Commercial Catering and Allied Workers Union and others vs Minister of Higher Education and Training	2 007	-	254	-	1 753
Jan Matsobane Komape vs Minister of Higher Education and Training	177	-	177	-	-
Motsumi Makgale Makhene vs Department of Higher Education and Training	35	-	-	-	35
Phumzile Felicia Zondo vs Department of Higher Education and Training	42	-	-	-	42
PM Venter (NO) vs ELRC and Lutaakume	170	-	-	-	170
Takalani Desmond Murathi vs Department of Higher Education and Training and the Minister of Higher Education and Training	30	-	-	-	30
South African Democratic Teachers Union vs Minister of Higher Education and Training and others	34	-	-	-	34
Josephine Naicker vs Minister of Higher Education and Training	25	-	-	-	25
Bafana Freddy Citi vs Minister of Higher Education and Training	240	-	240	-	-
Godfrey Mdluli vs Ekurhuleni East TVET College and Minister of Higher Education and Training	5 092	-	-	-	5 092
Saliwa vs Minister of Higher Education and Training	75	-	75	-	-
Nomsa Cecilia Motaung vs Department of Higher Education and Training	50	-	-	-	50
NL Matanda vs MEC for Education (Eastern Cape) and others	50	-	-	-	50
Mr DJ Smith vs Minister of Higher Education and Training and MEC for North West Department of Education and Sport Development	1 703	-	-	-	1 703
EB Habedi, S Mophaki, CCMA vs Department of Higher Education and Training	45	-	-	-	45
Mphaphudi Lorence Mashao vs Department of Higher Education and Training and the Minister of the Department of Higher Education and Training	220	-	42	-	178
Vishnu Chatturgoon vs Department of Higher Education and Training	70	-	-	-	70
True Harvest TVET College vs Minister of Higher Education and Training and others	80 500	-	61	-	80 439

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**ANNEXURE 2A (continued)**

Nature of Liability	Opening Balance 1 April 2018 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 2019 R'000
Nkhensani Salphina Hlungwani vs Department of Higher Education and Training	179	-	-	-	179
Norman William Ngatsheni Mkhabela vs Department of Higher Education and Training	157	-	-	-	157
Thabo Francis Lekalakala vs Department of Higher Education and Training	150	-	-	-	150
Vincent Bandle Maimane vs Department of Higher Education and Training	204	-	-	-	204
Derrick Modise Swarathe vs Department of Higher Education and Training	139	-	-	-	139
Commissioner Bheki Msiza and others vs Department of Higher Education and Training	250	-	27	-	223
Vuyelwa Runeli vs Minister of Higher Education and Training	-	150	20	-	130
Nombulelo Ntlabathi vs Minister and Director-General of Higher Education and Training	-	150	29	-	121
M R Modiba vs Letaba TVET College	-	150	-	-	150
S G Mkhize vs Department of Higher Education and Training	-	250	42	-	208
Abel Risinga Mnisi vs Department of Higher Education and Ehlanzeni college	-	741	30	-	711
Ramsarghey and three others vs Department of Higher Education and Training, Amajuba	-	245	245	-	-
Eric Monyamezeli Shabalala vs Department of Higher Education and Training and others	-	250	-	-	250
EDUSA and International House JHB vs Minister of Home Affairs, Higher Education and Training and five others	-	45	-	-	45
Swanepoel EE vs Minister of Higher Education and Training and others	-	145	145	-	-
Gala Mbuso Msomi vs Minister of Higher Education and Training	-	63	63	-	-
Kgolane Pebetse Rachid vs Minister of Higher Education and Training	-	75	75	-	-
Nomambhelu Gloria Sigamla vs Minister of Higher Education and Training	-	3 700	-	-	3 700

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**ANNEXURE 2A (continued)**

Nature of Liability	Opening Balance 1 April 2018	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable	Closing balance 31 March 2019
	R'000	R'000	R'000	R'000	R'000
The centre for the fine art, animation and design vs Council on Higher Education and Training and others	-	160	83	-	77
ABM College SA vs Minister of Higher Education and Training and others	-	55	-	-	55
Ikhala TVET College vs Minister of Higher Education and Training and others	-	80	80	-	-
Pule Jonas Malebye vs Minister of Higher Education and Training and others	-	150	-	-	150
Elangeni TVET College vs Minister of Higher Education and Training and others	-	125	-	-	125
N Masenya vs Minister of Higher Education and Training and others	-	145	-	-	145
<b>Total</b>	<b>148 941</b>	<b>7 463</b>	<b>5 894</b>	<b>-</b>	<b>150 510</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**ANNEXURE 3**

**CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2019 R'000	31/03/2018 R'000	31/03/2019 R'000	31/03/2018 R'000	31/03/2019 R'000	31/03/2018 R'000
<b>Departments</b>						
Department of Basic Education	-	-	7	7	7	7
Department of Justice	-	-	5	5	5	5
Department of Labour	-	-	18	18	18	18
Gauteng Department of Education	-	-	27	66	27	66
Limpopo Department of Education	-	-	166	137	166	137
Mpumalanga Culture, Sport and Recreation	-	-	37	37	37	37
Eastern Cape Department of Roads and Public Works	-	-	6	6	6	6
Telecommunication and Postal Services	-	-	8	8	8	8
Department of Transport	-	-	11	11	11	11
Gauteng Department of Infrastructure Development	-	-	46	46	46	46
Department of Rural Development and Land Reform	-	-	-	21	-	21
Department of Correctional Services	-	-	5	7	5	7
Free State Department of Education	-	-	-	25	-	25
North West Department of Education	-	-	-	78	-	78
North West Department of Education and Sports Development	-	-	68	45	68	45
North West Department of Social Development	-	-	-	26	-	26
Western Cape Department of Education	-	-	39	39	39	39
Government Technical Advisory Centre	-	-	25	25	25	25
Eastern Cape Department of Education	-	-	24	-	24	-
Limpopo Department of Agriculture	-	-	33	-	33	-
Department of Science and Technology	-	-	28	-	28	-

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2019

**ANNEXURE 3 (continued)**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2019 R'000	31/03/2018 R'000	31/03/2019 R'000	31/03/2018 R'000	31/03/2019 R'000	31/03/2018 R'000
Northern Cape Department of Education	-	-	42	-	42	-
KwaZulu-Natal Department of Education	-	-	713	-	713	-
	<b>-</b>	<b>-</b>	<b>1 308</b>	<b>607</b>	<b>1 308</b>	<b>607</b>
<b>OTHER GOVERNMENT ENTITIES</b>						
National Skills Fund	-	-	493 229	499 932	493 229	499 932
Services SETA	-	-	281	281	281	281
SITA	-	-	31	31	31	31
Culture, Art, Tourism, Hospitality and Sports SETA (CATHSSETA)	-	-	1 028	710	1 028	710
	<b>-</b>	<b>-</b>	<b>494 569</b>	<b>500 954</b>	<b>494 569</b>	<b>500 954</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>495 877</b>	<b>501 561</b>	<b>495 877</b>	<b>501 561</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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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**ANNEXURE 4**

**INVENTORIES**

	2018/19		2017/18	
	Quantity	R'000	Quantity	R'000
<b>Inventory</b>				
Opening balance		615	1 353	163
Add: Additions/Purchases – Cash	20 011	4 231	6 850	2 027
Add: Additions – Non-cash	-	-	20	-
(Less): Issues	(20 360)	(4 476)	(6 973)	(1 736)
Add/(Less): Adjustments	-	8	2 055	161
Closing balance	<b>2 956</b>	<b>378</b>	<b>3 305</b>	<b>615</b>

*Additions include inventory bought through donor funds, NSF growth funds and NSF infrastructure funds. The weighted average price variance value for inventory is R7 775.49*

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
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**ANNEXURE 5A**

**INTER-ENTITY ADVANCES PAID (note 11)**

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2017
	R'000	R'000	R'000	R'000	R'000	R'000
<b>NATIONAL DEPARTMENTS</b>						
Department of International Relations and Cooperation	-	-	7 353	15 620	7 353	15 620
Government Communications and Information System	-	-	845	2 060	845	2 060
<b>Subtotal</b>	-	-	<b>8 198</b>	<b>17 680</b>	<b>8 198</b>	<b>17 680</b>
<b>PUBLIC ENTITIES</b>						
National Student Financial Aid Scheme: TRC Victims Funds	-	-	13 323	19 822	13 323	19 822
<b>Subtotal</b>	-	-	<b>13 323</b>	<b>19 822</b>	<b>13 323</b>	<b>19 822</b>
<b>OTHER INSTITUTIONS</b>						
Rhodes University	-	-	-	6	-	6
<b>Subtotal</b>	-	-	-	<b>6</b>	-	<b>6</b>
<b>Total</b>	-	-	<b>21 521</b>	<b>37 508</b>	<b>21 521</b>	<b>37 508</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	
	31/03/2019 R'000	31/03/2018 R'000	31/03/2019 R'000	31/03/2018 R'000	31/03/2019 R'000	31/03/2018 R'000
<b>PUBLIC ENTITIES</b>						
<b>Current</b>						
National Skills Fund International Scholarship Grant	-	-	919	19 034	919	19 034
National Skills Fund Fees Must Fall Grant	-	-	82 085	646 014	82 085	646 014
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>83 004</b>	<b>665 048</b>	<b>83 004</b>	<b>665 048</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>83 004</b>	<b>665 048</b>	<b>83 004</b>	<b>665 048</b>
<b>Current</b>	-	-	83 004	665 048	83 004	665 048
<b>Non-current</b>	-	-	-	-	-	-

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