

ANNUAL REPORT



2015/16



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



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& training

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DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 15

ANNUAL REPORT

2015/16 FINANCIAL YEAR

Dr BE Nzimande, MP

Minister of Higher Education and Training

I have the honour of submitting the Annual Report of the Department of Higher Education and Training for the period 1 April 2015 to 31 March 2016.



Mr GF Qonde

Director-General: Higher Education and Training

31 May 2016



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PART A

GENERAL INFORMATION



The Minister, Dr BE Nzimande, MP, the Deputy Minister Mr MC Manana, MP and the Director-General, Mr GF Qonde during a press briefing with the media prior to the 2015/16 Budget Vote in Parliament

1. GENERAL INFORMATION REGARDING THE DEPARTMENT

The Department of Higher Education and Training

PRETORIA OFFICE

Postal Address:

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Fax: 012 321 6770

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Postal Address:

Private Bag X9192, Cape Town, 8000

Physical Address:

103 Plein Street, Cape Town, 8001

Tel: 021 469 5175

Fax: 021 461 4761

Toll-free: 0800 872 222

Website: www.dhet.gov.za

Career Advice Helpline: 086 999 0123

Website: www.careerhelp.org.za

National Fraud Hotline: 0800 701 701

2. LIST OF ABBREVIATIONS/ACRONYMS

AET	Adult Education and Training
AFS	Annual Financial Statements
AGSA	Auditor-General South Africa
AHRP	Annual Human Resource Plan
APP	Annual Performance Plan
ARPL	Artisan Recognition of Prior Learning
AU	African Union
BAC	Bid Adjudication Committee
BAS	Basic Accounting System
BEC	Bid Evaluation Committee
BNU	BRICS Network University
BRICS	Brazil, Russia, India, China, South Africa
CACH	Central Applications Clearing House
CAS	Central Application Service
CD	Chief Director
CDS	Career Development Services
CET	Community Education and Training
CETC	Community Education and Training College
CEO	Chief Executive Officer
CHE	Council on Higher Education
DAFF	Department of Agriculture, Forestry and Fisheries
DoE	Department of Education
EACEP	Existing Academics Capacity Enhancement Programme
ECD	Early Childhood Development
EISP	Employee Initiated Severance Package
ELRC	Education Labour Relations Council
EU	European Union
FET	Further Education and Training
GENFETQA	General and Further Education and Training Quality Assurance
GITO	Government Information Technology Office
HE	Higher Education
HEAIDS	Higher Education HIV/Aids Programme
HEI	Higher Education Institution
HELMP	Higher Education Leadership and Management Programme
HESA	Higher Education South Africa
HEQC	Higher Education Quality Committee
HEQCIS	Higher Education Quality Committee Information System
HEQSF	Higher Education Qualifications Sub-Framework
HIV/Aids	Human Immunodeficiency Virus / Acquired Immunodeficiency Syndrome

HR	Human Resources
HSRC	Human Sciences Research Council
ICT	Information and Communication Technology
IF	Institutional Forum
INDLELA	Institute for the National Development of Learnerships, Employment Skills and Labour Assessments
ITSC	Information Technology Steering Committee
MISS	Minimum Information Security Standards
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NAMB	National Artisan Moderation Body
NASCA	National Senior Certificate For Adults
NATED	National Accredited Technical Diploma
NC(V)	National Certificate (Vocational)
NDP	National Development Plan
NESP	Nurturing Emerging Scholars Programme
nGAP	New Generation of Academics Programme
NIHE	National Institute of Higher Education
NIHSS	National Institute for Humanities and Social Sciences
NLRD	National Learners Records Database
NMMU	Nelson Mandela Metropolitan University
NOLS	National Open Learning System
NP-PSET	National Plan for Post-School Education and Training
NQF	National Qualifications Framework
NRF	National Revenue Fund
NSC	National Senior Certificate
NSDS	National Skills Development Strategy
NSF	National Skills Fund
NSFAS	National Student Financial Aid Scheme
OAG	Office of the Accountant-General
OECD	Organisation for Economic Cooperation and Development
OFO	Organising Framework for Occupations
PED	Provincial Education Department
PERSAL	Personnel Salary System
PFMA	Public Finance Management Act
PHEI	Private Higher Education Institution
PSCBC	Public Service Central Bargaining Council
PSET	Post-School Education and Training
QC	Quality Council
QCTO	Quality Council for Trades and Occupations
QEP	Quality Enhancement Project
RPL	Recognition of Prior Learning

SABC	South African Broadcasting Corporation
SABTT	South African Brics Think Tank
SADC	Southern African Development Community
SAICA	South African Institute of Chartered Accountants
SAJCE	South African Journal of Childhood Education
SANDF	South African National Defence Force
SAPS	South African Police Service
SAQA	South African Qualifications Authority
SARECE	South African Research Association of Early Childhood Education
SARS	South African Revenue Service
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDIP	Service Delivery Improvement Plan
SDL	Skills Development Levy
SEIAS	Socio-Economic Impact Assessment System
SETA	Sector Education and Training Authority
SITA	State Information Technology Agency
SMU	Sefako Makgatho Health Sciences University
SPMESP	Sector, Planning, Monitoring, Evaluation and Support Programme
SPU	Sol Plaatje University
SRC	Student Representative Council
SSAU-DP	Staffing South Africa's Universities Development Programme
SSAUF	Staffing South Africa's Universities' Framework
SSEP	Supplementary Staff Employment Programme
STI	Sexually Transmitted Infections
TLDCIP	Teaching and Learning Development Capacity Improvement Programme
TVET	Technical and Vocational Education and Training
UCT	University of Cape Town
UK	United Kingdom
UKZN	University of Kwazulu-Natal
UMP	University of Mpumalanga
UNESCO	United Nations Educational, Scientific and Cultural Organisation
USA	United States of America
USAf	Universities South Africa
VCET	Vocational and Continuing Education and Training
WSU	Walter Sisulu University

3. FOREWORD BY THE MINISTER



Minister: Dr BE Nzimande, MP

It is my pleasure to present the sixth Annual Report of the Department of Higher Education and Training. This report encapsulates the achievements of the Department for the 2015/16 financial year.

The Department continued with its path of building an expanded Post-School Education and Training system as articulated in the White Paper for Post-School Education and Training and the 2015/16 Annual Performance Plan.

This report also opens a new chapter in the history of the Department. On 1 April 2015, I had the honour to officially welcome the Technical and Vocational, as well as Community Education and Training sectors into the Department after the successful conclusion of the function shift from the provincial sphere of Government. I appreciate the dedicated work of each employee in the Department in ensuring the smooth incorporation of these functions into the Department. There is indeed a number of capacity constraints within the Department

in managing these functions in future, but various measures have been put in place to ensure effective operations and management. As from 1 April 2016, the Department will operate with dedicated branches for Technical and Vocational Education and Training as well as Community Education and Training.

It must be acknowledged that 2015/16 was indeed a challenging year for the Post-School Education and Training system, especially regarding the funding of the university sector. In this regard, we acknowledge the concerns raised by various stakeholders and appreciate the work initiated through the Presidential Commission. I trust that we will not experience the level of disruptions in the system in the new financial year and that all stakeholders will participate to ensure that we find a workable solution for the future.

Despite the challenges that were experienced, a welcomed growth has been apparent in the enrolments at Sol Plaatje University and the University of Mpumalanga. The Council for the Sefako Makgatho Health Sciences University was appointed and an interim Vice-Chancellor took office from 1 July 2015.

A Transformative, Comprehensive Approach to Building Capacity and Developing Future Generations of Academics was launched and the first phase of implementation began. A draft plan regarding the allocation of Infrastructure and Efficiency funds for universities was compiled and attention given to the deferred maintenance within the sector. Funds were already disbursed during the year under review to all universities in addressing this issue, as well as for selected strategic projects and the development of new student housing. Work also commenced to convene a Student Housing Colloquium during the first quarter of the 2016/17 financial year.

The second National Higher Education Transformation Summit was facilitated from 15 to 17 October 2015 and a range of transformation imperatives identified and will be taken forward with urgency. The Department is incorporating these imperatives in its work alongside the development of the National Plan for Post-School Education and Training.

I am grateful for what we managed to achieve during the past financial year and the continued strides to ensure maximum achievements, quality improvements and student success. I wish to acknowledge the work of the Deputy Minister, my Director-General, his senior management team, the staff in my office and every official in the Department. I thank them all for the past year's achievements and trust that the foundations they have established will help us toward even greater achievements in the interest of our country.

I also wish to acknowledge the work done by all our institutions and the role of labour and employers, towards building a coherent Post-School Education and Training system. A special word of thanks goes also to our global and local donors for their ongoing support.

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

Together, Turning Every Workplace into a Training Space!



Dr BE Nzimande, MP
Minister of Higher Education and Training



4. DEPUTY MINISTER'S STATEMENT



Deputy Minister: Mr MC Manana, MP

Activities during the 2015/16 financial year built on the cornerstones aimed at the expansion of Post-School Education and Training opportunities for citizens and especially the youth of our country. This remained the key focus of the Department as evidenced by its achievements during the year.

Major strides continued to ensure that efficient career advice is provided to our matric learners and other youth through the hosting of events such as the Decade of Artisan Development, the Apply Now campaigns and career guidance exhibitions. The 2015 Career Development Festival took place from 15 to 18 July 2015 in KwaZulu-Natal, hosted by the Minister of Higher Education and Training. This festival was attended by 4 942 learners as well as 4 473 students and youth not in employment or engaged in education or training at the time. The visibility and credibility of the Department has grown significantly as a result of career development activities at secondary schools and Technical and Vocational Education and Training (TVET) college campuses.

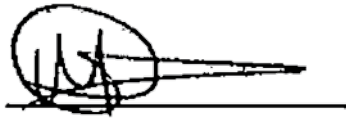
With regard to Artisan Development, the Artisan Recognition of Prior Learning (ARPL) Policy, Criteria and Guidelines were published to promote and implement ARPL as an active pathway to a full artisan trade occupational qualification in all sectors of the economy. It sets national criteria and guidelines on the practice of ARPL in order to grant access to non-contracted learners to undertake a national trade test, both in the formal and informal sectors of the economy.

A Research Colloquium on workplace-based learning took place from 22 to 23 October 2015. The event was organised in partnership with Sector Education and Training Authorities.

A Rapid Response Team was constituted to manage the media environment, mainly regarding student matters. The process assisted in identifying negative reporting and rectifying any distortions in the media, thereby timeously communicating accurate information and policies of the Department. A Universities Communicators Forum was also established to initiate a much closer working relationship in addressing areas of common interest, as well as a chat group to ensure the sharing of information. In addition, the Department's Call Centre received almost 20 000 enquiries to which it responded smoothly and satisfactorily.

The roll out of the Higher Education AIDS (HEAIDS) programme to TVET colleges during the year provided the first national programme on HIV prevention in TVET Colleges. The immense success of this programme has provided a foundation for further expansion in reaching all Post-School Education and Training students.

I would like to thank the Minister of Higher Education and Training, Dr BE Nzimande, for his ongoing commitment and leadership toward the improvement of the country's Post-School Education and Training system. I also wish to thank the Director-General, Mr GF Qonde, his senior management team and staff in my office for their support and congratulate them on the goals achieved during the past year.

A handwritten signature in black ink, consisting of a large, stylized 'M' followed by a horizontal line extending to the right.

Mr MC Manana, MP
Deputy Minister of Higher Education and Training



5. ACCOUNTING OFFICER'S OVERVIEW



Director-General: Mr GF Qonde

The 2015/16 Annual Report covers the achievements of the Department over the past financial year in terms of our financial management, as well as our predetermined objectives. The year kicked off with the function shift of the Technical and Vocational Education and Training, as well as Adult Education and Training sectors from the provincial sphere of Government to the Department. The year also marked a number of challenges in the Post-School Education and Training system, especially regarding the funding pressures of the university sector.

The Department commenced with the development of an integrated plan for the rollout of the White Paper for Post-School Education and Training, which aims to direct the Department toward further improvements within the Post-School Education and Training (PSET) system. Three task teams, one each for university education, Technical and Vocational Education and Training (TVET) and Community Education and Training (CET) were established. A draft plan will be available during the 2016/17 financial year.

The Department focused on developing additional policies to improve access within the system, such as a Framework for the Realisation of Social Inclusion and a draft Strategic Disability Policy Framework. A policy standard was developed which stipulates processes to be followed by researchers at public TVET and CET colleges. Policy decisions were also taken on the development and implementation of management information systems and sub-systems that support the overall vision of the Higher Education and Training Management Information System.

During the year under review, the National Institute for Humanities and Social Sciences was appointed as the permanent home of the South African BRICS Think Tank. The Higher Education Act (Act 101 of 1997) was amended and submitted as part of the Parliamentary legislative programme to enable better differentiation of the higher education sector and its integration into the PSET system.

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

The New Universities Project, which oversees the major infrastructure development linked to the expansion of Sol Plaatje University and the University of Mpumalanga, saw both universities opening their doors to their third intake of students in the 2016 academic year. The Sefako Makgatho Health Sciences University was launched as a comprehensive health and allied sciences university during the period under review.

The Minister of Higher Education and Training convened a successful second national higher education transformation summit from 15 to 17 October 2015. The main summit output was a Summit Declaration identifying a range of transformation imperatives that must be taken forward with urgency. The Department is currently integrating these imperatives in its work as well as the development of the National Plan for Post-School Education and Training.

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

I hereby present the Annual Report for the 2015/16 financial year to the Minister of Higher Education and Training, Dr BE Nzimande, and Deputy Minister, Mr MC Manana, and invite them to subsequently table it in Parliament.



Mr GF Qonde
Director-General



6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT

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

- All information and amounts disclosed throughout the Annual Report are consistent.
- The Annual Report is complete, accurate and free of any omissions.
- The Annual Report has been prepared in accordance with the Guidelines on Annual Reports 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 National Treasury.
- The Accounting Officer is responsible for the preparation of the Annual Financial Statements and 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 and human resources information, as well as the Annual Financial Statements.
- External auditors were engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, the Annual Report fairly reflects the operations, performance information, human resources information and the financial affairs of the Department for the financial year ended 31 March 2016.

Yours faithfully



Mr GF Qonde
Accounting Officer
31 May 2016

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 towards improved quality of life of South African citizenry.

7.3 Value Statement

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

7.4 Strategic outcome orientated goals

The 2019 Medium Term Strategic Framework is structured around 14 priority outcomes which cover the focus areas identified in the National Development Plan. The Department of Higher Education and Training is responsible for Outcome 5 of these 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 in relation to this Outcome:

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

For the realisation of the aforementioned sub-outcomes, five (5) strategic outcome oriented goals have been identified as follows:

Goal 1	To provide a sound Post-School Education and Training legislative framework
Goal Statement	To steer the Post-School Education and Training (PSET) system by developing 35 and reviewing 19 legislative frameworks (including new policies, Acts, guidelines, models and regulations) by March 2020
Goal 2	To provide Post-School Education and Training services
Goal Statement	To improve the PSET system through the development of 14 teaching and learning support plans for University Education and Vocational and Continuing Education and Training by March 2020
Goal 3	To provide Post-School Education and Training capacity
Goal Statement	To improve the capacity of the PSET system through infrastructure development for Vocational and Continuing Education and Training encompassing 12 new TVET college campuses and 9 Community Education and Training colleges by March 2020
Goal 4	To facilitate a strong stakeholder network
Goal Statement	To develop partnerships and maintain good stakeholder relations in support of an effectual PSET system
Goal 5	To ensure continuous business excellence within the Department of Higher Education and Training
Goal Statement	To ensure good corporate governance including effectual resource management (human resource and financial management) and ICT management continuously

8. LEGISLATIVE AND OTHER MANDATES

CONSTITUTIONAL MANDATES

The Department of Higher Education and Training derives its legislative mandate from the supreme law of the Republic of South Africa, namely the Constitution, within the purport of section 29, read with Schedule 4, which lists education at all levels, excluding tertiary education, as a functional area of concurrent national and provincial legislative competence, whereas section 29 states 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) Subsection (3) does not preclude state subsidies for independent educational institutions”.

LEGISLATIVE MANDATES

LEGISLATION	PRINCIPAL MINISTER	RELEVANT TO THE MINISTER OF HIGHER EDUCATION AND TRAINING
Adult Education and Training Act, 2000 (Act No. 51 of 2000) (AET Act)	Minister of Higher Education and Training	Repealed
Continuing Education and Training Act, 2006 (Act No. 16 of 2006), [Further Education and Training Act, 2006 (Act No. 16 of 2006) (FET Act) was renamed] Provides for the governance and funding of both Community Education and Training (CET) colleges, Technical and Vocational Education and Training (TVET) colleges and related matters in providing Continuing Education and Training	Minister of Higher Education and Training	Entire Act
General and Further Education and Training Act, 2001 (Act No. 58 of 2001) (GENFETQA Act) Provides for the General and Further Education and Training Quality Assurance Council and for quality assurance of continuing education and training in TVET and CET colleges	Act in totality assigned to the Minister of Basic Education – except those sections relevant to continuing education and training assigned to the Minister of Higher Education and Training	In as far as public CET and TVET colleges, as well as private colleges offering continuing education; Relevant sections: 2(b) and (c), 3, 16 to 21, 23, 26 and 28
Higher Education Act, 1997 (Act No. 101 of 1997), (HE Act) Provides for a unified and nationally planned system of higher education and for the statutory Council on Higher Education (CHE)	Minister of Higher Education and Training	Entire Act

LEGISLATION	PRINCIPAL MINISTER	RELEVANT TO THE MINISTER OF HIGHER EDUCATION AND TRAINING
National Qualifications Framework Act, 2008 (Act No. 67 of 2008) (NQF Act) Provides for the National Qualifications Framework (NQF), the South African Qualifications Authority (SAQA) and the Quality Councils (CHE, QCTO and Umalusi), for qualifications and quality assurance of qualifications required on the sub-frameworks of the NQF	Minister of Higher Education and Training	Entire Act
National Student Financial Aid Scheme Act, 1999 (Act No.56 of 1999) (NSFAS Act) Provides for the granting of loans and bursaries to eligible students attending public higher education institutions, as well as for the administration of such loans and bursaries	Minister of Higher Education and Training	Entire Act
Skills Development Levies Act, 1999 (Act No. 9 of 1999) (SDL Act) Provides for the imposition of skills development levies and matters related thereto	Minister of Higher Education and Training	Entire Act
Skills Development Act, 1998 (Act No.97 of 1998) (SD Act) Provides for the National Skills Authority, the Quality Council for Trades and Occupations (QCTO), regulates apprenticeships, learnerships and matters related to skills development	Act in totality assigned to the Minister of Higher Education and Training – except those sections relevant to labour matters assigned to the Minister of Labour.	Entire Act, except the following sections assigned to the Minister of Labour: sections 2(1) g and h, 2(2)(a)(v), (vi) and (xii), 5(4) (only with respect to the productivity SA), 22(1), 23(1)(a) and (d), (2), (3), 24, 25, 26, 26K, 26L, 26M, 26N, 32(2), 36(o), (p) and (q), item 7 of Schedule 2A and Schedule 4; and Section 32(1), 33 and 36(a) and (s) and any other provision to the extent that these provisions apply to “employment services”, as defined in section 1, or Productivity South Africa, as established by section 26K, but excluding Section 23(1)(b) and (c)

POLICY MANDATES

Within the context of Higher Education and Training, key policies and legislation were developed and can be summarised as follows:

1. The Higher Education Act, 1997 (Act No. 101 of 1997) (HE Act) provides for a unified and nationally planned system of higher education. It furthermore provides for a statutory Council on Higher Education (CHE) which advises the Minister, while being responsible for quality assurance and promotion. The Higher Education Act and the Education White Paper 3: A Programme for the Transformation of Higher Education (1999), formed the basis for the transformation of the higher education sector with implementation being guided by the National Plan for Higher Education (2001) and the White Paper for Post-School Education and Training, 2014.
2. The National Student Financial Aid Scheme Act, 1999 (Act No. 56 of 1999) (NSFAS Act) provides for the granting of loans and bursaries to eligible students attending public higher education and training institutions, as well as for the administration of such loans and bursaries.
3. The Continuing Education and Training Colleges Act, 2006 (Act No. 16 of 2006) [formerly referred to as the Further Education and Training, 2006 (FET Act)] provides for the regulation of continuing education and training, the establishment of governance structures and the funding of public Technical and Vocational Education and Training (TVET) colleges and Community Education and Training (CET) colleges, the registration of private colleges and the promotion of quality in continuing education and training.
4. The National Qualifications Framework Act, 2008 (Act No. 67 of 2008) (NQF Act) provides for the National Qualifications Framework (NQF), the South African Qualifications Authority (SAQA) and the Quality Councils (QCs). The National Qualifications Framework is the principal instrument through which National Education and Training Qualifications are recognised and quality assured.
5. The Skills Development Levies Act, 1999 (Act No. 9 of 1999) (SDL Act) provides for the imposition of the skills development levy and matters connected therewith. The administration powers and functions originally entrusted to the Minister of Labour by the Skills Development Levies Act and the Skills Development Act, with the exception of provisions dealing with Productivity South Africa and employment services were transferred to the Minister of Higher Education and Training, effective from 1 November 2009, by way of the Presidential Proclamation 56 of 2009.
6. The Adult Education and Training Act, 2000 (Act No. 51 of 2000), (AET Act) was repealed on 1 April 2015.

Shared legislation:

7. The Skills Development Act, 1998 (Act No. 97 of 1998), provides for an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce, to integrate those strategies within the National Skills Framework, to provide for learnerships that lead to the recognition of occupational qualifications, to provide for the financing of skills development by means of a skills development levy and the National Skills Fund.
8. The National Education Policy Act, 1996 (Act. No. 27 of 1996), insofar as the administration, powers and functions pertain to the determination of policy for public and private centers offering adult education and training, established as envisaged in the Adult Education and Training Act, 2000; and public and private colleges providing technical and vocational education and training as envisaged in the Continuing Education and Training Colleges Act, 2006 (Act No. 16 of 2006), were transferred to the Minister of Higher Education and Training. The Act was designed to inscribe in law the policies, as well as the legislative and monitoring responsibilities of the Minister of Education, and to formalise the relations between national and provincial authorities. It laid the foundation for the establishment

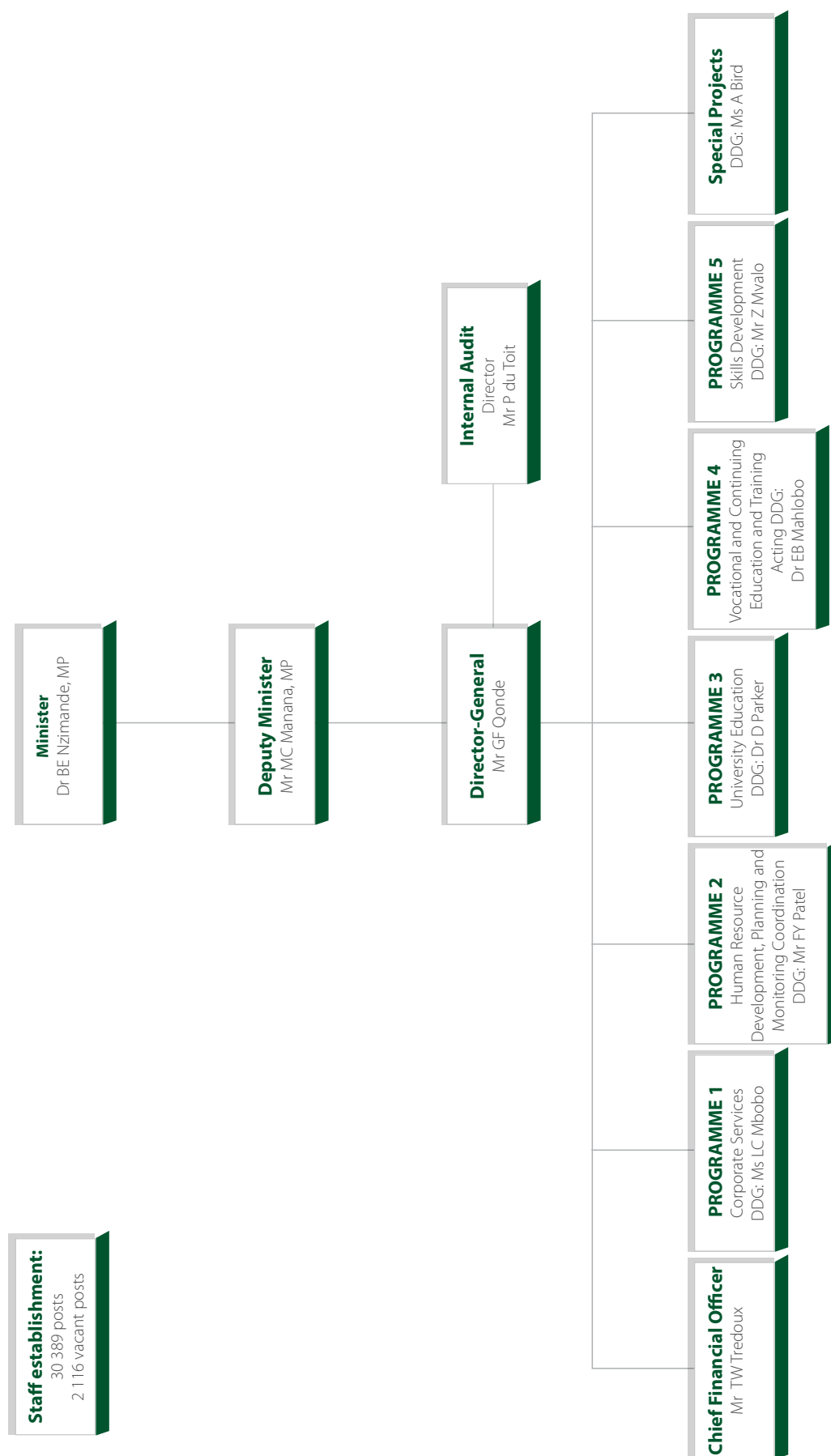
of the Council of Education Ministers, as well as for the Heads of Education Departments Committee, as inter-governmental forums to collaborate in developing a new education system. As such, it provides for the formulation of national policies in general and further education and training, for curriculum assessment and language policy as well as quality assurance. The Act embodies the principle of co-operative governance, as elaborated on in Schedule 3 of the Constitution.

9. The Employment of Educators Act, 1998 (Act No. 76 of 1998) insofar as the administration, powers and functions pertain to adult education centers; the South African Council for Educators Act, 2000 (Act No. 31 of 2000) insofar as the administration, powers and functions pertain to the powers and functions of the South African Council for Educators in relation to adult learning centers; the General and Further Education and Training Quality Assurance Act, 2001 (Act No. 58 of 2001) insofar as the administration, powers and functions pertain to the powers and functions entrusted to Umalusi in relation to public and private centers offering adult education and training as envisaged in the Adult Education and Training Act, 2000; and public and private TVET colleges are legislation that were partially transferred to the Minister of Higher Education and Training.
10. The applicable provisions of the National Education Policy Act, the Employment of Educators Act and the South African Council for Educators Act were incorporated in the principal Acts by way of the Higher Education Laws Amendment Act, 2010 (Act No. 26 of 2010) (HELA). The Adult Education and Training Act, 2000 (Act No. 51 of 2000) was repealed on 1 April 2015.



Handover of retirement certificate to MS KA Ndhlovu

9. HIGH-LEVEL ORGANISATIONAL STRUCTURE



10. ENTITIES REPORTING TO THE MINISTER

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

NAME OF ENTITY	LEGISLATION	FINANCIAL RELATIONSHIP	NATURE OF OPERATIONS
Agriculture Sector Education and Training Authority (AGRSETA)	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 microfinance 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
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
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 culture, arts tourism, hospitality and sport 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
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 practices 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

NAME OF ENTITY	LEGISLATION	FINANCIAL RELATIONSHIP	NATURE OF OPERATIONS
Financial and Accounting Services Sector Education and Training Authority (FASSET)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the financial and accounting sector
Food and Beverages Sector Education and Training Authority (FOODBEV- SETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the food and beverages sector
Health and Welfare Sector Education and Training Authority (HWSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the health and welfare sector
Insurance Sector Education and Training Authority (INSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the insurance sector
Local Government Sector Education and Training Authority (LGSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the local government sector
Manufacturing, Engineering and Related Services Sector Education and Training Authority (MERSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the manufacturing, engineering and related services sector
Media, Information and Communication Technologies Sector Education and Training Authority (MICT-SETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the information system, electronics and telecommunications technologies sector
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 mineral 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

NAME OF ENTITY	LEGISLATION	FINANCIAL RELATIONSHIP	NATURE OF OPERATIONS
National Student Financial Aid Scheme (NSFAS)	NSFAS Act 56 of 1999	Transfer payments	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 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
Public Service 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 service sector
Quality Council for Trades and Occupations (QCTO)	NQF Act 2008 and Skills Development Act of 2008	Transfer payments	To develop and quality assure occupational qualifications that are responsive to labour market and developmental state initiatives
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&PSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the wholesale and retail sector

11. TRANSFER PAYMENTS

11.1 Transfer payments to public entities

NAME OF PUBLIC ENTITY	SERVICES RENDERED BY THE PUBLIC ENTITY	AMOUNT TRANSFERRED TO THE PUBLIC ENTITY 2014/15 R'000	AMOUNT TRANSFERRED TO THE PUBLIC ENTITY 2015/16 R'000
Agriculture Sector Education and Training Authority (AGRISETA)	Provision of relevant, quality and accessible education, training and development in both primary and secondary agriculture sectors	295 008	327 493
Banking Sector Education and Training Authority (BANKSETA)	Provision of relevant, quality and accessible education, training and development in the banking and microfinance sector	648 671	693 245
Chemical Industries Education and Training Authority (CHIETA)	Provision of relevant, quality and accessible education, training and development in the chemical industries sector	443 032	462 094
Construction Sector Education and Training Authority (CETA)	Provision of relevant, quality and accessible education, training and development in the construction industry	567 443	851 969
Council on Higher Education (CHE)	Advises the Minister of Higher Education and Training on all higher education policy matters, implements the system of quality assurance for all Higher Education Institutions (HEIs), monitors the state of the higher education system and contributes to the development of higher education through intellectual engagement	42 689	40 819
Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority (CATHSSETA)	Provision of relevant, quality and accessible education, training and development in the culture, arts, tourism, hospitality and sport sector	273 917	300 193
Education, Training and Development Practices Sector Education and Training Authority (ETDP-SETA)	Provision of relevant, quality and accessible education, training and development in the education, training and development sector	357 082	420 149

NAME OF PUBLIC ENTITY	SERVICES RENDERED BY THE PUBLIC ENTITY	AMOUNT TRANSFERRED TO THE PUBLIC ENTITY 2014/15 R'000	AMOUNT TRANSFERRED TO THE PUBLIC ENTITY 2015/16 R'000
Energy and Water Sector Education and Training Authority (EWSETA)	Provision of relevant, quality and accessible education, training and development in the energy and water sector	232 133	248 942
Fibre, Processing and Manufacturing (FP&M SETA)	Facilitate, coordinate and monitor the implementation of the NSDS in the fabric processing and manufacturing sector	332 773	303 899
Financial and Accounting Services Sector Education and Training Authority (FASSETA)	Provision of relevant, quality and accessible education, training and development in the financial and accounting services sector	396 459	457 941
Food and Beverages Sector Education and Training Authority (FOODBEV-SETA)	Provision of relevant, quality and accessible education, training and development in the food and beverages sector	285 107	317 497
Health and Welfare Sector Education and Training Authority (HWSETA)	Provision of relevant, quality and accessible education, training and development in the health and welfare sector	343 370	412 996
Insurance Sector Education and Training Authority (INSETA)	Provision of relevant, quality and accessible education, training and development in the insurance sector	377 964	430 460
Local Government Sector Education and Training Authority (LGSETA)	Provision of relevant, quality and accessible education, training and development in the local government sector	480 332	525 475
Manufacturing, Engineering and Related Services Sector Education and Training Authority (MERSETA)	Provision of relevant, quality and accessible education, training and development in the manufacturing, engineering and related services sector	1 274 093	1 344 089
Media, Information and Communication Technologies Sector Education and Training (MICT-SETA)	Provision of relevant, quality and accessible education, training and development in the information system, electronics and telecommunications technologies sector	680 402	724 630

NAME OF PUBLIC ENTITY	SERVICES RENDERED BY THE PUBLIC ENTITY	AMOUNT TRANSFERRED TO THE PUBLIC ENTITY 2014/15 R'000	AMOUNT TRANSFERRED TO THE PUBLIC ENTITY 2015/16 R'000
Mining Qualifications Authority (MQA)	Provision of relevant, quality and accessible education, training and development in the mining and minerals sector	959 773	994 609
National Student Financial Aid Scheme (NSFAS)	Responsible for administering loans and bursaries and allocating these to eligible students, developing criteria and conditions for the granting of loans and bursaries to eligible students in consultation with the Minister of Higher Education and Training, raising funds, recovering loans, maintaining and analysing a database, undertaking research for the better utilisation of financial resources and advising the Minister on matters relating to student financial aid	6 138 832	6 448 551
National Skills Fund (NSF)	To fund national skills development priority projects as identified in the National Skills Development Strategy and projects related to achieving the purpose of the Act as determined by the Accounting Authority	2 767 774	3 030 539
Public Services Sector Education and Training Authority (PSETA)	Provision of relevant, quality and accessible education, training and development in the public service sector	6 169	3 911
Quality Council for Trades and Occupations (QCTO)	To develop and quality assure occupational qualifications that are responsive to labour market and developmental state initiatives	23 167	21 848
Safety and Security Sector Education and Training Authority (SASSETA)	Provision of relevant, quality and accessible education, training and development in the safety and security sector	221 656	253 661
Services Sector Education and Training Authority (SERVICES SETA)	Provision of relevant, quality and accessible education, training and development in the services sector	1 430 039	1 449 040

NAME OF PUBLIC ENTITY	SERVICES RENDERED BY THE PUBLIC ENTITY	AMOUNT TRANSFERRED TO THE PUBLIC ENTITY 2014/15 R'000	AMOUNT TRANSFERRED TO THE PUBLIC ENTITY 2015/16 R'000
South African Qualifications Authority (SAQA)	SAQA focuses on the further development and implementation of the National Qualifications Framework (NQF), which includes upholding the principles and objectives of the National Qualifications Framework, ensuring access, quality, redress and development for all learners, through an integrated national framework of learning achievements	55 008	54 757
Transport Education and Training Authority (TETA)	Provision of relevant, quality and accessible education, training and development in the transport sector	647 408	662 595
Wholesale and Retail Sector Education and Training Authority (W&RSETA)	Provision of relevant, quality and accessible education, training and development in the wholesale and retail sector	828 194	963 784

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 2015/16.

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.

11.2 Transfer payments to all organisations other than public entities

NAME OF TRANSFEREE	PURPOSE FOR WHICH FUNDS WERE USED	COMPLIANCE WITH SECTION 38(1)(j) OF THE PFMA	AMOUNT TRANSFERRED R'000
UNIVERSITIES			
Cape Peninsula University of Technology	Subsidy	Yes	1 059 207
Central University of Technology, Free State	Subsidy	Yes	379 136
Durban University of Technology	Subsidy	Yes	800 455
Mangosuthu University of Technology	Subsidy	Yes	331 199
Nelson Mandela Metropolitan University	Subsidy	Yes	954 377
North West University	Subsidy	Yes	1 450 158
Rhodes University	Subsidy	Yes	476 620
Tshwane University of Technology	Subsidy	Yes	1 555 772
University of Cape Town	Subsidy	Yes	1 225 953
University of Fort Hare	Subsidy	Yes	448 309
University of Free State	Subsidy	Yes	1 094 929
University of Johannesburg	Subsidy	Yes	1 523 839
University of KwaZulu-Natal	Subsidy	Yes	1 652 313
University of Mpumalanga	Subsidy	Yes	242 903
Sefako Makgatho Health Sciences University	Subsidy	Yes	521 329
Sol Plaatje University	Subsidy	Yes	159 773
University of Limpopo	Subsidy	Yes	681 073
University of Pretoria	Subsidy	Yes	1 976 860
University of South Africa	Subsidy	Yes	2 448 690
University of Stellenbosch	Subsidy	Yes	1 282 539
University of Venda	Subsidy	Yes	453 836
University of Western Cape	Subsidy	Yes	1 228 322
Witwatersrand University	Subsidy	Yes	2 437 315
University of Zululand	Subsidy	Yes	477 577
Vaal University of Technology	Subsidy	Yes	593 648
Walter Sisulu University	Subsidy	Yes	786 978

NAME OF TRANSFEREE	PURPOSE FOR WHICH FUNDS WERE USED	COMPLIANCE WITH SECTION 38(1)(j) OF THE PFMA	AMOUNT TRANSFERRED R'000
NON PROFIT INSTITUTIONS			
Higher Education South Africa (HESA)	Earmarked funds for HEAIDS project	Yes	7 761
TVET COLLEGES			
Buffalo City College	Subsidy	Yes	26 749
East Cape Midlands College	Subsidy	Yes	30 876
Ikhala College	Subsidy	Yes	18 863
Ingwe College	Subsidy	Yes	25 627
King Hintsa College	Subsidy	Yes	24 142
King Sabata College	Subsidy	Yes	28 678
Lovedale College	Subsidy	Yes	18 608
Port Elizabeth College	Subsidy	Yes	31 798
Flavius Mareka College	Subsidy	Yes	13 627
Gold Fields College	Subsidy	Yes	14 835
Maluti College	Subsidy	Yes	22 754
Motheo College	Subsidy	Yes	34 383
Central Johannesburg College	Subsidy	Yes	31 441
Ekhurhuleni East College	Subsidy	Yes	33 618
Ekhurhuleni West College	Subsidy	Yes	42 519
Sedibeng College	Subsidy	Yes	33 986
South West College	Subsidy	Yes	43 312
Tshwane North College	Subsidy	Yes	40 214
Tshwane South College	Subsidy	Yes	37 079
Western College	Subsidy	Yes	26 008
Coastal College	Subsidy	Yes	29 454
Elangeni College	Subsidy	Yes	21 446
Esayidi College	Subsidy	Yes	17 067
Majuba College	Subsidy	Yes	35 330
Mnambithi College	Subsidy	Yes	9 525
Mthashana College	Subsidy	Yes	10 784
Thekwini College	Subsidy	Yes	11 371
Umfolozi College	Subsidy	Yes	24 447
Umgungundlovu College	Subsidy	Yes	10 448

NAME OF TRANSFEREE	PURPOSE FOR WHICH FUNDS WERE USED	COMPLIANCE WITH SECTION 38(1)(j) OF THE PFMA	AMOUNT TRANSFERRED R'000
Capricorn College	Subsidy	Yes	23 566
Lephalale College	Subsidy	Yes	5 331
Letaba College	Subsidy	Yes	9 126
Mopani College	Subsidy	Yes	19 801
Sekhukhune College	Subsidy	Yes	11 782
Vhembe College	Subsidy	Yes	27 883
Waterberg College	Subsidy	Yes	12 097
Ehlanzeni College	Subsidy	Yes	30 660
Gert Sibande College	Subsidy	Yes	30 026
Nkangala College	Subsidy	Yes	33 458
Rural College	Subsidy	Yes	7 082
Urban College	Subsidy	Yes	6 841
Orbit College	Subsidy	Yes	25 684
Taletso College	Subsidy	Yes	12 213
Vuselela College	Subsidy	Yes	39 068
Boland College	Subsidy	Yes	29 174
Cape Town College	Subsidy	Yes	36 352
False Bay College	Subsidy	Yes	30 445
Northlink College	Subsidy	Yes	45 039
South Cape College	Subsidy	Yes	24 496
West Coast College	Subsidy	Yes	30 627
FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS			
Commonwealth of Learning	Membership Contribution	No	2 588

An amount of R91.758 million was paid to TVET colleges to be managed on behalf of Community Education and Training colleges.

R34 204.063 million (81.7%) of the total allocation of R41 880.138 million, excluding direct charges, has been allocated to transfers and subsidies on the Department's Vote. Direct charges amount to R15 156.433 million.

Transfer payments from Voted funds were effected in respect of subsidies to 50 TVET colleges, subsidies to 26 universities and universities of technology, as well as public entities (the National Student Financial Aid Scheme, South African Qualifications Authority, Council on Higher Education and the Quality Council for Trades and Occupations), international organisations (the Commonwealth of Learning), non-profit institutions (Higher Education South Africa for the HEAIDS project) and the Education, Training and Development Practices SETA.

Transfer payments from the direct charges of the National Revenue Fund were made to 21 Sector Education and Training Authorities (SETAs) and the National Skills Fund via levies received from the South African Revenue Service.

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

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

Amounts allocated to Higher Education Subsidies, the National Student Financial Aid Scheme, the HEAIDS Programme and the establishment of universities in the Mpumalanga and Northern Cape provinces were earmarked during the 2015/16 financial year. All these amounts were utilised for the purpose originally intended.

12. CONDITIONAL GRANTS

During the period under review no funds were allocated as conditional grants to the Department. The Department was only responsible for the final report in respect of the FET, Schedule 4 conditional grant that was allocated to it for management and oversight in 2014/15.

13. DONOR FUNDS

The Tables below show details of the donor funds received during the period 1 April 2015 to 31 March 2016.

NAME OF DONOR	PURPOSE	EXPENDITURE
		R'000
Received in cash		
European Union	Career Guidance Services Project	41 040
	EU Foundation Phase Project	20 464
Received in kind		
Netherlands	Capacity building in Higher Education through Nuffic: Implementation of Standardised Business Management System in 3 pilot TVET colleges	592
	Strengthening the National Certificate (Vocational) (NC(V)) programmes in line with labour market demands	434
Royal Danish Government	Support for Education and Skills Development (SESDIII)	27 800

NAME OF DONOR	PURPOSE	EXPENDITURE
		R'000
Netherlands	Attendance of the NUFFIC study tour visit to CINOP global for training related to the implementation of the NUFFIC supported NICHE/ZAF/022 project.	57
Kresge Foundation	Participation in the Annual Achieving the Dream Institute on Student success conference in Atlanta, Georgia	19
European Union	A study tour of the European-South Africa Dialogue on Skills Planning	483
GLZ	Africa-Continent of the Opportunities: Bridging the Digital Divide conference in Berlin, Germany	2

In addition to the above, the Chinese Government offered 2 000 training opportunities to South Africa for the period 2015 to 2020. The programme is coordinated by the Department. The Chinese Government also contributed to the development of designs and plans for the refurbishment of four TVET colleges to an amount of R479 million.

14. CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

The purpose of the Information Technology Steering Committee (ITSC), which meets on a quarterly basis, is to review and endorse Information and Communications Technology (ICT) plans, policies and standards. Furthermore, the ITSC prioritises implementation of ICT projects and their funding thereof. The ITSC coordinates and endorses compliance of the Department's ICT architecture, configuration and initiatives with the strategic directions of the Government Information Technology Officer Council (GITOC), as well as government policies and standards. The ITSC regulates the acquisition, deployment, use and disposal of all ICT, Information Systems (IS) and Information Management Systems in the Department. This is done in terms of standardisation, need, quantity required, frequency of use, as well as the potential impact on work outcomes and cost advantages. Its role is to ensure that the Office of the Government Information Technology Officer (GITO) plans and investment in ICT, supports the strategic goals of the Department.

Asset management

All assets, including those newly acquired, are currently reflected on the Department's consolidated Asset Register.

The information regarding all assets transferred to the Department for utilisation in respect of posts for the respective TVET and CET functions, subsequent to the function shift process have also been captured in the Asset Register. However, the value of these assets is not reflected as part of the total asset value in the financial statements, as ownership of these assets has not been transferred to Department. The transfer of ownership to the Department will only be finalised once the requisite transfer certificates have been issued by the Heads of the Provincial Education Departments and duly received in terms Section 42 of the Public Finance Management Act (PFMA).

The Asset Register complies with the minimum requirements. The recording of assets in the Asset Register takes place according to component accounting, while the recording of the payments for assets on the financial systems is treated as a unit. A reconciliation is performed between minor and major assets to address any discrepancies.

PART B

PERFORMANCE INFORMATION



The Minister Dr BE Nzimande, MP during a media briefing on Post-School Education and Training



The Director-General Mr GF Qonde addresses participants during the South African European workshop on lecturer development

1. OVERVIEW OF DEPARTMENTAL PERFORMANCE

1.1 Service delivery environment



Construction of the Sol Plaatje University

1.1.1 Introduction

During the financial year ending 31 March 2016, the Department of Higher Education and Training, hereafter referred to as the Department, made significant progress towards achieving its strategic goals set out in the 2015/16 to 2019/20 Strategic Plan and the 2015/16 Annual Performance Plan. The attainment of the pre-determined objectives and targets set out in the year under review, were realised through the Department's five programmes, namely: Programme 1: Administration; Programme 2: Human Resource Development, Planning and Monitoring Coordination; Programme 3: University Education; Programme 4: Vocational and Continuing Education and Training and Programme 5: Skills Development.

1.1.2 University Education

The higher education sector comprises of the public University Education sector consisting of universities and national higher education institutes and the private Higher Education sector consisting of private Higher Education Institutions (PHEIs). The Department's service delivery environment covers both these sectors, although the public sector is the larger of the two and has greater focus in this section.

The university education system 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.

The audited student headcount enrolment at public higher education institutions (universities) constitutes a total of 969 154 students during the 2014 academic year, which includes both full-time and part-time enrolments for contact and distance learning studies. While this represents 3.3% growth in university headcount enrolments from 938 201 in the 2011 academic year, it by contrast, represents a 1.5% decrease in the headcount enrolment captured by the system from 983 698 during the 2013 academic year. This is the first time the university system did not grow in accordance with the Ministerial enrolment targets, which had projected that the system would grow to 1 000 100 during the 2014 academic year. A total of 30 946 fewer students enrolled in higher education studies than targeted during 2014, comprising a deviation of 3.1% below the target. The main reason for this decrease is that the number of enrolments at the University of South Africa (UNISA) dropped significantly to 328 491, which comprises 33 152 enrolments less than the envisioned target of 361 643 enrolments.

The national aim is to increase the total headcount enrolments in higher education (public and private institutions) to 1.6 million by 2030, as envisaged by the *National Development Plan (NDP)* and the *White Paper for Post-School Education and Training (PSET)*, 2013.

While the headcount enrolments did not increase as anticipated, the total per annum, number of university graduates, has increased to 185 373 and has exceeded the expected target of 174 038 for the 2014 academic year. The annual number of graduates increased from 160 625 during the 2011 academic year, a growth of 15.4% between 2011 and 2014. This is laudable and signals that the system is improving its output, since the increase in graduates (15.4%) is far greater than the increase in headcount enrolments (3.3%) for the same reporting period.

Notably, the number of Research Masters and Doctoral (PhD) graduates increased at a higher rate than the overall number of graduates, which is critical because it is on these post-graduates that the country depends for its future academics, researchers and other leaders within the knowledge-intensive professions. The number of Research Masters' graduates increased by 36.9% from a total of 5 281 graduates in the 2011 academic year, to 7 229 graduates during the 2014 academic year with the number of Doctoral graduates increasing by 43.3% from 1 576 to 2 258 for the same period. The system is therefore responding positively to Government's research development priorities set out in the NDP in line with the Minister's Performance Monitoring and Evaluation targets for the 2010/11 to 2014/15 term.

The system has also performed well with regard to producing graduates in most of the scarce skills areas, producing 12 058 engineering graduates (comprising 1 958 more graduates than the target), 7 259 natural and physical science graduates (comprising 659 graduates more than the target) as well as 19 124 new teachers (comprising 1 624 more graduates than the target). The only area in respect of which underperformance is apparent, has been animal and human health studies, where a total of 8 982 graduates were produced, constituting 18 fewer graduates when measured against the overall anticipated target of 9 000 graduates.

Linked to the expansion of the university system is the establishment of the Sol Plaatje University (SPU) in Kimberley, Northern Cape (NC) Province, and the University of Mpumalanga (UMP) in Mbombela, Mpumalanga Province (MP). Both universities opened their doors to their third intake of students in the 2016 academic year, comprising 710 additional students at SPU and 1 329 at UMP. This constitutes a significant increase from their initial, relatively modest intakes of 124 students at SPU and 140 students at UMP during 2014. This expansion at both universities was made possible by a combined financial investment of R1.6 billion aimed at constructing substantial new campuses, representing the first phases of the ten-to-fifteen year infrastructure development programmes at each institution. New infrastructure with a view to providing further similar expansions for 2017 to the value of R1.260 billion, is also currently under construction.

The Sefako Makgatho Health Sciences University (SMU), the third new university in the country, successfully incorporated the Medunsa campus of the University of Limpopo during January 2015. It is set to expand student enrolment from an initial 5 000 student headcount to 10 000 students over the next five-to-ten years.

The National Institute for Humanities and Social Sciences (NIHSS) that became operational during the 2014/15 financial year is also performing its functions satisfactorily and effectively. The Minister has since decided that the NIHSS become the permanent home of the South African BRICS Think Tank (SABTT). A Draft Amendment to the Regulations for the Establishment of the NIHSS was published in *Government Notice No. 39605* on 20 January 2016 for public comment and with the aim of adding the functions of the SABTT to the mandate of the NIHSS.

South Africa's ninth medical school located at the University of Limpopo, opened its doors in January 2016 to its first intake of 60 students. This initiative is linked to the proposed development of the Limpopo Academic Hospital, constituting a Presidential Project. In conjunction with these developments, the Department with the assistance of the National Skills

Fund (NSF), is also supporting the growth and expansion of Health Sciences at Nelson Mandela Metropolitan University (NMMU), with a view to developing the next new medical school at the institution.

The strengthening and expansion of the public higher education system is supported by the Department's Infrastructure and Efficiency programme. During 2014/15, a decision was taken to strategically amend the process for the allocation of infrastructure and efficiency funds earmarked for the following cycle of infrastructure funding that commenced in 2015/16. Universities were requested to undertake Infrastructure, Maintenance and Disability Audits and develop Campus Master Plans spanning the next 15 year period. All universities have since submitted their plans and audits and the Department brought together a team of experts to analyse the plans and develop a Macro-Infrastructure Framework for the university education system. The initial analysis of the various infrastructure audits and plans submitted to the Department revealed that there is a major problem being experienced regarding backlog maintenance across the system. Institutions have been deferring maintenance of their infrastructure and have been focusing on operations and the development of new infrastructure, accordingly funded by the Department. It is envisaged that the fifteen-year Infrastructure Development and Maintenance Plan will be finalised during the first half of the 2016/17 financial year. To this end, the Department has allocated R 1.981 billion toward the 2015/16 financial year in support of universities addressing their backlog maintenance requirements, as well as selected priority and student housing projects.

The Macro-Infrastructure Framework Plan, once approved, together with needs identified by individual universities, will guide the prioritisation of infrastructure projects and the allocation of funds to institutions for the 2016/17 to 2018/19 infrastructure funding cycle and beyond. From the analysis of planned priorities, it is expected that during the next cycle, the focus will mainly be on backlog maintenance, refurbishment of older infrastructure, improving information technology infrastructure and providing new student housing.

With regard to the infrastructure programme for SPU and UMP, an amount of approximately R3 billion will be made available over the 2016 Medium Term Expenditure Framework (MTEF) for the development and expansion of both institutions. New infrastructure will be built in phases to come on line each year and coincide with accommodating increased student intakes in accordance with each university's ten-to-fifteen year spatial development programmes and academic expansion plans.

The most important development impacting on the system and consequently affecting the service delivery environment in general, have been the various student protests that occurred during 2015 linked to the *#rhodesmustfall* (and other similar movements at Stellenbosch University, Rhodes University and the University of the Witwatersrand) and the *#feesmustfall* campaigns. The *#rhodesmustfall* protests commenced early in 2015 at the University of Cape Town (UCT) and was focused on issues of transformation and decolonisation, culminating in the removal of the Rhodes statue from the UCT Campus. Later during the year, the focus moved to issues concerning the affordability of higher education, coupled with a demand that "fees must fall" and the exploration of free higher education for all. Protests took place at a number of campuses, some degenerating into violence and the destruction of property, jointly resulting in a total value of more than R300 million in infrastructure damages.

On 6 October 2015, prior to commencement of the *#feesmustfall* campaign, a meeting between the President, Universities South Africa (USAf), the University Chairs of Council Forum, South Africa, the Minister of Higher Education and Training and other Cabinet Ministers was convened with a view to discuss the volatile situation on campuses, the party politicisation of campuses, funding, particularly in relation to poor students within the system, alongside the apparent shortfall in NSFAS funding. The President set up a task team to provide recommendations focusing on short-term student funding challenges. The Task Team, which included the Director-General and Deputy Directors-General, was required to submit a report by the end of November 2015.

Subsequent to the commencement of the *#feesmustfall* campaign on 15 October 2015, protests became increasingly volatile and the President convened a second meeting which then included student leaders, alongside University Vice Chancellors, Chairs of Councils and Cabinet Ministers. The President duly announced an agreement reached and aimed at freezing student fees for the 2016 financial year. The Task Team was consequently required to quantify the financial implications of the agreement and to identify the proportion that universities and government would respectively contribute to cover the shortfall in funds required. The Task Team subsequently presented this report with recommendations to the President on 30 November 2015.

In response to the campaign for no-fee increases in 2016, Government provided R1.9 billion of the overall R2.3 billion funding shortfall brought about by the no-fee increase agreement which in turn ensured that fees would be kept at 2015 amounts for 2016.

Government also reprioritised an additional R16.2 billion to higher education over the 2016 MTEF cycle, so as to effectively deal with issues brought about by the 2016 fee freeze and also related to the NSFAS shortfall challenges, as follows:

- An increase of R5.7 billion for university subsidies to address the shortfall caused by keeping fees for 2016 academic year static at 2015 levels, alongside the carry-through costs over the MTEF period. This is made up of allocations to a value of R300 million in 2016/17, R2.563 billion in 2017/18 and R2.819 billion in 2018/19;
- An allocation of R2.543 billion in 2016/17 to provide NSFAS loans in assisting 71 753 identified students, who qualified for NSFAS funding, but were either partially or not funded at all over the past three academic years, in paying their student debts to universities; and
- R8.043 billion providing NSFAS loans in support of unfunded continuing students and new students during the 2016 academic year and going forward. This is made up of allocations to a value of R2.039 billion in 2016/17, R2.991 billion in 2017/18, and R3.013 billion in 2018/19 and comprises a 47.3% increase in baseline funding made available for NSFAS university loans during 2016.

The additional funding has assisted in ensuring a relatively calm beginning to the 2016 academic year. The Branch has closely monitored the higher education sector registration process at the advent of 2016 and actively engaged with the sector to mitigate risks associated with the various protest actions. The Minister met with a wide range of stakeholders, including university Vice-Chancellors and Student Representative Council (SRC) leaders from all universities and various student groups and political formations, with the aim of garnering support for a smooth registration period and minimising violence and destruction of university property.

On 22 January 2016, the President announced that he was setting up a Commission of Inquiry into Higher Education and Training to assess the feasibility of fee-free higher education and training in conjunction with support provided to the Department of Justice and Constitutional Development in setting up the Commission. The Commission is due to report its findings at the end of November 2016.

Two other important processes evident from the Presidential Task Team recommendations have also since been effected. Firstly, a process aimed at developing a funding mechanism in dealing with loans for those students that are not considered poor enough to qualify for NSFAS loans, but are still financially needy and cannot afford higher education. A Ministerial Task Team has been set up to develop a model and to test it during the 2017 academic year, with a view to full implementation at the advent of the 2018 academic year. Secondly, a process for a regulatory framework for setting university fees and fee increases in future. Subsequent to an agreement reached with USAf, the Minister requested the Council on Higher Education (CHE) to set up a team aimed at developing and consulting on such a framework and submitting a recommendation on how best to put a system in place with effect from the 2017 academic year.

A process towards the development of the Central Applications Service (CAS) is continuing. Once in place, the CAS will have a major impact on the service delivery platform, enabling streamlined access into the post-school education and training system. The first phase of the service, the Central Applications Clearing House (CACH) was implemented for the fourth consecutive year spanning January to March 2016, with approximately 18 330 users registered and a placement rate of the 2016 cohort set at 33% by the end of April 2016. This represents a marked improvement on the 2014 cohort, which registered 14 000 users and had a placement rate of 29% by the end of March 2015. The enterprise architectural and business systems designs, including the governance structure and related management and human resource requirements, have been further diversified. A draft policy on the CAS was developed in 2015/16 and will be published shortly for public comment. Extensive consultation will take place during 2016. All developments in this regard are still on track and will be operationalised for the university sector by March 2018.

The Ministerial Enrolment Planning Statement for 2014/15 to 2019/20 will undergo a mid-term review and a workshop to launch the review was facilitated in March 2016, emphasising the need for improved, integrated planning for a diverse and differentiated university sector, integrated within the PSET system. Universities were requested to review their enrolment plans in an integrated fashion, taking into consideration infrastructure planning, research development, teaching development and staff development alongside exploring realistic expansion possibilities in a restricted fiscal environment. The current National Enrolment Plan predicates that the system will continue to grow at a moderate pace, with headcount enrolments expected to increase from 983 698 during the 2013 academic year to approximately 1 087 000 by the 2019 academic year, constituting an average annual growth rate of 1.7%. Over the same period the total number of graduates is expected to increase from 180 823 during 2013 to approximately 217 500 in 2019, an average annual growth rate of 3.1%. The system is working toward improved efficiency and ensuring better success rates, with the annual average growth in graduates expected to outperform the growth in enrolments. An analysis undertaken prior to the workshop in conjunction with information provided from the CHE's Twenty-Year Review, as well as the analysis of infrastructure expansion possibilities within the current fiscal constraint, suggests a revised annual growth in enrolments to 1% per annum going forward, until such time as the issues around financing the growth of the system and students are resolved. This may affect the achievement of the NDP enrolment target for the system of 1.6 million students by 2030.

a) An overview of the private higher education service delivery environment during the past year

The Department continues to recognise the importance of the private higher education sector in providing qualifications, mostly regarding undergraduate studies. Unaudited enrolment figures suggest that approximately 142 500 students were enrolled in PHEIs in 2014. Private higher education therefore accounts for approximately 14.7% of the headcount enrolments within the higher education sector and it is expected to maintain this proportion as the system grows. The effective integration of private higher education into the system as a whole, is linked to the quality assurance system of the Higher Education Quality Committee (HEQC) of the CHE, together with the work of the Department in registering institutions and enabling them to legally offer accredited programmes. The CHE and Department are working closely together in ensuring the integrity of the system. A major challenge in this regard is still the number of bogus colleges that continue to appear and operate, providing unaccredited programmes to unsuspecting students.

The Department has continued its efforts to raise public awareness regarding the importance of checking the status of an institution prior to registration. This has been achieved by publishing lists of bogus colleges identified through its monitoring processes, alongside the *Register of Private Higher Education Institutions* published and updated monthly on the Departmental website; visible policing, in partnership with the South African Police Service (SAPS) and oversight of the system, including site visits to institutions reported to be operating illegally. The Department has also created links with authorities in the United Kingdom (UK) and the United States of America (USA) and is working closely with them to combat bogus colleges and degree fraud linked to institutions operating from those countries. By December 2015, a total of 53

institutions purporting to offer higher education without being registered with the Department had been identified. All of these have since been reported to the SAPS with all cases at various stages of investigation. Due to the action taken, a total of 12 bogus colleges were shut down during 2015/16 either directly by the SAPS and the Department or through the legal process of the courts.

In order to improve the oversight processes aimed at ensuring that only legitimate, registered and quality assured private providers operate within the country, it was necessary to improve the legislative and regulatory environment, so that it better supports legitimate providers, while at the same time providing effective regulation of the system with a view to protecting the unsuspecting public from unscrupulous providers. To this effect, the Department finalised and published revised regulations for the registration of PHEIs in terms of the *Higher Education Act of 1997* (as amended), on 31 March 2016 in *Government Gazette Vol. 609 No. 39880, Notice No. 383*. These regulations will accordingly be implemented, going forward. The review of the *Higher Education Act 101 of 1997* (as amended) led to the tabling of the *Higher Education Bill 2015* in Parliament for possible promulgation. The 2015 Bill also proposes improvements to the service delivery environment of PHEIs and once promulgated and implemented, will enable greater integration of private higher education into the PSET system as a whole, as envisaged by the *White Paper*.

b) Reflection on successes and significant developments

Cabinet has approved the appointment of the Deputy Director-General: University Education. This is a significant development as it has provided greater stability in the Branch. It is the first time since the establishment of the Department in 2009, that the Branch is headed by a permanent Deputy Director-General in this position.

A successful second National Higher Education Transformation Summit was facilitated from 15 to 17 October 2015 with the main summit output comprising a Summit Declaration which identifies a range of transformation imperatives that must be taken forward with urgency. The Branch is currently incorporating these as a part of its work, alongside the development of a *National Plan for Post-School Education and Training (NP-PSET)*.

The development of the NP-PSET is progressing well. Three task teams, one each for Higher Education, Technical and Vocational Education and Training, and Community Education and Training, were formally established and commenced work in earnest. All systems are in place for the oversight and management of the process regarding the development of the Plan.

The Higher Education Summit also saw the launch of the Sunday Independent supplement '*Independent Thinking*' that will serve as a platform aimed at engaging on and discussing various issues pertaining to higher education. The first and second editions focused on issues linked to higher education transformation.

The Department has finalised the process for the appointment of a service provider to conduct a forensic investigation into allegations of fraud and corruption in the allocation of student funding by the NSFAS. The scope of the investigation includes a sampling of ten institutions (6 universities and 4 TVET colleges) covering a range of provinces and institutional types. The investigation must be concluded by September 2016 with the service provider completing a comprehensive report addressing all the allegations, as well as providing findings and recommendations to the Director-General. The first phase of the investigation has been successfully concluded. A report on the outcome of the first phase has been submitted to the Minister for perusal. The second phase of the investigation is currently underway.

New members of the NSFAS Board including the Chairperson were appointed in terms of the *NSFAS Act (Act 56 of 1999)*.

The Minister launched the *Staffing South Africa's Universities' Framework* (SSAUF) during the 2015/16 financial year. The SSAUF Programme is a comprehensive transformative programme and consists of four core programmes, namely: the Nurturing Emerging Scholars Programme (NESP); the New Generation of Academics Programme (nGAP) the Existing Academics Capacity Enhancement Programme (EACEP) and the Higher Education Leadership and Management Programme (HELMP). There are two further support programmes, namely the Staffing South Africa's Universities Development Programme (SSAU-DP) which cuts across the core programmes and supports teaching and research development needs in each programme and the Supplementary Staff Employment Programme (SSEP), which supports the employment of retired staff with regard to mentoring, supervising and enabling permanent staff in undertaking mobility and development support programmes.

Two core SSAUF programmes started in 2015:

- The first phase of the nGAP was implemented with 125 new posts allocated across universities. Recruitment and selection processes commenced in May 2015 and by 31 March 2016, 102 nGAP posts had been filled by black South Africans and 55 of these posts by women. The remaining 23 advertised posts are at varying stages of being filled and will be incorporated into the second cohort of scholars. In addition, funding was reprioritised from under-utilised teaching development and research development funds, so as to support a further 79 new nGAP posts still to be created.
- The first phase of the HELMP also commenced during the 2015/16 financial year. A cohort of 27 future university education leaders, comprising senior support and management staff from across the university sector were selected to enroll in a Doctoral programme in higher education leadership and management. Two members of the University Education Branch were selected to participate in the Doctoral programme. The programme is being presented through a partnership between the Department, the NMMU and the University of Bath (in the UK). The programme is designed to develop the capacity of managers regarding higher education leadership, management and support functions within the university sector.

Subsequent to the Report of the Ministerial Committee on the Review of Funding of Universities published in early 2014, a Task Team and Reference Group was appointed to assess the implications of its recommendations and develop a draft *Amended Policy on the Funding of Public Universities*, as well as the *Revised Funding Framework on the Allocation of Government Grants to Public Higher Education Institutions* for the university system. This work was completed during the 2015/16 financial year and the Minister has approved the draft policy and revised framework. Once these have been considered by Cabinet, they will be published for public comment. Following on public comments and wide consultation on the proposed revisions, the final revised policy and funding framework will be developed and submitted to the CHE for advice, as required by the *Higher Education Act of 1997* (as amended).

The Sefako Makgatho University was launched on 14 April 2015 by the President of the Republic of South Africa. SMU's full Council was also established during the financial year and an interim Vice-Chancellor was appointed with effect from 1 July 2015.

The business plan for the *Teaching and Learning Development Sector Reform Contract*, which includes the Teaching and Learning Development Capacity Improvement Programme (TLDICIP) has been developed and approved. Substantial funding through the EU Sector Budget Support Programme has been secured to implement the programme. The TLDICIP is designed to strengthen the teacher education system in providing TVET College lecturers for the TVET sector, as well as CET teachers for CET colleges, in conjunction with Early Childhood Development (ECD) primary and special needs teachers for the schooling system. The programme was successfully launched at a national event on 30 March 2016. A series of planning meetings were held with key stakeholders and relevant participants to discuss the nature of the programme and its proposed activities. Five successful meetings were held during the fourth quarter, consisting of one each for Special

Needs Teacher Education, Teachers for ECD, Inclusive Teaching, Primary Teacher Education in mathematics and literacy and TVET/CET Lecturer Education.

An assessment was undertaken of the profile related to the nature of qualifications of public TVET College lecturers. A report titled: *Qualification Profile of Lecturers Employed in Public TVET Colleges in South Africa, 2014* was produced. This report will inform the specific plans to be developed for the TLDCIP programme aimed at strengthening the capacity of university teacher education to better educate and train TVET College lecturers.

A Joint Technical Task Team to advise on the transfer of Colleges of Agriculture from the Department of Agriculture, Forestry and Fisheries (DAFF) to the Department was established and started its work. The team will develop a report and plan of action for the process of shifting the governance and control over agricultural colleges from a concurrent DAFF and provincial competence to a national competence under the Department. The work includes all due diligence aspects in enabling the shift to take place.

The Department, in partnership with the Centre for Education Policy Development, hosted Student Leadership Capacity Development workshops, the first which was convened by the University of the Western Cape, on 1 and 2 October 2015 and to which SRCs from coastal based institutions (Western Cape, Eastern Cape and KwaZulu-Natal) were invited. The second workshop was hosted by the University of the Witwatersrand, on 8 and 9 October 2015, which was attended by SRCs from inland based institutions (Gauteng, Free State, Northern Cape, North West, and Limpopo, Mpumalanga). These workshops are a part of the bigger project designed to develop the capacity of student leaders so that they can respond appropriately to the ever changing post-schooling landscape and dynamic challenges posed by the system. They were also aimed at enhancing constructive dialogue on a wide range of topical issues facing not only the general student body, but also South Africa as a country. The workshops deliberated on themes such as Leadership and Leadership Theories, Contemporary challenges of South African students, Co-operative Governance, Diversity and Tolerance, as well as Conflict and Conflict Management.

An Institutional Forum (IF) Working Group was established to commence with the groundwork for supporting IFs as part of a drive to improve governance at universities. Part of this work includes the development of a concept document for the formation of a National Community of Practice Forum of IF Chairpersons, as well as an IF operational guide.

The Brazil, Russia, India, China, South Africa (BRICS) Think Tank Council meeting and BRICS Academic Forum were successfully hosted in Moscow, Russia during May 2016. The Human Sciences Research Council (HSRC), which had been appointed as the interim SABTT from 2013/14 to 2015/16, handed over the function to the NIHSS in July 2016, after the NIHSS was appointed as the permanent SABTT.

With regard to the BRICS partnerships, working groups on higher education and TVET colleges were established to take forward collaborative work related to the agreement reached between the Ministries of the five BRICS countries to focus on a range of education and training issues. The working group on Higher Education drafted an agreement on the development of a BRICS Network University (BNU), which was signed by the five Ministers during November 2015. In terms of this agreement a National Coordinating Committee has been set up to select 12 universities in becoming part of the BNU. The BNU will be formally established at a forum meeting.

The Sector Planning, Monitoring and Evaluation Support Programme (SPMESP) was implemented during the 2015/16 financial year and assisted to strengthen the monitoring of the system. Reports covering the following areas were produced namely, the Higher Education HIV/Aids programme (HEAIDS), foundation provisioning, teaching development, research development, research outputs. Regulating PHEIs' infrastructure development of universities, the development of two

new universities (SPU and UMP), SSAUF Ministerial enrolment targets, the financial health of the system and governance capacity development.

The *2000 to 2008 first Time Entering Undergraduate Cohort Studies for Public Higher Education Institutions* was successfully published and uploaded onto the Departmental website.

An infrastructure workshop was convened with universities on 5 November 2015 and focused on various issues related to infrastructure, including the processes for the allocations in 2015/16, the macro infrastructure plan and student housing.

A Joint Task Team was established in cooperation with the Department of Public Works to identify vacant Government properties for the development of university accommodation and other PSET uses.

The Clinical Training Grant Review commenced with the assistance of the University of Cape Town and the process also involves the Department of Health; National Treasury and other relevant stakeholders.

The Minister approved the *Draft Amended Policy on the Funding of Public Universities* as well as the *Revised Funding Framework on the Allocation of Government Grants to Public Higher Education Institutions* on 14 March 2016. The Minister has requested that Cabinet accordingly be informed regarding the status of these policies before they are published for public comment.

The *Draft Policy on the Evaluation of Creative Outputs and Innovations produced by Public Higher Education Institutions* was published in the Government Gazette for public comment.

The Academy of Science of South Africa submitted its final report on a feasibility study on *Improved Access to Commercial Electronic Knowledge Resources for Researchers in South Africa*. This report was produced as part of the National Research Collaborative Projects in terms of the Research Development Grant managed by the Department.

The Branch, through the Chief Directorate Academic Planning, was mandated to embark on skills planning for *Operation Pakhisa: Ocean Economy*. A coherent mechanism to integrate all related skills planning efforts in the Maritime Industry and Blue Economy has since been developed. The South African International Maritime Institute has also been established with funding secured through the NSF to support the operationalisation and delivery of the National Cadet Programme.

c) The most significant developments during the 2015/16 financial year that will impact on the work of the programme in the future

The issue regarding the affordability of higher education will remain in the spotlight going forward. The Department continues to monitor the situation and will intervene where necessary. Important lines of communication across the system must remain open.

There will be continued engagement within the sector to assist with regard to mitigating the risks associated with the various protest actions. The Branch will continue to support the Minister in meeting with a wide range of stakeholders, including university Vice-Chancellors and Student Representative Council leaders from all universities and various student groups and political formations, in garnering support for a smooth registration period during the second semester and for 2017, with a view to minimising violence and the destruction of university property. Continued support will be provided to the Presidential Commission chaired by Judge Herer and the Department of Justice and Constitutional Development regarding its mandate to investigate the feasibility of free higher education and training.

The widespread expectation that there will be no fee increases in 2017 (or that there will be free higher education) poses a further risk. Currently all universities through their Councils independently determine fee increases for their respective institutions and as a result, there are differing fee structures across the system and there is no regulatory framework in place to deal with these disparate fee structures. The Minister together with USAf, has agreed that a uniform regulatory framework for the system be developed. The Minister has requested the CHE to explore options for the development of a new framework for managing future university fee structures and the determination of increases across the system, subsequent to consultation with key stakeholders and with the goal of implementation in the 2017 academic year. A further related area is the work of the Ministerial Task Team mandated with developing a new model for poor and missing middle student funding.

The approval of the TLDCIP will have an impact on the work of the Branch, with major projects being implemented over the next four years aimed at improving the capacity of the system and producing teachers for all education sub-sectors.

d) Challenges that might have impacted on the performance of the programme in the implementation of the strategic plan and annual performance plan

The specific targets related to the APP are presented in Part B of the report and with regard the analysis of university annual reports in terms of financial indicators, four universities did not submit their reports on time and one having not being submitted by the end of the second quarter. The Branch was therefore unable to complete a final report analysis of the system for approval in line with the timeframe specified in the APP and subsequently planned to complete the report during the third quarter. However, issues related to the *#feesmustfall* campaign and support that the Branch was obligated to provide to the Presidential Task Team, made this difficult and the final report was approved by the end of March 2016.

The Revised *Higher Education Act (Higher Education Bill 2015)* was targeted for promulgation by the end of March 2016. However, while the Act was reviewed it was not promulgated as it is a Parliamentary process which is not within the control of the Department. Future targets of this nature will be based on the review process and the approval by the Minister.

Another target not achieved within the financial year was the finalisation of the Report on the Annual Ministerial Enrolment planning targets. However a workshop aimed at the development the mid-term review of the Ministerial Enrolment Planning Statement was successfully facilitated during March 2016. This workshop embodied an important shift from the processes previously undertaken by the Department. It brought together a wide range of stakeholders within the higher education sector, including various National Departments, such as the Department of Science and Technology, Department of Planning, Monitoring and Evaluation, National Treasury, Department of Trade and Industry and the Department of Health, as well as Vice Chancellors, Deputy Vice Chancellors and planners from universities, SETA CEOs and professional bodies, with a view to provide a systemic overview of the existing context and to discuss a framework for institutions aimed at realistically reviewing their enrolment targets for the period 2017/18 to 2019/20.

1.1.3 Vocational and Continuing Education and Training

a) An overview of the public continuing education and training service delivery environment during the past year

During the first financial year (2015/16) related to the implementation of this strategic plan, the Department incorporated the functions of Adult Education and Training (AET) Centres and TVET colleges from provincial authorities as part of the Branch mandate. The function shift required appropriate capacity within the Department in supporting the new mandate as the designated implementing authority. To mitigate the risk of an unfunded mandate related to General Education

and Training Certificate examinations, the Minister entered into a Protocol with the Members of Executive Councils of Education for each province endorsing provincial education departments to continue managing the function until 2016.

The growth, expansion and performance of institutions within the VCET sub-system has been one of the strategic priorities of the Department. During the year under review, it became apparent that the Department cannot afford the envisioned growth and expansion in the absence of securing additional funding for subsidies, bursaries and infrastructure requirements. Expansion without funding will therefore have a negative impact on the system's anticipated outcome.

b) Reflection on successes and significant developments

29 standardised financial policies were developed for TVET colleges which will contribute to enhanced and strengthened internal controls at these institutions when approved and implemented by the College Councils. These policies will also contribute to enhanced governance processes and standardised financial practices being incorporated by the TVET colleges.

28 standardised financial policies were also developed for CET colleges.

Nine CET colleges and College Councils were established and inaugurated by the Minister. Five Ministerial appointees with expertise in law, finance, education and governance were appointed for each of the nine CET colleges. A number of key resolutions were adopted by the Councils in order to ensure functionality of CET colleges. Subsequent to the establishment of Councils, the CET colleges accordingly complied with the provisions of the *Continuing Education and Training Act, 2006* (Act No. 16 of 2008) and has provided a solid foundation for good governance in the future.

The curriculum for the National Senior Certificate for Adults (NASCA) was approved by the Minister and enables the further development of learning and teaching support materials and lecturer development programmes. It also allows for the engagement with publishers regarding appropriate text books subsequently to be developed.

Regulations on the conduct, administration and management of an assessment for the NASCA - A Qualification at Level 4 on the National Qualifications Framework have been approved by the Minister. The regulations, once Gazetted, will enable system preparations for the administration and conduct during examinations for the NASCA.

c) Challenges that might have impacted on the performance of the Programme in the implementation of the Strategic Plan and Annual Performance Plan

Rapid expansion of the system, insufficient funding, limited resources including infrastructure have had a negative impact on the quality of provision. The perpetual student strikes also disturbed teaching and learning.

Some of the planned targets were dependent on system data. The availability of data posed various challenges which led to the appointment of a new service provider. This represents a significant development in enabling the Department to deliver and address the challenges facing broader system performance.

1.1.4 Skills Development

a) An overview of the service delivery environment during the past year

The period 2015/16 represented the final year of the Sector Education and Training Authorities' (SETAs) five-year life span and the third National Skills Development Strategy (NSDS III) as published by the Minister when SETAs were re-established in 2011. The expiry of SETA licenses meant that the office terms of SETA Boards, CEOs and other SETA staff came to an

end on 31 March 2016. This required the Department to ensure that the system did not collapse post March 2016 and timeously reviewing the SETA landscape without creating major disruptions to the system in conjunction with its ongoing mandate of delivering the much needed skills into the labour market of South Africa. To this end, SETAs were re-instated for a further two-year period until 31 March 2018. The NSDS III and the tenure of all SETA Accounting Authorities were also extended for the same period.

A SETA Panel was appointed to evaluate the Sector Skills Plans, Strategic Plans, Annual Performance Plans and Annual Reports of the 21 SETAs and provide an overall assessment on the status of these plans and reports. The panel has developed a framework for evaluation and reporting which has since been approved by the Departmental Reference Group. The framework of evaluations includes the Departmental evaluation of the 21 SETAs and the SETA panel had already presented its first set of reports to the Department on 15 February 2016.

b) Reflection on successes and significant developments

The proposal for a New National Skills Development Strategy (NSDS) and Sector Education and Training Authorities (SETAs) landscape within the context of an Integrated and Differentiated PSET system (NSLP-2015) was published for public comment.

The Artisan Recognition of Prior Learning (ARPL) Policy, Criteria and Guidelines were also published to promote and implement ARPL as an active pathway to a full artisan trade occupational qualification in all sectors of the economy and sets national criteria and guidelines on the practice of ARPL, in order to grant access in relation to non-contracted learners to a national trade test, both in the formal and informal sectors of the economy.

The first National Regulations for trade testing was approved and published by the Department on 8 May 2015 in Government Gazette 38758. These Regulations will progressively be implemented and will establish standardised processes and practices in all trades across all sectors. The Regulations will further assist the National Artisan Moderation Body with the implementation of its statutory functions.

c) Challenges that might have impacted on the performance of the Programme in the implementation of the Strategic Plan and Annual Performance Plan

The main challenge currently being experienced is the absence of a centralised Management Information System for SETAs, as well as the SETA/Sector approach to artisan development due to a lack of capacity in some SETAs and an inability to implement the approved national funding policy. This has resulted in serious under reporting as the Department has to rely on manual and disparate systems at present.

1.1.5 Service Delivery Improvement Plan (SDIP)

The Service Charter was placed in the Department's reception area and in all other offices where the Department has physical presence. TVET colleges also received the Charter for display at their reception desks.

The Charter will enable service beneficiaries to better understand what they can expect from the Department and will define the basis of engagement between the Department and citizens or civil society organisations. It specifies the services and standards that customers can expect from the Department, as well as the procedures to follow if the listed services are not rendered efficiently. The Business Process Re-engineering process that was initiated during 2015 will further assist the Department in identifying areas of improvement in its day-to-day operations and the development of the revised SDIP.

The following Tables reflect the components of the SDIP, as well as progress made regarding the implementation of the plans.

Main services provided and standards

MAIN SERVICES	ACTUAL CUSTOMERS	POTENTIAL CUSTOMERS	STANDARD OF SERVICE	ACTUAL ACHIEVEMENT AGAINST STANDARDS
Dealing with queries and complaints lodged through the Hotline/ Toll-free number and Facebook page	General public, students and departmental staff members, Technical and Vocational Education and Training colleges, universities and entities	General public Employees	Answer all calls (80%) Phone rings 3 times, and then screens for the next available agent Log all calls and provide an acceptable response within: 1 day 2 days 5 weeks	Calls get attended to as per the service standard
Dealing with queries and complaints lodged through website	General public, students and departmental staff members, Technical and Vocational Education and Training colleges, universities and entities	General public Students	- Address lists - Lists of Institutions - Updated content	All website queries are resolved in accordance with the service standards Customer details of institutions are regularly updated through the website

Consultation arrangements with customers

TYPE OF ARRANGEMENT	ACTUAL CUSTOMERS	POTENTIAL CUSTOMERS	STANDARD OF SERVICE	ACTUAL ACHIEVEMENT
Ministerial Izimbizos	General public, students and departmental staff members	General public	Stakeholder engagement forums through Izimbizos as determined by the Presidency	Quarterly stakeholder engagement through meetings and Izimbizos
Minister's business breakfast meetings with stakeholders	General public, students and departmental staff members, Technical and Vocational Education and Training colleges, universities and Public Entities	General public	Transparency on policy mandates and Vision	One meeting held in 2015
Publication of policy proposals and legislation	General public, students and departmental staff members, Technical and Vocational Education and Training colleges, universities and Public Entities	General public Students Departmental staff members	All policies are published through a Government Gazette for consultation	All policies and legislative amendments were gazetted

Service information tool

TYPES OF INFORMATION TOOL	ACTUAL ACHIEVEMENTS
Website	The website has been reviewed and content is regularly updated
Facebook page	Queries and complaints addressed through Facebook
Twitter	A twitter account was opened for the Minister

Complaints mechanism

COMPLAINTS MECHANISM	ACTUAL ACHIEVEMENTS
Walk-Ins/visits to the Department	All clients visiting the walk-in centre received assistance
Use of Toll-Free services	99% resolution of queries and complaints reported on the Departmental and Presidential Hotlines
Central Applications Clearing House (CACH)	All students using the CACH were referred to an institution

2. ORGANISATIONAL ENVIRONMENT

2.1 Organisational successes during the year under review



The Deputy Minister, Mr MC Manana engaging with trainees during the Decade of Artisan Development celebrations

There has been a significant growth in the post establishment of the Department, increasing from 790 (in 2009), to over 38 000, as a result of the transfer of employees from Provincial Education Departments (PEDs) and TVET colleges. A total of 439 posts were advertised in 2015 of which 255 (58%) were filled. The advertised posts included 67 newly created posts for the provision of administrative support in relation to the transfer of staff, as having commenced on 1 April 2015. An external service provider was appointed to assist with capturing of applications which significantly improved the response in conjunction with accuracy rates related to the processing of applications. The staff vacancy rate as determined at 31 March 2016, stood at 6.9%, which exceeds the 10% performance target by 3.1%.

2.2 The description of significant developments internal to the Department that may have impacted on the Departments ability to deliver on its Strategic Plan and Annual Performance Plan

The increase in the post establishment of the Department to more than 38 000 employees has resulted in additional pressure on an already constrained human resource management capacity, both in relation to the human resource management and finance sections.

These developments have necessitated a review of the policies, systems and standard operating procedures and the control systems accordingly had to be enhanced. In order to standardise and harmonise policies, a set of 39 new policies within the human resource arena were developed through a partnership agreement with the South African Institute for Chartered Accountants (SAICA).

The Delegations of Authority have also been revised in line with the new directives issued by the Minister of Public Service and Administration and were approved during July 2015 so as to decentralise some of the operations to College level.

The increase in the post establishment has also led to a drastic increase in the adjudication of the number of disciplinary cases, as the Department has become the employer of staff compliments shifted from the Provincial Education Departments (PEDs) and TVET colleges, with effect from 1 April 2015.

Regional offices also became fully functional during 2015/16 and office space had to be secured to accommodate additional staff. As an interim measure, there are currently six regional offices with six acting Regional Managers overseeing the management of the regional offices.

The 2015/16 Work Skills Plan was developed and submitted to relevant SETAs for subsequent implementation in conjunction with the Internship programme.

The new Departmental structure has still not been implemented due to a lack of funding. The process of post fitting by branches started but could not be completed due to one Branch having to review its proposed structure.

Work commenced to manage and coordinate the various business processes between the Department and colleges with a view to determine the requisite work streams and responsibilities, financial allocations and resources required for the finalisation of the regional organisational structure.

The performance management system is in place and was properly communicated to all staff. The Department's Performance Management Development system has also been aligned with the specifications required by the Department of Public Service and Administration's framework, although it has since been reviewed due to the transfer of lecturing staff to the Department.

A total of 1 177 applications for bursaries were received by the prescribed closing date, of which 52 were received from Head Office, 13 from NSF, 50 from the Regional Offices, four from College Principals, seven from Deputy Principals and 1 051 from officials based at colleges.

The Department introduced a general Security Learnership programme during the reporting period and ten Interns were enrolled into this programme during January 2016 in collaboration with the Safety and Security Sector Education and Training Authority.

As a result of the revised post establishment of the Department and the concurrent increase in employee numbers, the Department was required to review its three-year Medium Term Expenditure Framework (MTEF) Human Resources (HR) Plan and a revised HR Plan should be approved for the 2016/17 to 2018/19 MTEF.

In response to Government's call for job creation and poverty alleviation, the Department has embarked on implementing an Internship programme since its establishment and which, since its inception, has become one of its flagship programmes. During the period under review, a total of 140 applicants were appointed as Interns of which 25 have since been appointed in permanent positions and the service of a further 20 interns were extended by means of contract appointments.

A draft agreement for the establishment of the Higher Education and Training Bargaining Chamber as part of the Education Labour Relations Council (ELRC) is currently being discussed and considered by the ELRC Task Team. The Minister has also approved a mandate on the proposed collective bargaining structure for the college sector. A questionnaire aimed at assessing the efficiency of collective bargaining agreements and identifying implementation challenges was circulated to colleges for comment.

In order to comply with the amendment of the *Labour Relations Act of 2015*, regarding temporary employment services, a moratorium has been placed on the termination of contract employees, pending an agreement reached in respect of identified criteria that may qualify employees for permanent employment.

The policy on Recognition of Improved Qualifications has been finalised, accordingly endorsed by the Departmental Bargaining Council for implementation and is pending approval of the Director-General and the Department of Public Service and Administration (DPSA).

A total of 209 officials participated in the Departmental HIV Counselling and Testing Campaign, with one official testing positive for HIV. During the period under review 120 officials were also treated for incidental injuries while on duty in the workplace.

Taking cognisance of the current economic climate and limited financial resources available to the Department, Branches have managed their operations within the allocated budgets and the final expenditure outcome comprises 99.8%. National Treasury Instructions on cost containment and austerity measures were accordingly observed and strictly implemented.

The Department managed to submit all compliance related documents for the 2015/16 financial year timeously, despite the additional workload in relation to the function shift.

The shift of the TVET and CET college functions from the PEDs placed a huge burden on Financial Management by the Department. Funds made available for capacity development allowed the Department to increase capacity within the Financial Management environment, expanding the staff compliment by 50 additional posts. Due to the large volumes of applications received in respect of these posts, the first intake could only take place during September 2015.

During the year under review, large volumes of PERSAL transactions also did not interface in the manner expected, in turn resulting in huge delays regarding the processing of information. Backlogs, therefore, had to be dealt with on an ongoing and overtime work basis.

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

In order to mitigate the risks of not meeting the 1 April 2015 deadline for the transfer of staff, the services of SAICA, HR Management generalists were utilised to complement the capacity within the Human Resource Management division.

Three additional Deputy Directors were appointed in the Human Resource Unit with the aim of increasing management capacity in the interim and alongside implementation of the following directives:

- Colleges were requested to use existing policies for the 2015/16 period, pending the approval of the standardised policies; and
- Delegations of Authority were accordingly developed and approved for implementation commencing from July 2015.

A national process of staff induction was rolled out during the third quarter of 2015 as part of the Department's change management process.

3. KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

3.1 Further Education and Training Act, 2006 to Continuing Education and Training Act, 2006

The *Further Education and Training Colleges Act 16 of 2006*, has been replaced with the *Continuing Education and Training Act 16 of 2006*, which aims to amend definitions relating to provisions regarding the following areas:

- Establishment of public colleges, i.e. TVET, CET, and private colleges;
- Establishment of the South African Institute for Vocational and Continuing Education and Training (SAIVCET) and the provision for the composition, functions and functioning of the Institute; and
- Provisioning for transitional arrangements and the repeal of the *Adult Education and Training Act, 2000*, the amendment of other laws; and matters connected therewith.

4. STRATEGIC OUTCOME-ORIENTED GOALS

4.1 Outcome 5 of 2014-2019 Medium Term Strategic Framework

In pursuit of Outcome 5 of Government's 14 Outcomes i.e. *A skilled and Capable Workforce to Support an Inclusive Growth Path*, the Department in terms of the 2014-2019 Medium Term Strategic Framework (MTSF) undertook to deliver the following sub-outcomes:

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

4.2 Achievements in the year under review on the Medium Term Strategic Framework planned outcomes

The following Tables reflect achievements (against set targets) in respect to the above listed outcomes undertaken and recorded during the year under review:

a) Sub-Outcome 1: A credible institutional mechanism for labour market and skills planning

ACTION	INDICATOR	TARGET	PROGRESS UP TO END MARCH 2016
1. Coordinate reporting of data on statistics on the Post-School Education and Training (PSET) and undertake descriptive analysis of the data	Statistical reports on PSET published	Publication of the 2013 statistical report on PSET data by 30 April 2015	Statistical report of 2013 data has been completed and published on the departmental website on 30 April 2015
		Publication of the 2014 statistical report on PSET data by 30 March 2016	Statistical report of 2014 data has been completed and published on the Departmental website on 30 March 2016
		Annual PSET statistical report published by December of every year	Annual publication of PSET statistics with analysis is in progress for March 2017
2. Undertake research on skills supply and demand	Framework for annual report on skills supply and demand consulted and approved	Framework for annual report on skills supply and demand consulted and approved by 15 August 2015	The framework was approved on 30 September 2015
	Annual report on skills supply and demand published	Annual report on skills supply and demand published by 31 March 2016	The annual report on skills supply and demand planned to be published by the end of the 2015/16 financial year has been extended for publication by the end of June 2016 The first draft report was completed on 10 December 2015, and was circulated to the peer reviewers on 11 December 2015 The first reference group meeting was held at the HSPC on 14 December 2014 and again in January 2016 A broad set of comments were received from departmental colleagues, peer reviewers and reference group members. The comments were substantive and informative, and prompted the need for substantial clarity and revision of the information, as well as the re-construction of the entire layout of the report

ACTION	INDICATOR	TARGET	PROGRESS UP TO END MARCH 2016
3. Develop an implementation strategy on the open learning system and distance education	Implementation strategy approved and implementation commencing from 1 April 2016	Prototype of a learning management system for open learning system developed together with materials for two programmes identified to be piloted from 2016/17 onwards	In addition to the need to improve the first draft of the report based on wide-ranging feedback, the authors had to spend more time than had been envisioned, to verify the authenticity of the data that it received from sources such as Statistics South Africa The work that is currently underway involves putting together all the comments received, collecting additional data and working on the analysis leading to the completion of the second draft The late finalisation of the framework for the report had major implications for the work of the project and resulted in a delay in the implementation of project activities
			Prototype of learning management system for open learning system was developed on the Google platform. The Department identified the Google Course Builder Platform as appropriate and worked with Google South Africa to customise the platform for the prototype. Currently the prototype is running on http://www.openlearning.org.za. It is a closed system that is only accessible through registered users/passwords. The Department has to work with SITA to develop systems. Therefore, SITA has completed the Project Charter and Plan and the draft Business Process Description (BPD) for the development of the National Open Learning System (NOLS)

ACTION	INDICATOR	TARGET	PROGRESS UP TO END MARCH 2016
			Based on the business plans and in consultation with all branches and stakeholders, the following programmes were identified for initial development of materials on the NOLS that is planned to be ready for the first cohort of students in January 2017: ▪ National Occupational Certificate for Electricians; and ▪ Online Diagnostic Tests and Preparation Programme for South African TVET colleges. Other material developments have been planned. These include materials development for the NASCA, and other occupational qualifications such as Plumbers, identified to be piloted from 2016/17, onwards. Also included are materials for two courses for the development of TVET college lecturers through open learning to be piloted from 2017/18, onwards

b) Sub-Outcome 2: Increase access and success in programmes leading to intermediate and high-level learning

ACTION	INDICATOR	TARGET	PROGRESS UP TO END MARCH 2016
4. Plan for staffing of Community Education and Training colleges (CETC) in line with enrolment estimates	Staffing norms for CETC staff developed	Staffing norms for CETC developed by 30 June 2015	The Minister has approved the Staffing norms for the CETC
5. Establish protocols for the appointment of staff in CETCs	Protocols on the appointment of CETC staff developed	Protocols on the appointment of CETC staff developed by 30 November 2015	Policy on the Standard Operating Procedure for the appointment of CET lecturers has been developed and approved
6. Identify sites for the establishment of CETCs	Number of CETCs to be established and expanded	Plan approved by 31 March 2016 for the operationalisation of CETCs	In collaboration with the Infrastructure Unit, an activity plan for functionality of CETC was drafted. The plan includes assessment of the college sites and the report detailing costs per college
7. Finalise CETCs service delivery and governance model and standards (evaluation framework)	Service delivery model and governance standards finalised	Service delivery model and governance standards finalised by 31 March 2016	The policy framework for governance standards with 29 standardised financial policy annexure was approved by the Director-General for the adoption by the CETC Councils. The service delivery framework is still work in progress
8. Develop protocols on the secondment of sector specialists to work in TVET colleges and lecturers exposed to the work place	Protocols on the secondment of sector specialists to work in TVET colleges and lecturers exposed to the work place	Protocols on the secondment of sector specialists to work in TVET colleges and lecturers exposed to the work place by 31 March 2016	Protocols were developed and approved by the Minister
9. Establish TVET college campuses and expand as per demand estimates and agreements	Number of TVET college campuses to be built and expanded	3 new TVET college campuses to be built and expanded by 31 December 2015	3 sites are under construction, 1 site is at 99% and the other 2 at 50%
10. Finalise and monitor standards of good governance for TVET colleges	TVET good governance standards developed	TVET good governance standards developed by 30 June 2015	29 standardised financial policies developed and approved by the Director-General for adoption and implementation by TVET College Councils
11. Enroll TVET students in need of support in foundation programmes and support for success	Report on the throughput rates for TVET colleges	Report on the throughput rates for TVET college on student cohort for the academic period 2012 – 2014 by 31 March 2016	The subject results from November 2014 examinations is being consolidated and verified by SITA
12. Provision of support to improve success for students	Survey on the number of students accommodated in TVET colleges conducted	Survey on the number of students accommodated in TVET colleges conducted by 31 December 2015	A Survey on the number of students accommodated in TVET colleges was conducted

c) Sub-Outcome 3: Increase access to high-level occupationally directed programmes in needed areas

ACTION	INDICATOR	TARGET	PROGRESS UP TO END MARCH 2016
13. Produce and retain a new generation of university academics, transforming the historical and social composition of the academic work force	Number of nGAP appointments	100 additional young (black and/or women) entrants to workforce per annum by 31 March 2020	102 additional young black South Africans, 55 of them women, were appointed into nGAP posts by 31 March 2016. A further 23 posts are in the process of being filled
	Number of entry level academic staff provided with teaching and research development opportunities from the Teaching and Research Development Grant	200 academics supported through the Teaching and Research Development Grant over the 2014/15 to 2016/17 cycle	For the 2014 academic year, 174 lecturers were supported to do their Master's and PhD studies through the Teaching Development Grant, broken down into 108 Females and 66 Males. The Research Development Grant supported 1 395 academics; 312 for Masters, 672 for PhD and 411 for post-doctoral studies. Figures for 2015/16 will be available in July 2016
		100 academics per annum supported through the Teaching and Research Development Grant over the 2017/18 to 2019/20 cycle	This information will only become available in the 2018/19 financial year
14. Develop a plan for financial collection mechanism from students who were funded through NSFAS	Improved system of collecting funds from those students funded through NSFAS developed	Improved system of collecting funds from those students funded through NSFAS developed by 31 March 2016	NSFAS has developed a Fundraising and Recoveries Strategy in order to augment the amount of funding available for loans and bursaries. In the past financial year the Board of NSFAS approved the Recoveries and Fundraising Strategies which were presented to Parliament. NSFAS is currently in the process of implementing the strategy
15. Improve and monitor articulation across education systems	Monitoring and evaluation report on Articulation implementation approved by 31 March 2019	Policy on guidelines on Articulation developed and published in the Government Gazette by 31 March 2016	Draft Policy and guidelines (one document) on Articulation has been developed and the Minister signed the Government Notice on 24 February 2016 for publishing it in the Government Gazette for public comments. It was published in the Government Gazette on 30 March 2016 (No 39867)
		Monitoring and Evaluation report on Articulation implementation approved by 31 March 2019	Monitoring and evaluation of articulation will commence after the publication of the final Articulation Policy

ACTION	INDICATOR	TARGET	PROGRESS UP TO END MARCH 2016
16. Increase the number of doctoral graduates from universities	Number of doctoral graduates from universities	12 000 cumulative from 2014 to 2018 academic year (reported annually and verified by 31 October 2019)	2 258 doctoral graduates were produced in the 2014 academic year
17. Develop a macro infrastructure plan for the university sector	Macro infrastructure plan for the university sector developed	Macro infrastructure plan for the university sector developed by 31 March 2016	Macro infrastructure plan for the university sector has been developed but needs strengthening

d) Sub-Outcome 4: Increase access to occupationally-directed programmes in needed areas and thereby expand the availability of intermediate level skills with a special focus on artisan skills

ACTION	INDICATOR	TARGET	PROGRESS UP TO END MARCH 2016
18. Develop a strategy for improving trade test pass rates at INDELA	Strategy to improve pass rate finalised and approved for implementation	Strategy to improve pass rate finalised and approved for implementation from 1 April 2015	The strategy was drafted and circulated for public comment in September 2015. The comments are now being considered for the final draft of the strategy document
19. Finalise and monitor good Governance Standard Charter of SETAs	Good Governance Standard Charter developed and approved	Good Governance Standard Charter with SETAs finalised by 31 March 2016	The Good Governance Standard Charter was drafted and approved

5. PERFORMANCE INFORMATION BY PROGRAMME

5.1 Programme 1: Administration

5.1.1 Purpose

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

There are six budget sub-programmes:

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

5.1.2 Strategic Objectives

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

5.1.3 Significant achievement during the 2015/16 financial year

The following are notable highlights in 2015/16:

The Communication Unit ensured the increased visibility and credibility of the Department over the years as a result of its strong relationship with both mainstream and community media. Career development exhibitions increased in number and both the quantity and quality of information made available to learners and stakeholders has improved. The programme of Izimbizo is managed on behalf of the Department's political principles, has covered all provinces and ensured that different communities, particularly those in rural areas had easy access to the Department's information.

The Unit continued with daily Rapid Response meetings to manage issues in the media environment. These emanated from protests mainly at universities around matters ranging from the scrapping of fees, shortages of student accommodation and



Departmental Casual Day Celebration

language policy changes demanded by students. The process assisted in identifying negative reporting and the correction of any distortions in the media, thereby accurately and timeously communicating on the policies of the Department.

The University Communicators Forum was initiated to ensure a much closer working relationship in addressing tactical issues of common interest. Furthermore, a chat group was established to ensure the proper sharing of information and verification of issues prior to their reporting within the media. Engagements took place with TVET College principals and heads of marketing to provide guidelines and develop joint communication plans for the rebranding of TVET colleges.

The Government Information Technology Office (GITO) implemented and completed a converged infrastructure mechanism/system for the migration of the NSF and Human Resource Development Council (HRDC) Secretariat to alternative office accommodation. This infrastructure included the installation of IP telephony and Wi-Fi connectivity features. Furthermore, an Information Security Officer was appointed. PERSAL was successfully implemented at all TVET colleges to ensure the implementation of effective human resource and financial management systems. This also resulted in cost savings for the Department, since the colleges no longer require to commute to Pretoria for the capturing of requisite data and information. A contract was signed between SITA and the Department aimed at providing network cabling, as well as the installation of new network points and this intervention has improved on the turnaround times of requests for network points received by GITO.

The Security Advisory Services also managed to implement the *Minimum Information Security Standards (MISS) Act* through the facilitation of workshops. Implementation focused entirely on critical subjects, including Chapter 4: Document Security, Chapter 5: Personnel Security and Chapter 7: Computer Security. The Ministry, the Office of the Director-General, the Human Resource Development and Planning and Monitoring Coordination Branch and the Corporate Services Branch attended a MISS workshop. The Draft Staff Evacuation Drill procedure was presented to the Tshwane Disaster Management office and a new emergency evacuation gate was approved and installed by the landlord. A new assembly point was identified and the draft plan will be presented to a joint security committee for approval of the procedure and subsequent implementation of evacuation drills.

The Department's regional staff complement is currently accommodated in provincial office space, in line with the requisite accommodation protocols and the Department has since requested the Department of Public Works to proceed with the procurement of leased regional office accommodation. The Eastern Cape, Limpopo and Mpumalanga regions have advertised and evaluated tenders, while the North West, Free State and Western Cape regions are at tender stage. Northern Cape, Gauteng and KwaZulu-Natal will be going out on tender during May 2016.

The Department has managed to successfully close its books within the required timeframes. Large volumes of claims received from CET lecturers have been processed timeously on a monthly basis. In addition, large volumes of examiner and moderator claims were also processed. A large amount of backlogs that resulted from the function shift were also timeously managed and finalised. Despite the additional workload of the Department and its limited capacity, the Department still adhered to the monthly compliance requirements.

5.1.4 Changes to performance indicators during the year

There were no changes to the planned targets in the 2015/16 financial year.

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

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16	ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENTS ON DEVIATION: BOTH OVER AND UNDER ACHIEVEMENT
ADMINISTRATION						
(4.1.1.1) To ensure effective human resource management within the Department by filling 90% of vacant funded positions and implementation of an effective performance management system	Approved funded positions filled (%)	90%	90% of approved funded positions filled	93.1%	Target achieved , actual performance is 3.1% more than targeted	A total of 439 posts were advertised in 2015. 255 (58.1%) posts were filled out of the 439 posts advertised, which includes 67 newly created posts for the provision of administrative support for the transfer of staff on 1 April 2015
	Disciplinary cases resolved within 90 days (%)	100%	100% of disciplinary cases resolved within 90 days	47%	Target not achieved , actual performance is 53% less than targeted	Postponement of cases

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16	ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENTS ON DEVIATION: BOTH OVER AND UNDER ACHIEVEMENT
ADMINISTRATION	Average lead time from requisition received until appointment recommendation made (days)	An average of six months to fill a funded vacancy from the date of advertisement to the date of approval by the delegated authority	180 days	221.25 days	Target not achieved , actual average is more by 41.25 days than targeted	- Lack of capacity in the Recruitment and Selection Unit to ensure efficient services are rendered and meeting targets as per the annual performance plan; - Delays due to the unavailability of panel members when dates are initially identified and coordinated by the Recruitment and Selection Committee and a lack of capacity for capturing applications received for posts as advertised;
						- Delays in submission of the relevant documents for advertising from line managers and approval of adverts for placement; and - A need to automate recruitment processes was identified and an e-recruitment system will be prioritised.

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16	ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENTS ON DEVIATION: BOTH OVER AND UNDER ACHIEVEMENT
ADMINISTRATION						
(4.1.1.2) To ensure effective financial management through application of good financial management systems, including management accounting, financial accounting and supply chain management in line with the requirements of the PFMA	Audit issues received versus attended to (%) Creditor payment age (days)	100% 30	100% of audit issues attended to 30 days to pay creditors	100% of audit issues attended to and addressed Valid invoices were settled within 30 days	Target achieved Target not achieved	Valid invoices were settled within 30 days except for delays due to slow connection of the BAS system and late submission of invoices for payment by responsible managers
(4.1.1.3) To improve efficiency through the development of approved annual ICT procurement plans for the implementation of the necessary information technology infrastructure and systems	Approved ICT procurement plans per annum (n)	One	One approved ICT procurement plan per annum	One approved ICT procurement plan	Target achieved	

5.1.6 Strategy to deal with underperformance

The capacity improvement and appointment of a dedicated Deputy Director: Recruitment and Selection would address shortfalls on performance.

5.1.7 Linking programme performance with budgets

SUB-PROGRAMME	2015/16			2014/15		
	FINAL APPROPRIATION	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	FINAL APPROPRIATION	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	39 884	39 735	149	32 416	32 408	8
Department Management	51 421	51 153	268	38 408	38 400	8
Corporate Services	132 436	126 422	6 014	80 467	80 230	237
Office of the Chief Financial Officer	56 999	55 664	1 335	40 488	40 483	5
Internal Audit	7 023	6 676	347	6 056	6 051	5
Office Accommodation	67 195	67 169	26	36 526	36 525	1
Total	354 958	346 819	8 139	234 361	234 097	264

5.2 Programme 2: Human Resource Development, Planning and Monitoring Coordination



5.2.1 Purpose

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

There are six budget sub-programmes:

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

5.2.2. Strategic Objectives

- Develop eight new PSET policies and one legislation including the revision of the National Qualifications Framework Act and the GENFETQA Act, in order to ensure a sound Post-School Education and Training system by 31 March 2020;

- 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
- Develop management information systems for colleges and SETAs and private post-school institutions by 31 March 2020.

5.2.3 Significant achievement during the 2015/16 financial year

There were nine targets in the 2015/16 APP planned to be completed in different timeframes during the financial year. Of these, four (44%) were fully achieved within the set timeframe. One target was further achieved within the financial year, though outside the set time frame. This brings a total achievement for the financial year to five (56%) targets.

The following are notable highlights in 2015/16:

National Qualifications Framework

- The draft Policy and Guidelines on Articulation, has been developed and the Minister approved and signed the Government Notice on 24 February 2016 for gazetting it for public comments. It was published on 30 March 2016 (No 39867).
- The final Recognition of Prior Learning (RPL) policy has been developed and approved by the Minister on 17 March 2016. It was published on 31 March 2016 (No 39876). Ten inter-departmental National Qualifications Framework (NQF) Steering Committee meetings were held in the financial year. Key items dealt with which have importance for the PSET system include the following:
  - the RPL Coordination policy;
  - the draft Articulation policy for public comment and publication;
  - Joint Communiqué 1 of 2016, which requires all private providers of qualifications, registered on the Occupational Qualifications Sub-framework to be registered with the Department;
  - the SAQA policy on the evaluation of foreign qualifications, the verification of qualifications and a Cabinet Memorandum dealing with the misrepresentation of qualifications;
  - the Addis Convention dealing with continental recognition and harmonisation of higher education qualifications;
  - the coordination of a contribution to the proposed three-streams model by the Department of Basic Education;
  - the Ministerial Guidelines for SAQA and the three Quality Councils for 2016/17;
  - the proposed Institute for Mathematics and Science; and
  - access for TVET students into higher education programmes and further learning opportunities for students with a National Senior Certificate (NSC) pass.
- Re-initiating discussions regarding the minimum requirements for access into higher education institutions.
- In terms of monitoring and evaluation of SAQA performance, the NQF directorate (i) prepared and submitted four reports on the non-financial performance of SAQA, for the period of Quarter 4 for the 2014/15 financial year, and Quarter 1, 2 and 3 for the 2015/16 financial year; (ii) submitted a report about SAQA's annual performance for the 2014/15 financial year; and (iii) provided input into SAQA's 2016/17 Annual Performance plan and Strategic Plans 2016/17 to 2019/20 respectively.

- The Minister's Guidelines for SAQA and the Quality Councils for 2015/16 were published. Consultation with inter-departmental branches and with SAQA and the QCs for the Minister's Guidelines for SAQA and the QCs for 2016/17 have been finalised and the Guidelines for 2016/17 have been submitted for approval to the Minister.

Social inclusion

- A Business Plan requesting funding for the development of the Strategic Disability Policy Framework was approved. The Minister of Higher Education and Training, Dr Blade Nzimande, MP, appointed a Ministerial Committee to develop this framework for the PSET system. Names of Committee members were published in the Government Gazette. The Ministerial Committee was chaired by the Head of the University of the Witwatersrand's Disability Unit. The Committee was given six months (from January 2015 to June 2015) to complete its work but it requested an extension due to the complexity of the task at hand. It completed its work and submitted a Draft Strategic Disability Policy Framework in September 2015. The draft framework document was subsequently submitted to Branch Heads for further inputs and was approved for Cabinet comment by the Minister in March 2016.
- The draft Policy Framework for the Realisation of Social Inclusion in the PSET system has been developed. It has been published in the Government Gazette for public comments. The final framework has been submitted to the Minister for publication. The Minister requested further consultation with the CHE. Comments were received from the CHE in June 2015 and further consultation took place with the University Education Branch. The final policy framework has been developed and submitted to the CHE for endorsement.
- 2015 has been a challenging year for the observance of the Significant Days Calendar as a result of instability of many university campuses around the country. However, there were institutions that managed to observe Significant Days and submitted reports to the Directorate.
- The Directorate: Social Inclusion and Equity represented the Department on a number of inter-departmental meetings that provide support toward the realisation of the above-stated two policy frameworks.

Open Learning

- A flexible model of learning delivery has been conceptualised and a conceptual framework developed. The flexible model of learning delivery, the conceptual framework and the implementation strategy have been approved by the Minister on 31 March 2016.
- The prototype learning management system for open learning was developed on the Google platform and approved by the Minister on 31 March 2016.
- SITA has completed the Business Process Description (BPD) for the development of the National Open Learning System (NOLS). The BPD draft was approved by the project manager on 15 March 2016.
- Material development for the 'National Occupational Certificate for Electricians' and 'Online Diagnostic Tests and Preparation Programme for South African TVET College Students' that can be offered through open learning in collaboration with the VCET and Skills branches has been identified to be piloted from 2016/17 onwards.

Career Development Services (CDS)

- The intervention has seen the establishment of Career Development Services in the Department. A draft policy for career development services (CDS) was accordingly developed and approved by the Deputy Director-General: Human Resource Development and was widely consulted and presented during the Social Protection, Community and Human Capital Development Cluster on 12 July 2015. During 2015/16 the Department provided free information, guidance and advice services through its Career Development Helpline which comprises a multi-

disciplinary service platform incorporating telephone, email (careerhelp@dhet.gov.za), SMS or “Please Call Me”, Facebook and a Walk-In Centre at 123 Francis Baard Street. A total of 30 196 queries were recorded and attended to during the 2015/16 reporting period. The Department also participated in career information sessions with NEET youth and grade 9 to 12 learners as part of the School Visit programme. These career information sessions are group-based comprising question and answer sessions and cover a wide range of topics such as career choices and pathing, the Post-School Education system and study options that are available to learners, financing of studies and application processes and timeframes. The Department furthermore hosted and participated in a number of career exhibitions with the aim of introducing Career Development Services and highlighting key career related information that learners may wish to consider. These activities reached a total of 91 668 prospective learners and a total of 104 events were recorded. The following Career Platforms are fully functional and career advice services rendered:

- All learners currently have access to Career Development Information via the Careerhelp website, the mobi-site (mobi-careerhelp.org.za) or the National Career Advice Portal (NCAP) at <http://ncap.careerhelp.org.za>. The portal provides learners with information regarding occupations (according to the OFO), related learning pathways and information on where, as well as what to study;
  - The Careerhelp website was visited by 227 310 unique users, with 270 938 sessions and 548 852 page views being recorded;
  - The Careerhelp Mobi-site was visited by 455 399 unique users, with 605 806 sessions and 1 804 734 page views being recorded;
  - The NCAP website was visited by 41 033 unique users, with 47 937 sessions and 256 394 page views being recorded. The NCAP Mobi-site was visited by 58 961 unique users, with 52 391 sessions and 268 149 page views being recorded; and
  - The Facebook page currently has 13 444 likes.
- In addition, 7 Blitz Campaign events were successfully finalised and 15 000 Khetha cards distributed. Khetha radio programmes were hosted on 10 African language radio stations, including Afrikaans radio on a weekly basis. Themes were aligned with specific events and time-frames for learners, including Grade 12 learners, regarding the different options and opportunities available in Post-School Education and Training, how to apply in time for access and provide information on available career options and choices. The programme reaches approximately 1.9 million listeners per week. 718 200 Apply Now! booklets were circulated to 7 182 schools. The Deputy Minister also visited 15 schools as part of the Apply Now! Campaign. The Information Hub is also fully operational. Frequently asked questions are updated regularly on the Information Hub from information received on the Helpline. Regarding the total allocation of R99 million, R29.366 million was expended on this project during 2015/16. The following activities were also successfully completed during the reporting period under review:
- The Socio-Economic Impact Assessment System (SEIAS) Certificate has been received;
  - The Competency Framework of Career Development Practitioners was developed and a call for public comment gazetted on 11 September 2015. The Minister approved the Competency Framework for gazetting;
  - The CDS Research agenda was published on the Department’s website for comment and the final research agenda developed and prepared for approval;
  - 10 Protocols were signed with National Departments and entities;
  - The National Career Development Government Forum was established and has met once during the year

(28 July 2014);

- The 2015 Career Development Festival took place from Wednesday, 15 July 2015 to Friday, 17 July 2015 at the Umfolozi TVET College (Esikhawini Campus) in Richards Bay, KwaZulu-Natal with the main celebrations taking place at the University of Zululand (KwaDlangezwa Campus) on Saturday, 18 July 2015 and hosted by the Minister of Higher Education and Training;
- The external review of the Solution Architecture Design document for the further development of the NCAP has been completed with departmental inputs. The Project Charter, User Requirement Specifications and the Business Service Specifications also were completed. The external review of the Solution Architecture Design document including departmental inputs for the further development of NCAP, has been completed; and
- A Client Database has been developed and is accessible to all relevant CDS staff.

International Relations

- During 2015/16, the Chief Directorate supported the Scholarships Management Office by facilitating scholarships. The following countries offered scholarship opportunities to South Africans for studies abroad, namely; Algeria, China, Russia, Sweden, Japan, Ireland, Italy, France, South Korea, the African Union, the European Union and Chile. The majority of opportunities are available for post graduate studies.
- The Minister together with his BRICS (Brazil, Russia, India and China) counterparts, signed an agreement on mutual cooperation among member states. The agreement includes areas such as general education, educational policy strategy, TVET colleges and higher education. It also commits the partners to support joint research projects, encourage more collaborative programmes at postgraduate, Doctorate and post-Doctorate levels and co-publishing of scientific results by BRICS universities. 12 South African universities are to participate in the BRICS Network of Universities, which will serve as the anchor universities for collaboration.
- The Department hosted several high level delegations from Ministries of Higher Education from Cameroon, France, Hungary, Namibia, Australia, Oman, SADC and Mozambique. The purpose of these visits were largely aimed at visiting countries to familiarise themselves with our higher education and training system and also to discuss possible areas for collaboration with a view to eventually sign cooperation agreements. The meetings afforded the parties an opportunity to share best practices and information on each other's higher education and training systems.
- The Minister also visited Angola and during the visit, a bilateral agreement on cooperation in the field of higher education and training was signed. Both countries agreed to enhance technical cooperation on the basis of mutual interest in agreed areas of higher education and training that include, but are not limited to quality assurance, evaluation and accreditation of courses, teacher education and training, soliciting third parties for funding of scholarships, e-learning, capacity building in the Education Management Information System (EMIS) and higher education planning.
- The Department hosted the second meeting of the SADC Technical Committee on Higher Education and Training, Research and Development in Johannesburg. The meeting prepared recommendations to SADC Ministers in a study on Cost Barriers to Access to Higher Education and Student Mobility in the region and develop its Action Plan based, among others, on the targeted outputs in the revised Regional Indicative Strategic Development Plan (RISDP) and Implementation Framework 2015-2020, in relation to Higher Education, Research and Development.
- The Department was also represented at various inter-departmental meetings which included, amongst others, Cameroon, Qatar and United Arab Emirates, Nigeria and Southern Africa.

- Linkages were facilitated between the City of Scientific Research and Technology Applications in Alexandria, Egypt and the University of the Western Cape (UWC) on water research, as well as enabling linkages between Kuwait universities and the University of Johannesburg.
- The Minister accompanied the Deputy President to China in July 2015 as part of the 5 to 10 Year Strategic Partnership Programme between South Africa and China and the Deputy Minister accompanied the Minister of Environmental Affairs to China for discussions on Operation Phakisa: Oceans Economy.
- The Chinese Government recommitted its support for the refurbishment of TVET colleges amounting to R4.790 million. Meetings with the Embassy and National Treasury are being held to finalise the project plans. An Action Plan between South Africa and China was also signed by the Minister and the Chinese Minister of Commerce on cooperation in human resource development during the visit of the Chinese President in December 2015.
- A meeting of the Committee of Experts on the Mutual Recognition of Qualifications was held with relevant stakeholders to discuss the implementation of the signed Russian agreement and the development of agreements with a number of other countries including China, Malaysia and Cuba.
- The Minister and Deputy Minister were also supported in their participation during the World Education Forum in Korea, the Going Global Conference in the UK, the International Labour Organisation Conference in Switzerland and the World Skills Competition in Brazil in August 2015.
- The Department was also represented at the 19th Conference of Commonwealth Education Ministers in the Bahamas, the BRICS Education Working Group meeting in Russia, the UNESCO General Conference and it served on the UNESCO Working Group on the implementation of the 2014 Addis Convention.
- The SADC Technical Committee Meeting on Higher Education in October 2015 in Johannesburg was hosted by the Department. Senior officials also participated in the 1st Ordinary Session of the Specialised Technical Committee on Education, Science and Technology in Ethiopia and engaged with AU Commission on its plans for setting up the Pan African University on Space Science.

Information Systems Coordination

The Work Integrated Learning (WIL) system has been established and started functioning on 2 March 2016. To date, more than 400 students who need placement for work integrated learning have registered and 5 employers who have identified opportunities to place students in their companies, have registered on the system.

The following information standards have been gazetted and published: (i) DHET 005 - Standard for File name Convention, and (ii) DHET 007 - The submission, processing and archiving of data.

The Annual Post-School Statistical Report was completed and uploaded on the departmental website on 30 March 2016.

Sector Monitoring

A list of Occupations in High Demand was approved by the Minister in December 2015 and gazetted in January 2016. A Concept Note (1st version) for the WSP/ATR was revised. Quarterly meetings of the IBC on skills planning were held. Two study tours were undertaken as part of EU project. A report on the EU project has been finalised.

During the year under review the Department commenced with a pilot project in the third quarter to automate the reporting on Annual Performance Plan performance information through the procurement of a web-based performance management system. As part of the project implementation during, 2015/16 the Department embarked on a process

to customise and implement a licensed web-based organisational performance management system. The system is expected to track the implementation of the Strategic and Annual Performance Plans, measurable performance targets and indicators of the Department. The solution entailed a Department-specific hierarchy, built onto the automated system.

Change management training workshops were conducted to suit the needs of users. User profiles were created and Branch specific Standard Operating Procedure on collection, verification and reporting of performance information for 2015/16 were signed off by Branch Heads.

5.2.4 Changes to planned targets during the year

There were no changes to the planned targets in the 2015/16 financial year.

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

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16		ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENT ON DEVIATION: BOTH OVER AND UNDER ACHIEVEMENT
			TARGET	TARGET DESCRIPTION			
PROGRAMME 2: HUMAN RESOURCE DEVELOPMENT, PLANNING AND MONITORING COORDINATION							
(4.2.1.1) To develop eight new PSET policies and a legislation including the review of the National Qualifications Framework Act and the GENFETQA Act, in order to ensure a sound Post-School Education and Training system by 31 March 2020	New Post-School Education and Training steering mechanisms developed and approved (n)	New indicator	Four new Post-School Education and Training steering mechanisms developed and approved	Policy and guidelines on Recognition of Prior Learning (RPL) developed and gazetted	The final RPL policy and guidelines (one document) has been developed and approved by the Minister on 17 March 2016. It was published on 31 March 2016 (No 39876).	Target achieved outside the planned timeframe (which was 31 December 2015)	Delay in the cluster phase of the final policy processes due to departmental representation

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16		ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENT ON DEVIATION: BOTH OVER AND UNDER ACHIEVEMENT
			TARGET	TARGET DESCRIPTION			
				Policy framework on disability developed	The draft Framework on Disability has been developed and approved by the Minister for consultation with Cabinet	Target not achieved as the policy is at draft stage and in consultation process	The draft Framework on Disability has been developed and approved by the Minister for consultation with Cabinet and gazetted for public comment. The delay in the finalisation of the policy is due to the length of the consultation process which cannot be pre-determined

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16		ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENT ON DEVIATION: BOTH OVER AND UNDER ACHIEVEMENT
			TARGET	TARGET DESCRIPTION			
				Policy framework on social inclusion published	The draft Policy Framework for the Realisation of Social Inclusion in the PSET system has been developed and published in the Government Gazette for public comments	Target not achieved as the policy is at draft stage and in consultation process	Changes in requirements that impacted on deliverables such as the additional SEIAS processes that were introduced in August 2015. Unforeseen delays in policy finalisation such as additional consultation requested by the Minister, blockages experienced at cluster approval levels. The final framework has been submitted to the Minister for publication. The Minister requested further consultation with the CHE

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16		ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENT ON DEVIATION: BOTH OVER AND UNDER ACHIEVEMENT
			TARGET	TARGET DESCRIPTION			
							Comments were received from the CHE in June 2015 and further consultation took place with the University Education Branch. The final policy framework has been developed and submitted to the CHE for endorsement
				Policy and guidelines on articulation developed and gazetted	Draft Policy and Guidelines on Articulation has been developed and approved by the Minister for public comments on 30 March 2016	Target not achieved as the policy is at draft stage and in consultation process	A draft policy was published for public comment. The delay in the finalisation of the policy is due to the length of the consultation process which cannot be predetermined

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16		ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENT ON DEVIATION: BOTH OVER AND UNDER ACHIEVEMENT
			TARGET	TARGET DESCRIPTION			
(4.2.1.3) 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	Teaching and learning support plans for Post-School Education and Training developed and approved (n)	New indicator	Two teaching and learning support plans for Post-School Education and Training developed and approved	Flexible model of learning delivery conceptualised and implementation strategy developed and approved for implementation in 2016/17 onwards	Flexible model of learning delivery has been conceptualised and implementation strategy approved by the Minister on 31 March 2016	Target achieved	
				Prototype of a learning management system for open learning system developed and approved together with materials for two programmes identified to be piloted in 2016/17, onwards	Prototype of a learning management system for open learning system together with materials for two programmes identified to be piloted in 2016/17 onwards, was approved by the Minister on 31 March 2016	Target achieved	

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16		ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENT ON DEVIATION: BOTH OVER AND UNDER ACHIEVEMENT
			TARGET	TARGET DESCRIPTION			
(4.2.1.4) To develop management information systems for colleges and SETAs and private post-school institutions by 31 March 2020	Information management systems developed and approved (n)	New indicator	Information management system developed and approved	"WIL" registration system for learners seeking work integrated learning opportunities and firms wanting to provide work integrated learning, on the Internet, developed and approved	"WIL" registration system for learners seeking work integrated learning opportunities and firms wanting to provide work integrated learning, on the Internet was developed and approved as planned	Target achieved	
	Statistical reports published per annum (n)	New indicator	Two statistical reports published	Annual Report on Skills Supply and Demand published	Draft Annual Report on Skills Supply and Demand developed	Target not achieved as the report is at a draft stage	The annual report has been extended for publication to 30 June 2016. The first draft report was completed on 10 December 2015 and circulated to the peer reviewers on 11 December 2015

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16		ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENT ON DEVIATION: BOTH OVER AND UNDER ACHIEVEMENT
			TARGET	TARGET DESCRIPTION			
				Annual Post-School Statistical Report published	Annual Post-School Statistical Report has been completed and published on the departmental website on 30 March 2016	Target achieved	

5.2.6 Strategy to deal with underperformance

Under-achievement in the development of steering mechanisms was as a result of new additional requirements in the policy development processes, such as SEIAS that were introduced in August 2015. In order to deal with changes in requirements, additional outputs were introduced. Unforeseen delays in policy finalisation such as additional consultation requested by the Minister and blockages experienced at cluster approval levels, were also challenging to manage. Detailed planning and regular monitoring of processes will be done.

5.2.7 Linking programme performance with budgets

SUB-PROGRAMME	2015/16			2014/15		
	FINAL APPROPRIATION	ACTUAL EXPENDITURE	(OVER)/ UNDER EXPENDITURE	ACTUAL EXPENDITURE	ACTUAL EXPENDITURE	(OVER)/ UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Management	3 232	3 222	10	2 965	2 933	32
Human Resource Development, Planning and Monitoring Coordination	14 929	14 816	113	11 730	11 584	146
Planning, Information, Monitoring and Evaluation Coordination	11 010	10 707	303	7 203	6 854	349
International Relations	11 853	11 242	611	10 822	10 775	47
Legal and Legislative Services	9 459	7 464	1 995	9 624	9 386	238
Social Inclusion in Education	4 766	4 568	198	4 167	4 151	16
Total	55 249	52 019	3 230	46 511	45 683	828

5.3 Programme 3: University Education

5.3.1 Purpose

The purpose of the programme is to develop and coordinate policy and regulatory frameworks for an effective and efficient university education system and it provides financial support to universities, the NSFAS and the NIHE.

There are six budget sub-programmes:

- Programme Management
- Academic Planning and Management Support
- Financial Planning and Information Systems
- University Subsidies
- Policy and Development
- Teacher Education (newly referred to as Teaching and Learning Development)



Opening of Student Accommodation at the University of Pretoria

5.3.2 Strategic Objectives

- To develop 13 new and review six policies/regulations/pieces of legislation to ensure sound provision of university education by 31 March 2020;
- To monitor and evaluate the higher education sector and produce 13 annual oversight reports on the financial health of the sector; governance; teaching development; research development; research productivity; HEAIDS; Foundation provisioning; Infrastructure development; new universities; expansion and efficiency of the system; private higher education compliance; Staffing South Africa's Universities' Framework (SSAUF) and the Teaching and Learning Development Capacity Improvement Plan;
- To develop and implement a Teaching and Learning Development Capacity Improvement Programme (TLDICIP) covering 5 plans to improve the capacity of universities in terms of teaching and research by March 2020, one each in the fields of:
  - ECD educator development
  - Primary teacher education
  - TVET college lecturer education
  - Community college lecturer education
  - Special needs teacher education
- To provide support to current and prospective students in higher education institutions by March 2020 through the development and implementation of a concise capacity development strategy and programme as well as the Central Applications Service;

- To produce and publish an annual first time entering undergraduate cohort analyses report; and
- To facilitate stakeholder networks through the establishment of a BRICS think tank and participative academic forums and report progress on partnerships annually.

5.3.3 Significant achievement during the 2015/16 financial year

There were 20 planned targets in the 2015/16 APP to be completed in different timeframes during the financial year. Of these 16 (80%) were fully achieved within the set timeframe. A further two targets were achieved within the financial year, but not within the timeframe set. This brings the achievement of targets to 18 (90%), a significant improvement in performance when compared to previous financial years.

The following are some of the notable highlights during the 2015/16 reporting period:

- The Department finalised and published the revised regulations governing private HEIs in terms of the Higher Education Act of 1997 (as amended), on 31 March 2016 in Government Gazette No. 39882 (Regulation Gazette No. 10582). The new regulations will be implemented going forward;
- The review of the *Higher Education Act 101 of 1997* (as amended) led to the tabling of the Higher Education Bill 2015 in Parliament for possible promulgation. The 2015 Bill has also proposed improvements to the service delivery environment of private HEIs and once promulgated and implemented, will enable greater integration of private higher education into the PSET system as a whole, as envisaged by the White Paper;
- The enterprise architectural and business systems designs, including the governance structure and related management and human resource requirements have been elaborated and a draft policy on the CAS was developed in 2015/16 and will be published soon for public comment. Extensive consultation will take place during 2016. The development is still on track to be operationalised for the university sector by March 2018;
- The business plan for the Teaching and Learning Development Sector Reform Contract which includes the Teaching and Learning Development Capacity Improvement Programme (TLDCIP) was developed and approved. The TLDCIP is designed to strengthen the teacher education system in providing TVET college lecturers for the TVET sector, as well as CET teachers for CET colleges alongside Early Childhood Development, primary and special needs teachers for the schooling system;
- The SPMESP was implemented during the 2015/16 financial year and enabled the Branch to strengthen its monitoring of the system. The Branch successfully produced 12 annual reports covering the following areas: the Higher Education HIV/Aids programme (HEAIDS); foundation provisioning; teaching development; research development; research outputs; regulating PHEIs; infrastructure development of 24 universities; the development of two new universities (SMU and UMP); SSAUF; Ministerial enrolment targets; financial health of the system and governance capacity development. However, two of these were not produced within the required timeframe, with one not approved before the end of the financial year; and
- The 2000 to 2008 First-Time Entering Undergraduate Cohort Studies for Public Higher Education Institutions, was successfully published and uploaded onto the Departmental website by 31 March 2016.

5.3.4 Changes to planned targets during the year

There were no changes to the planned targets in the 2015/16 financial year.

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

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16		ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENT ON DEVIATION: BOTH OVER AND UNDER ACHIEVEMENT
			TARGET	TARGET DESCRIPTION			
PROGRAMME 3: UNIVERSITY EDUCATION							
(4.3.1.1) To develop 13 new and review six policies/ regulations/ pieces of legislation to ensure sound provision of university education by 31 March 2020	New higher education steering mechanisms developed and approved (n)	New indicator	One higher education steering mechanism developed and approved	Policy on the provision of student housing at SA public universities and minimum norms and standards published in the Government Gazette by 30 September 2015	Policy on the Minimum Norms and Standards for Student Housing at Public Universities was published in a gazette on 29 September 2015 (Gazette No. 39238)	Target achieved	
	Higher education steering mechanisms revised and published (n)	New indicator	Two higher education steering mechanisms revised and published	Revised regulations for regulating PHEIs approved and published in the Government Gazette for implementation by 30 September 2015	Revised Regulations for Private Higher Education Institutions were published in a gazette on 31 March 2016 (Government Gazette No. 39880)	Target achieved outside the planned timeframe (which was 30 September 2015)	The Gazette was finally published on 31 March 2016
				Revised Higher Education Act promulgated by 31 March 2016	The HE Act was reviewed and the HE Amendment Bill was submitted to Parliament for approval and promulgation	Target not achieved	The Bill was not promulgated as planned. The parliamentary process in finalising the Bill for promulgation is not within the control of the Department

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16		ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENT ON DEVIATION: BOTH OVER AND UNDER ACHIEVEMENT
			TARGET	TARGET DESCRIPTION			
PROGRAMME 3: UNIVERSITY EDUCATION							
(4.3.1.2) To monitor and evaluate the higher education sector and produce 13 annual oversight reports on the financial health of the sector; governance; teaching development; research development; research productivity; HEAIDS; Foundation provisioning; Infrastructure development; New universities	Monitoring and Evaluation reports on higher education produced and approved (n)	New indicator	12 Monitoring and Evaluation reports on higher education produced and approved	Evaluation report on the HEAIDS programme for the 2014/15 financial year approved by the Director-General by 30 June 2015	Evaluation report on the HEAIDS programme for the 2014/15 financial year approved by the Director-General on 30 June 2015	Target achieved	

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16		ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENT ON DEVIATION: BOTH OVER AND UNDER ACHIEVEMENT
			TARGET	TARGET DESCRIPTION			
PROGRAMME 3: UNIVERSITY EDUCATION							
Expansion and efficiency of the system; Private higher education compliance; Staffing South Africa's Universities Framework (SSAUF); and the Teaching and Learning Development Capacity Improvement Plan				Report on the analysis of university annual reports in terms of financial indicators produced and approved by the Director-General by 30 September 2015	Report on the analysis of university annual reports in terms of financial indicators was produced and approved by the Director-General on 31 March 2016	Target achieved outside the planned timeframe (which was 30 September 2015)	Some institutions submitted their annual reports late and this delayed the analysis. The analysis also took longer than anticipated
				Report on the effective use of the foundation provision grant for 23 universities approved by Director-General by 30 September 2015	Report on the effective use of the foundation provision grant for 23 universities was approved by Director-General on 4 September 2015	Target achieved	
				Report on the effective use of the 2014/15 teaching development grant approved by the Director-General by 31 December 2015	Report on the effective use of the 2014/15 teaching development grant was approved by the Director-General on 15 December 2015	Target achieved	

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16		ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENT ON DEVIATION: BOTH OVER AND UNDER ACHIEVEMENT
			TARGET	TARGET DESCRIPTION			
PROGRAMME 3: UNIVERSITY EDUCATION							
				Evaluation report on effective use of the Research Development Grant in 2014/15, approved by the Director-General by 31 December 2015	Evaluation report on effective use of the Research Development Grant in 2014/15, was approved by the Director-General on 4 December 2015	Target achieved	
				Assessment Report on the effective use of infrastructure grants for 24 universities approved by the Director-General by 31March 2016	Assessment Report on the effective use of infrastructure grants for 24 universities was approved by the Director-General on 24 March 2016	Target achieved	
				Assessment Report on the effective use of two new universities earmarked grants submitted to the Director-General by 31 March 2016	Assessment Report on the effective use of two new universities earmarked grants was submitted and approved by the Director-General on 30 March 2016	Target achieved	

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16		ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENT ON DEVIATION: BOTH OVER AND UNDER ACHIEVEMENT
			TARGET	TARGET DESCRIPTION			
PROGRAMME 3: UNIVERSITY EDUCATION							
				Annual report on the research outputs of 24 universities published on the departmental website by 31 March 2016	Annual report on the research outputs of 24 universities was published on the departmental website on 2 March 2016	Target achieved	
				An annual monitoring report on PHEIs' compliance with the regulations approved by the Director-General by 31 March 2016	An annual monitoring report on PHEIs' compliance with the regulations was approved by the Director-General on 23 March 2016	Target achieved	
				Annual evaluation report on the Staffing South Africa's Universities Framework approved by the Director-General by 31 March 2016	Annual evaluation report on the Staffing South Africa's Universities Framework was approved by the Director-General on 23 March 2016	Target achieved	

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16		ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENT ON DEVIATION: BOTH OVER AND UNDER ACHIEVEMENT
			TARGET	TARGET DESCRIPTION			
PROGRAMME 3: UNIVERSITY EDUCATION							
				Annual report on the achievement of Ministerial enrolment targets approved by the Minister by March 2016	Annual report on the achievement of Ministerial enrolment targets completed but not approved by the Minister by the end of March 2016	Target not achieved	Annual report on the achievement of Ministerial enrolment targets was not approved by the Minister by 31 March 2016. The delay in finalising the report and submitting for Ministerial approval was due to preparations for the mid-term review workshop on Enrolment Planning, time pressures and insufficient human resources as well as a management error with respect to initially not realising that the report needed to be signed off by the Minister

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16		ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENT ON DEVIATION: BOTH OVER AND UNDER ACHIEVEMENT
			TARGET	TARGET DESCRIPTION			
PROGRAMME 3: UNIVERSITY EDUCATION							
(4.3.1.3) To develop and implement a Teaching and Learning Development Capacity Improvement Programme (TLDCIP) covering five plans to improve the capacity of universities in terms of teaching and research by 31 March 2020, one each in the fields of: - ECD educator development; - Primary teacher education;	Teaching and learning support plans for higher education developed and approved (n)	New indicator	One teaching and learning support plan for higher education developed and approved	Institutional governance capacity development programme review report approved by the Director-General by 31 March 2016	Institutional governance capacity development programme review report was approved by the Director-General on 24 March 2016	Target achieved	
						Target achieved	

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16		ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENT ON DEVIATION: BOTH OVER AND UNDER ACHIEVEMENT
			TARGET	TARGET DESCRIPTION			
PROGRAMME 3: UNIVERSITY EDUCATION							
▪ TVET college lecturer education; ▪ Community college lecturer education; and ▪ Special needs teacher education							
(4.3.1.4) To provide support to current and prospective students in higher education institutions by 31 March 2020 through the development and implementation of a concise capacity development strategy and programme, as well as the Central Applications Service	Student support services plans for higher education developed and approved (n)	New indicator	Two student support services plans for higher education developed and approved	Student Leadership capacity development strategy and programme developed and implemented by 31 October 2015	Student Leadership capacity development strategy and programme was developed and approved on 15 January 2015 and was implemented on 1-2 October 2015 and 8-9 October 2015 respectively	Target achieved	
				Enterprise Architecture for the Central Applications Service developed and approved by 31 March 2016	Enterprise Architecture for the Central Applications Service was developed and approved on 31 March 2016		

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16		ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENT ON DEVIATION: BOTH OVER AND UNDER ACHIEVEMENT
			TARGET	TARGET DESCRIPTION			
PROGRAMME 3: UNIVERSITY EDUCATION							
(4.3.1.5) To produce and publish an annual first-time entering undergraduate cohort analyses report annually	Cohort study reports on higher education published per annum (n)	New Indicator	One cohort study report on higher education published per annum	2005 to 2008 First-time entering undergraduate cohort analyses report published on the Department's website by 31 March 2016	A cohort study report for the 2005 to 2008 First-time entering undergraduate cohort was approved and published on the Department's website on 29 March 2016	Target achieved	
(4.3.1.6) To facilitate stakeholder network through the establishment of a BRICS think tank and participative academic forum and report progress on partnerships annually	Partnership reports produced and approved per annum (n)	New indicator	One partnership report produced and approved per annum	A Report on the 2015 BRICS Academic forum and Think Tank partnerships approved by Minister by 31 March 2016	A Report on the 2015 BRICS Academic forum and Think Tank partnerships was approved by Minister on 31 March 2016	Target achieved	

5.3.6 Strategy to deal with underperformance

Of the 20 APP targets, only two were not achieved during the financial year. Two further targets were achieved outside the set time frames. Below reasons are provided regarding each target in respect of which underperformance was noted and the strategy devised in dealing with the underperformance is discussed, where applicable.

Targets not achieved:

- Revised Higher Education Act promulgated by 31 March 2016

The Revised Higher Education Act (*Higher Education Amendment Bill 2015*) was identified for promulgation by 31 March 2016. However, while the Act was reviewed it was not promulgated. The process for amending the Act began with the review of the Act (by a Task Team led by the Department) and culminated in Cabinet approval for its processing by Parliament for possible promulgation. All these actions were achieved well within the timeframe. However, the remainder of the process is a Parliamentary procedure which falls outside of the control of the Department. The error on the side of the Branch was to make the target the promulgation of the Bill. The Branch should, in retrospect, have made the target the acceptance of the Bill into the parliamentary programme and not the actual promulgation, which is dependent on the finalisation of the Parliamentary process. All required processes on the Department's side were fully achieved within the specified timeframe. In future, the Branch will ensure that all APP targets are defined within the scope of its ascribed mandate.

- Annual report on the achievement of Ministerial enrolment targets approved by the Minister by 31 March 2016

The draft report was produced. However it was only finalised in mid-March after the mid-term review workshop. This was brought about due to the pressure around preparations for the workshop, and the lack of human resource capacity within the section responsible. Nevertheless, the report was finalised and a submission prepared. The initial submission however was a Director-General submission rather than a Ministerial submission. The mistake was recognised near the end of the financial year. The submission had to be returned to the section to rework as a Ministerial submission and the final version was therefore submitted too late in enabling the Minister to approve it on time.

The Branch will institute a monthly report on APP target progression going forward. This should ensure that such errors are not repeated and that all targets are correctly interpreted and reports submitted within sufficient time to allow the Minister or the Director-General to apply their minds prior to approval.

Targets achieved within the financial year but not within the timeframe originally planned:

- Revised regulations for regulating PHEIs approved and published in the Government Gazette for implementation by 30 September 2015.

The Regulations for the Registration of Private Higher Education Institutions, 2016 were finally published on 31 March 2016. The reasons for not achieving the target on time was related to a number of management issues. Firstly the length of time it took for the original submission to arrive at the Deputy Director-General's office; secondly recognition that the section dealing with the regulations had left out a crucial aspect, namely a request to the CHE for the provision of advice before final publication of the regulations. The approval of the regulations therefore had to be put on hold while the CHE was requested to provide advice and it was only after the advice was received that the Ministerial Submission requesting approval to publish the regulations could be actioned.

The Branch will institute a monthly report on APP target progression going forward. This should ensure that such errors are not repeated and that all targets are correctly interpreted and reports submitted with sufficient time in allowing the Minister or the Director-General to apply their minds prior to approval.

- Report on the analysis of university annual reports in terms of financial indicators produced and approved by the Director-General by 30 September 2015.

With regard to the report on the analysis of university annual reports in terms of financial indicators, four universities did not submit their reports on time, while one university had not submitted its report by the end of the second quarter. It was therefore not possible to complete the final analytic report on the system for approval in the second quarter, in-line with the timeframe in the APP on account of the missing information. The Branch had hoped to complete the report during the third quarter. However due to the issues related to the *#feesmustfall* campaign and the support that the Branch had to provide to the Presidential Task Team, this was not possible. Nevertheless, the final report was approved by 31 March 2016.

With regard to institutions providing reports on time, this is not always within the control of the Branch. In addition, the issues related to the student protests and the fact that the section dealing with support rendered to the Presidential Task Team, did not fall under the control of the Branch. The Branch however has recognised that making the target for this report the end of the second quarter was unwise. Institutions should submit their reports by the end of July each year, even though there is a probability that some will submit their reports belatedly. Therefore going forward, the Branch has accordingly changed the timeframe for the finalisation of this annual report in the 2016/17 APP to the end of July on an annual basis.

5.3.7 System Performance: University Education

Further to the above, the implementation of sub-outcome 3 of Outcome 5 namely "increase access to higher level occupationally directed programmes in needed areas" was monitored to track the performance of the university system during the year under review. The Table below shows that of the 17 targets, 11 (65%) targets were achieved, one target, namely, the proportion of universities meeting standards of good governance, could not be monitored as new governance standards will only be finalised during 2016/17.

NO	OUTCOME INDICATOR	PLANNED TARGET FOR 2015/16	ACTUAL ACHIEVEMENT 2015/16	COMMENT ON DEVIATION
1.	Students enrolled in public higher education studies at universities (n)	1 000 100*	969 154*	The actual achievement is 30 946 fewer students enrolled in public higher education studies than targeted (i.e. 3.1% below target). The deviation is due to the decline in student numbers at UNISA. This was first noted in the 2014/15 financial year and has continued into the 2015/16 financial year. The decline is due partly to changes in their admissions policy but also to their financial policies as students with bad debt cannot re-register
2.	Graduates in Engineering Sciences from universities (n)	10 100*	12 058*	The actual achievement is 1 958 engineering graduates more than the target (i.e. 19.4% above the target). It should be noted that the graduate numbers provided in the APP are based on planned targets with universities and the Ministerial Statement on funding allows universities a 2% deviation on their proposed targets. The deviation could be due to a number of reasons such as infrastructure and efficiency grants, teaching development grants, negotiations that took place with institutions during the enrolment planning process requesting that they focus on the output of scarce skills/the Minister's PME targets and NSF bursary funding for scarce skills administered through NSFAS. The above-mentioned interventions were all efforts to achieve improvement in graduate numbers
3.	Graduates in Human and Animal Health from universities (n)	9 000*	8 982*	The actual achievement is 18 human and animal health graduates less than the target (i.e. 0.2% below target) UKZN and WSU changed from a 5 year MBCHB to a 6 year MBCHB, and the 2014 academic year (2015/16) financial year was the gap year for the graduates. These two institutions therefore had a decline in their MBCHB graduates. This is one of the reasons why there has been a deviation in the planned target versus the actual enrolments

NO	OUTCOME INDICATOR	PLANNED TARGET FOR 2015/16	ACTUAL ACHIEVEMENT 2015/16	COMMENT ON DEVIATION
4.	Graduates in Natural and Physical Sciences from universities (n)	6 600*	7 259*	The actual achievement is 659 graduates in natural and physical sciences more than the target (i.e. 10% above target). It should be noted that the graduate numbers provided in the APP are based on planned targets with universities and the Ministerial Statement on funding allows universities a 2% deviation on their proposed targets. The deviation could be for a number of reasons such as infrastructure and efficiency grants, teaching development grants, negotiations that took place with institutions during the enrolment planning process requesting that they focus on the output of scarce skills/the Minister's PME targets and NSF bursary funding for scarce skills administered through NSFAS. The above mentioned interventions were all efforts to achieve improvement in graduation numbers
5.	Graduates in Initial Teacher Education from universities (n)	17 500*	19 124*	The actual achievement comprises 1 624 graduates in initial teacher education more than the target (i.e. 9.3% above target). It should be noted that the graduate numbers provided in the APP are based on planned targets with universities and the Ministerial Statement on funding allows universities a 2% deviation on their proposed targets. The deviation could be for a number of reasons such as infrastructure and efficiency grants, teaching development grants, negotiations that took place with institutions during the enrolment planning process requesting that they focus on the output of scarce skills/the Minister's PME targets and NSF bursary funding for scarce skills administered through NSFAS. The above mentioned interventions were all efforts to achieve improvement in graduation numbers

NO	OUTCOME INDICATOR	PLANNED TARGET FOR 2015/16	ACTUAL ACHIEVEMENT 2015/16	COMMENT ON DEVIATION
6.	Doctoral graduates from universities (n)	2 050*	2 258*	The actual achievement is 208 Doctoral graduates more than the target (i.e. 10.2% above target). It should be noted that the graduate numbers provided in the APP are based on planned targets with universities and the Ministerial Statement on funding allows universities a 2% deviation on their proposed targets. The deviation could be for a number of reasons such as infrastructure and efficiency grants, research development grants, negotiations with institutions during the enrolment planning process requesting that they focus on the output of postgraduate graduates/the Minister's PME targets. During the course of the year there were a number of interactions with the Department of Science and Technology with regard to the improvement in output. The above-mentioned interventions were all efforts to achieve improvement in graduation numbers
7.	Proportion of universities meeting standards of good governance (%)	100	New governance standards to be finalised during 2016/17	Target should have read "development of governance indicators for implementation in 2017" in line with the MTSF indicators
8.	Research Masters graduates	6 200*	7 229*	The actual achievement is 1 029 Masters graduates more than the target (i.e. 16.6% above target). It should be noted that the graduate numbers provided in the APP are based on planned targets with universities and the Ministerial Statement on funding allows universities a 2% deviation on their proposed targets. The deviation could be for a number of reasons such as infrastructure and efficiency grants, research development grants, negotiations with institutions during the enrolment planning process requesting that they focus on the output of postgraduate graduates/the Minister's PME targets. During the course of the year there were a number of interactions with the Department of Science and Technology with regard to the improvement in output. The above-mentioned interventions were all efforts to achieve improvement in graduation numbers

NO	OUTCOME INDICATOR	PLANNED TARGET FOR 2015/16	ACTUAL ACHIEVEMENT 2015/16	COMMENT ON DEVIATION
9.	Success rates at universities	76%*	77%*	The actual success rate is 1% above the targeted success rate. It should be noted that the graduate numbers provided in the APP are based on planned targets with universities and the Ministerial Statement on funding allows universities a 2% deviation on their proposed targets. The deviation could be for a number of reasons such as infrastructure and efficiency grants, teaching development grants, foundation provision funding and negotiations with institutions during the enrolment planning process requesting that they focus on improving throughput. The above-mentioned interventions were all efforts to achieve improvement in success rates
10.	Higher education undergraduate success rates (contact)	80%*	82%*	The actual success rate is 2% above the targeted success rate. It should be noted that the graduate numbers provided in the APP are based on planned targets with universities and the Ministerial Statement on funding allows universities a 2% deviation on their proposed targets. The deviation could be for a number of reasons such as infrastructure and efficiency grants, teaching development grants, foundation provision funding and negotiations with institutions during the enrolment planning process requesting that they focus on improving throughput. The above-mentioned interventions were all efforts to achieve improvement in success rates
11.	Higher education undergraduate success rates (distance)	71%*	68%*	The actual success rate is 3% below the targeted success rate. It should be noted that the graduate numbers provided in the APP are based on planned targets with universities and the Ministerial Statement on funding allows universities a 2% deviation on their proposed targets. The deviation is as a result of UNISA not meeting their planned targets. The Department is concerned about UNISA's low throughput rate which is a product of poor success rates and will be engaging with UNISA on this and a number of other issues during the course of this year

NO	OUTCOME INDICATOR	PLANNED TARGET FOR 2015/16	ACTUAL ACHIEVEMENT 2015/16	COMMENT ON DEVIATION
12.	Higher education throughput rate	35%	48,4%	It should be noted that the graduate numbers provided in the APP are based on planned targets with universities and the Ministerial Statement on funding allows universities a 2% deviation on their proposed targets. The deviation could be for a number of reasons such as teaching development grants, foundation provision funding and negotiations with institutions during the enrolment planning process requesting that they focus on improving throughput. The above-mentioned interventions were all efforts to achieve improvement in throughputs
13.	Universities offering accredited TVET college qualifications	3	3	None
14.	University academic staff with PHDs	42%*	43%	The percentage of academic staff with PhDs is 1% higher than the target. It should be noted that the graduate numbers provided in the APP are based on planned targets with universities and the Ministerial Statement on funding allows universities a 2% deviation on their proposed targets. The deviation could be for a number of reasons such as teaching development grants, research development grants and negotiations with institutions during the enrolment planning process requesting that they focus on improving their academic staff qualifications. The above-mentioned interventions were all efforts to achieve improvement in academic staff qualifications
15.	Additional first-time entrants (black and women) to academic workforce	100	102	As at 31 March 2016 the number of additional first-time black and women staff appointed under the SSAUF was 102. All staff appointed were black South Africans and 55 were women. The actual final number will only be known in May 2016 once all institutional reports have been received and analysed. Altogether 125 posts were advertised. The target was set in the MTSF at 100 per annum. Due to sufficient funding 125 posts could be advertised of which 102 posts were filled
16.	First year students in foundation programmes	22 600	19 212*	The actual achievement is 3 388 fewer students in foundation programmes than targeted (15% below the target). The reason for the deviation is that UNISA and TUT reduced their number of students in foundation programmes

NO	OUTCOME INDICATOR	PLANNED TARGET FOR 2015/16	ACTUAL ACHIEVEMENT 2015/16	COMMENT ON DEVIATION
17.	Eligible university students obtaining financial aid	205 000	172 648*	The actual achievement is 32 352 students below the target (15.7% below target). The reason for the deviation was as a result of insufficient funding

Note: All outcome targets identified with * in the above Table are for the 2014 academic year, reported and verified by October 2015.

5.3.8 Linking programme performance with budgets

SUB-PROGRAMME	2015/16				2014/15			
	FINAL APPROPRIATION	ACTUAL EXPENDITURE	(OVER)/ UNDER EXPENDITURE	FINAL APPROPRIATION	ACTUAL EXPENDITURE	(OVER)/ UNDER EXPENDITURE		
	R'000	R'000	R'000	R'000	R'000	R'000		
Programme Management	4 026	3 915	111	1 961	1 959	2		
University Academic Planning and Management Support	6 558 347	6 557 911	436	6 249 120	6 249 117	3		
University Financial Planning and Information Systems	8 572	8 437	135	7 560	7 556	4		
University Policy and Development	22 330	21 048	1 282	19 742	19 736	6		
Teacher Education	10 943	10 208	735	10 498	10 494	4		
University Subsidies	26 243 227	26 243 110	117	24 155 093	24 155 093	-		
Total	32 847 445	32 844 629	2 816	30 443 974	30 443 955	19		

5.4 Programme 4: Vocational and Continuing Education and Training

5.4.1 Purpose

The purpose of the programme is to plan, develop, evaluate, monitor and maintain national policy, programmes, assessment practices and systems for vocational and continuing education and training, including TVET colleges and post-literacy AET.

There are four budget sub-programmes:

- Programme Management
- Planning and Institutional Support
- Programmes and Qualifications
- National Examinations and Assessment

5.4.2 Strategic Objectives

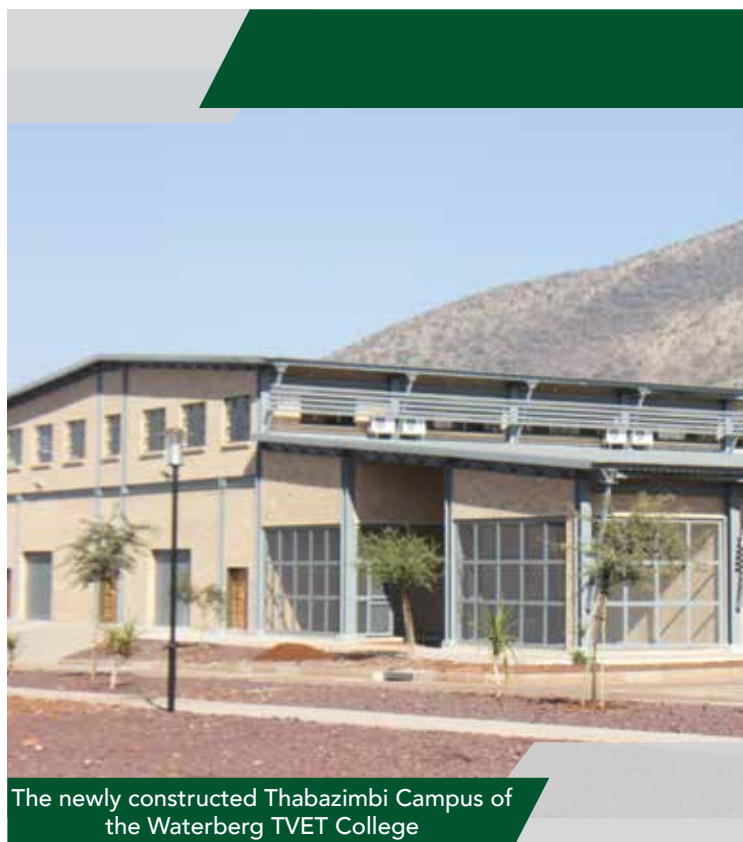
- To develop six and revise five legislative and guiding frameworks aimed at steering the Vocational and Continuing Education and Training sector by 31 March 2020;
- To standardise the level of governance across VCET institutions by 31 March 2020 and monitor and take appropriate actions when deficiencies are detected;
- To develop and implement six teaching and learning support plans for VCET institutions by 31 March 2020;
- To improve success in programmes offered in VCET institutions by developing and implementing an appropriate student support plan by 31 March 2020;
- To ensure geographic spread of VCET institutions through the establishment of 21 additional sites of delivery for VCET institutions (12 TVET campuses and nine CETs) by 31 March 2020; and
- To establish a coordinating structure for support and research in the VCET sector by 31 March 2020.

5.4.3 Significant achievement during the 2015/16 financial year

There were 15 targets in the 2015/16 APP planned to be completed in different timeframes during the financial year. Of these, seven (47%) were fully achieved within the set timeframe. A further six targets were achieved within the financial year, but not within the timeframe identified. This brings the achievement target to 13 (87%), a significant improvement in performance when compared to previous financial years.

5.4.4 Significant elements/developments within the branch

The VCET Branch was dissolved at the end of the 2015/16 financial year. The Department subsequently created two new branches effective from 1 April 2016. The two branches are the Technical and Vocational Education and Training Branch (Programme 4) and Community Education and Training Branch (Programme 6).



5.4.5 Changes to performance indicators during the year

There were no changes to the planned targets in the 2015/16 financial year.

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

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16		ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENTS ON DEVIATION; BOTH OVER AND UNDER ACHIEVEMENT
			TARGET	TARGET DESCRIPTION			
PROGRAMME 4: VOCATIONAL AND CONTINUING EDUCATION AND TRAINING							
(4.4.1.1) To develop six and revise five legislative and guiding frameworks aimed at steering the Vocational and Continuing Education and Training sector by 31 March 2020	New Vocational and Continuing Education and Training steering mechanisms developed and approved (n)	New indicator	Six new Vocational and Continuing Education and Training steering mechanisms developed and approved	Governance and policies for TVET colleges developed	Governance and policies for TVET colleges encompassing 29 financial policies were developed and approved by the Director-General	Target achieved outside the planned timeframe (which was 30 June 2015)	The draft policies had to undergo a consultation process with key stakeholders followed by an intense review process, which delayed finalisation of the draft policies for approval
			Staffing norms and standards for CETs developed	Staffing norms and standards for CETs were developed and approved by the Minister		Target achieved outside the planned timeframe (which was 30 June 2015)	The lack of baseline data to determine the unit costs for personnel and programmes
			Conduct policy for NASCA developed	The conduct policy (administration and management of assessment) for the NASCA was developed and approved by the Minister		Target achieved outside the planned timeframe (which was 30 September 2015)	The internal consultative process took longer than envisaged

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16		ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENTS ON DEVIATION; BOTH OVER AND UNDER ACHIEVEMENT
			TARGET	TARGET DESCRIPTION			
PROGRAMME 4: VOCATIONAL AND CONTINUING EDUCATION AND TRAINING							
				Guidelines for standardised implementation of Occupational Programmes developed	Guidelines for standardised implementation of Occupational Programmes were developed by and approved by the Minister	Target achieved outside the planned timeframe (which was 31 December 2015)	Consultative process is time-intensive
				Policy directives for TVET College Information Technology systems developed	Policy directives for TVET College Information Technology systems was developed and approved by the Director-General	Target achieved	
				Governance policies for Community colleges developed	Governance policies for Community colleges were developed and approved by the Director-General	Target achieved	
	Vocational and Continuing Education and Training steering mechanisms revised (n)	New indicator	One vocational and Continuing Education and Training steering mechanism revised (n)	TVET colleges monitoring, evaluation and support model reviewed and approved	TVET colleges monitoring, evaluation and support model was reviewed and approved by the Director-General	Target achieved outside the planned timeframe (which was 30 June 2015)	The Monitoring and Evaluation model had to be consulted thoroughly with critical stakeholders

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16		ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENTS ON DEVIATION; BOTH OVER AND UNDER ACHIEVEMENT
			TARGET	TARGET DESCRIPTION			
			PROGRAMME 4: VOCATIONAL AND CONTINUING EDUCATION AND TRAINING				
(4.4.1.2) To standardise the level of governance across VCET institutions by 31 March 2020. Monitor and take appropriate actions when deficiencies are detected	Monitoring and evaluation reports on VCET institutions produced and approved (n)	New indicator	Two monitoring and evaluation reports on VCET institutions produced and approved	Two monitoring and evaluation reports on VCET institutions produced and approved	Monitoring and evaluation reports on VCET institutions were produced and approved by the Director-General	Target achieved	
(4.4.1.3) To develop and implement six teaching and learning support plans for VCET institutions by 31 March 2020	Annual teaching and learning support plans for Vocational Education and Training approved	New indicator	Two annual teaching and learning support plans for Vocational Education and Training approved	Annual teaching and learning support plans for the VCET system developed	Annual teaching and learning support plans for the VCET system was developed and approved by the Director-General	Target achieved	
				Protocol on the secondment of sector specialist to work in TVET colleges and lecturers exposed to the work place developed and approved	Protocol on the secondment of sector specialist to work in TVET colleges and lecturers exposed to the work place was developed and approved by the Minister	Target achieved	

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16		ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENTS ON DEVIATION; BOTH OVER AND UNDER ACHIEVEMENT
			TARGET	TARGET DESCRIPTION			
PROGRAMME 4: VOCATIONAL AND CONTINUING EDUCATION AND TRAINING							
(4.4.1.4) To improve success in programmes offered in VCET institutions by developing and implementing an appropriate student support plan by 31 March 2020	Vocational and Continuing Education and Training student support services planned and approved per annum (n)	New indicator	One Vocational and Continuing Education and Training student support services planned and approved per annum	Student support service annual plan developed and approved	Student support service annual plan developed and approved by the Director-General	Target achieved outside the planned timeframe (which was 30 June 2015)	The plan had to undergo the required processes of consultation and approval
(4.4.1.5) To ensure geographic spread of VCET institutions though the establishment of 21 additional sites of delivery for VCET institutions (12 TVET campuses and nine CETs) by 31 March 2020	Macro infrastructure and maintenance plans for CETs developed (n)	New indicator	One macro Infrastructure and maintenance plan for CETs developed	A macro infrastructure and maintenance plan for CETs developed	Not done	Target not achieved	The CET colleges do not have their own infrastructure therefore maintenance is not possible. The CET is using rented space, therefore maintenance remains the responsibility of the Landlord
	VCET sites / facilities established (n)	Nine CETs identified and piloted	Six TVET college campuses built	Six TVET college campuses built	Three sites under construction. One site at 99% completion and the other two at 50%.	Target not achieved	Extensive changes to earthwork requirements, inclement weather and labour issues

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16		ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENTS ON DEVIATION; BOTH OVER AND UNDER ACHIEVEMENT
			TARGET	TARGET DESCRIPTION			
PROGRAMME 4: VOCATIONAL AND CONTINUING EDUCATION AND TRAINING							
(4.4.1.6) To establish a coordinating structure for support and research in the VCET sector by 31 March 2020	Strategy on strategic partnerships with key stakeholders developed and approved (n)	New indicator	A strategy on strategic partnerships with key stakeholders developed and approved	A strategy on strategic partnerships with key stakeholders developed and approved	A strategy on strategic partnerships with key stakeholders developed and approved by the Director-General	Target achieved	

5.4.7 Strategy to deal with underperformance

Of the 15 targets, only two targets were not achieved during the financial year. Six targets were achieved within the financial year, but not within the set timeframes. The strategies to deal with targets in which underperformance was noted are discussed below.

Targets not achieved

- Macro infrastructure and maintenance plan for CETs developed: The plan for CET was not developed, considering that CETs do not own infrastructure; and
- Six TVET college campuses built: The target has not been achieved as planned. There were extensive changes to earthwork requirements, inclement weather and labour issues. However a recovery plan is in place, but completion dates have been affected. Two of the six campuses are at 50% completion and one is at 99%.

Targets achieved within the financial year but not within the timeframe originally planned

- Governance and policies for TVET colleges developed: The draft policies had to undergo a consultation process with key stakeholders such as SAICA and the TVET and CET sub-systems followed by an intense review process, which delayed finalisation of the draft policies for approval. The finalised draft governance policies were subsequently approved during the second quarter of the year under review;
- Staffing norms and standards for CETs developed: A Synopsis report and a working document towards the development of the staffing norms and standards for CETs was developed. The target was not achieved in the 1st quarter as planned. However, it was approved by the Minister on 30 March 2016;
- Conduct policy for NASCA developed: The draft conduct policy for the NASCA developed and approved by the Minister. The document was gazetted for public comments on the 16th of October 2015 followed by a process of consideration and consolidation of the inputs for the approval of the final draft by the Minister into a policy document. The target of conduct policy for NASCA was not achieved within the planned timeframe. However, it was approved by the Minister on 30 March 2016;
- Guidelines for standardised implementation of Occupational Programmes developed: The target was not achieved within the planned timeframe. However, it was eventually achieved in the fourth quarter;
- TVET colleges monitoring, evaluation and support model reviewed and approved. A revised draft Monitoring and Evaluation model was developed and thorough consultation with critical stakeholders have taken place. However, it was eventually achieved in the second quarter; and
- Student support service annual plan developed and approved: A draft Student Support Services annual plan was developed and it underwent the required processes of consultation and approval and the target was achieved in the second quarter.

5.4.8 System Performance: Vocational and Continuing 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 Vocation and Continuing Education and Training system during the year under review. The table below shows that of the 10 targets, three (30%) targets were achieved, two targets in relation to the planned TVET throughput rate, as well as funded percentages of NC(V) L4 students obtaining qualification within the stipulated time, could not be reported as there was no data forthcoming from SITA. There is as a result nothing to report at this stage as the data is not yet available to compute throughput rates.

NO	OUTCOME INDICATOR TARGET	PLANNED TARGET FOR 2015/16	ACTUAL ACHIEVEMENT 2015/16	COMMENT ON DEVIATION
1.	Headcount enrolments in TVET colleges (n)	725 000	710 535	14 465 less enrolments were as a result of insufficient funding, limited resources including infrastructure. The Department will prepare bids to Treasury to request additional funding as well as a cabinet memo on expansion in TVET colleges
2.	Certification rates in TVET qualifications (%)	NC(V) L4: 59% N3: 53% N6: 53%	NC(V) L4- 23.3% N3- 51.0% N6- 34.3%	Certification rates are below target in all TVET qualifications. Rapid expansion of the system has a negative impact on the quality of provision and the student strikes also disrupted teaching and learning
3.	Lead time to issue certificates to qualifying candidates (months)	Nine months	It takes more than nine months to issue certificates to qualifying candidates	Deviation from 9-month lead time experienced with NC(V) certificates with some certificates dating back to 2007. SITA has committed to resolve NC(V) backlog by 30 June 2016. SITA kept its commitment to overhaul the management of the project and to increase the resources available to the project. Due to the significant progress made regarding outstanding certificates at the start of 2016, it is expected that SITA will be able to meet the target date of 30 June 2016 to eliminate the NC(V) certificate backlog
4.	Percentage of public TVET college examination centres conducting national examinations in compliance with national policy (%)	All (100%) of public TVET college examination centres conducting national examinations in compliance to national policy	87%	Under-achievement of 13%. Public exam centres reported administrative irregularities and any public centre reporting such irregularities is deemed non-compliant. Mechanisms to support compliance (i.e. compliance monitoring/self-assessment tool and dedicated Assessment Committee within each institution) are to be initiated in 2016/17 to fill the vacuum between examination centres and the Department in the absence of fully resourced regional offices to drive this support

NO	OUTCOME INDICATOR TARGET	PLANNED TARGET FOR 2015/16	ACTUAL ACHIEVEMENT 2015/16	COMMENT ON DEVIATION
5.	TVET throughput rate (%)	10%	Unknown	There is no accurate data available. Nothing to report at this stage as the data is not yet available to compute throughput rate
6.	Students accommodated in public TVET colleges (n)	1 000	0	The figure is the current baseline for the number of beds that are available in TVET colleges. The construction of the TVET campuses has not been completed
7.	Qualifying TVET students obtaining financial assistance (n)	200 000	298 457	98 457 more students were supported due to improved administration of the bursary scheme and decrease in NC(V) enrolments which is more expensive than the Nated programmes
8.	Funded NC(V) L4 students obtaining qualification within stipulated time (%)	10%	Unknown	There is no data available. Nothing to report at this stage as the data is not yet available to compute throughput rates
9.	TVET institutions compliant to governance standards by 2019 and increasing every year thereafter (%)	20%	33%	The quantity of recommended financial policies adopted and implemented by TVET College Councils exceeded the initial planned target of 20% by 13%. This is a positive variance and will contribute to strengthened financial management and governance. Ensure the implementation of the 29 financial policies and offer support to TVET colleges accordingly
10.	TVET lecturers undergoing specified hours of work in their industry for specified periods every two years from 2019 (%) as per APP	6%	3%	This target relates to 2019. This project only started this year. In 2019 about 30% of lecturers must undergo industry exposure

5.4.9 Linking programme performance with budgets

SUB-PROGRAMME	2015/16			2014/15		
	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	7 536	6 177	1 359	9 105	9 104	1
Planning and Institutional Support	6 199 766	6 136 247	63 519	5 832 634	5 832 631	3
Programmes and Qualifications	1 852 473	1 847 691	4 782	15 965	15 964	1
National Examinations and Assessment	439 164	439 074	90	178 132	178 102	30
Total	8 498 939	8 429 189	69 750	6 035 836	6 035 801	35

5.5 Programme 5: Skills Development

5.5.1 Purpose

The purpose of the programme is to promote and monitor the national skills development strategy. Develop skills development policy and a regulatory framework for an effective skills development system.

There are four budget sub-programmes

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

5.5.2 Strategic Objectives

- To steer and support skills development institutions to implement the National Skills Development Strategy through the development of four new and six revised policies including legislation, regulations and guidelines by 31 March 2020;
- To standardise the level of governance across Sector Education and Training Authorities (SETAs) by 31 March 2020, monitor and compile annual quarterly reports and take appropriate actions where deficiencies are detected;
- To effectively manage artisan development assessment services inclusive of RPL in order to produce 24 000 qualified artisans per annum by 31 March 2020; and
- To enhance the National Information System in order to improve collation of artisan information and skills development levy information for monitoring and evaluation as well as reporting by 31 March 2018.



Trainee artisans honing their skills

5.5.3 Significant achievement during the 2015/16 financial year

There were 15 planned targets in the 2015/16 APP. Of these, 10 (67%) were fully achieved within the set timeframe. The following are some of the notable highlights of 2015/16:

- Consultation workshops for the proposed SETA landscape were held in various provinces with stakeholders;
- A SETA Panel to review SETA Sector Skills Plans, Strategic Plans, APPs and Annual Reports were appointed (SETA Panel for Planning and Performance);
- 22 Strategic Plans and APPs (21 SETAs and QCTO) were approved by the Minister and subsequently tabled in Parliament;
- The SETAs Governance Standards Charter was developed and approved; and
- The Trade Test Regulations were published to provide for a single national artisan trade testing and certification system across all economic sectors.

5.5.4 Changes to planned targets during the year

There were no changes to the planned targets in the 2015/16 financial year.

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

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16		ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENTS ON DEVIATION; BOTH OVER AND UNDER ACHIEVEMENT
			TARGET	TARGET DESCRIPTION			
PROGRAMME 5: SKILLS DEVELOPMENT							
(4.5.1.1) To steer and support skills development institutions to implement the National Skills Development Strategy through the development of four new and six revised policies including legislation, regulations and guidelines by 31 March 2020	New skills development steering mechanisms developed and approved (n)	New indicator	Four new skills development steering mechanisms developed and approved	Workplace based learning policy developed and approved by the Director-General by December 2015	Draft workplace based learning policy was developed and submitted to the Minister for approval	Target not achieved	Draft workplace based learning policy was developed and submitted to the Minister for approval. Minister recommended that the policy be submitted to Cabinet for consultation
				Governance charter for SETAs developed and approved by March 2016	Governance charter for SETA's was developed and approved by the Minister by March 2016	Target achieved	

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16		ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENTS ON DEVIATION; BOTH OVER AND UNDER ACHIEVEMENT
			TARGET	TARGET DESCRIPTION			
PROGRAMME 5: SKILLS DEVELOPMENT							
				Occupational team policy recommendation tabled by December 2015	Occupational team policy recommendation was only tabled but not approved	Target not achieved	The Occupational team policy recommendations were tabled at a senior management meeting for further processing
				SETAs governance standards developed and approved by the Director-General	SETAs Governance Standards were developed and approved by the Minister by 31 March 2016	Target achieved	
				SETA landscape reviewed and approved by the Minister by 31 March 2016	SETA landscape was reviewed and approved by the Minister by 31 March 2016	Target achieved	
	Skills development steering mechanisms reviewed (n)	New indicator	Two Skills development steering mechanisms reviewed	A reviewed National Skills Development Strategy approved by the Minister by 31 March 2016	A reviewed National Skills Development Strategy approved by the Minister by 31 March 2016	Target achieved	None

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16		ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENTS ON DEVIATION; BOTH OVER AND UNDER ACHIEVEMENT
			TARGET	TARGET DESCRIPTION			
PROGRAMME 5: SKILLS DEVELOPMENT							
(4.5.1.2) To standardise the level of governance across Sector Education and Training Authorities (SETAs) by 31 March 2020, monitor and compile annual quarterly reports and take appropriate actions where deficiencies are detected	SETA monitoring reports on skills development produced and approved (n)	New indicator	Four SETA monitoring reports on skills development produced and approved	SETA monitoring reports on skills development produced by the Director-General	Four SETA monitoring reports on skills development produced and approved in 2015/16	Target achieved but one monitoring report was produced outside the planned timeframe (which was 30 June 2015)	The monitoring report on skills development was yet to be approved by the time of reporting

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16		ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENTS ON DEVIATION; BOTH OVER AND UNDER ACHIEVEMENT
			TARGET	TARGET DESCRIPTION			
PROGRAMME 5: SKILLS DEVELOPMENT							
(4.5.1.3) To effectively manage artisan development assessment services inclusive of RPL in order to produce 24 000 qualified artisans per annum by 31 March 2020	Average lead time from trade test application received until trade test conducted (days)	New indicator	80 days	Average lead time from trade test application received until trade test conducted	169 days	Target not achieved It took 89 more days than targeted	INDELEA has historically been the only state aided trade test center charging minimum fees for trade testing candidates, this has caused most of the financially disadvantaged candidates nationally to flock to INDELEA for trade testing. There is also a public perception that only INDELEA issue the national trade certificate

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16		ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENTS ON DEVIATION; BOTH OVER AND UNDER ACHIEVEMENT
			TARGET	TARGET DESCRIPTION			
PROGRAMME 5: SKILLS DEVELOPMENT							
							The Department has conducted provincial capacity building initiatives whereby we train provinces to promote local trade testing centers as they also issue national trade certificates and also to promote accredited TVET colleges as trade test centers. At INDELEA extra assessors to increase the rate of trade testing was appointed

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16		ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENTS ON DEVIATION; BOTH OVER AND UNDER ACHIEVEMENT
			TARGET	TARGET DESCRIPTION			
PROGRAMME 5: SKILLS DEVELOPMENT							
	New artisan learners registered nationally (n)	New indicator	29 750	New artisan learners registered nationally	28 640	Target not achieved 1 110 fewer artisan learners registered	The rate of registrations is showing an upward trend when compare financial year to financial year, but due to the spike in the 2011/12 financial year that adjusted the gradual increase which impacted on the target to be set high, has impacted on the target not being met. The Department is working close with State Owned Companies, Government Departments, SAPS and SANDF to collect and include their data of learners trained through them.

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16		ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENTS ON DEVIATION; BOTH OVER AND UNDER ACHIEVEMENT
			TARGET	TARGET DESCRIPTION			
PROGRAMME 5: SKILLS DEVELOPMENT							
	New artisans qualified per annum (n)	New indicator	20 110	New artisans qualified per annum	16 114	Target not achieved 3 996 fewer artisans qualified	Also some employer data has not been reported through the SETAs and cannot be validated Delayed appointment of extra assessors had an impact in not meeting this target. The rate of completions is showing an upward trend increase when compare financial year to financial year, but due to the spike in 2011/12 financial year that adjusted the gradual increase which impacted on the target to be set high, has impacted on the target not being realised.

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16		ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENTS ON DEVIATION; BOTH OVER AND UNDER ACHIEVEMENT
			TARGET	TARGET DESCRIPTION			
PROGRAMME 5: SKILLS DEVELOPMENT							
							Working close with State Owned Companies, Government Departments, SAPS and SANDF to collect and include their data of learners trained by them. Some employer data is not reported through the SETAs and has accordingly not been validated
	National artisan learners pass trade test rate (including INDELEA) (%)	New indicator	50%	National artisan learners trade test pass rate (including INDELEA)		Target achieved Target is 4% above the planned target	This deviation is marginal and indicative of the success of some intervention mechanisms at trade test centres

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2014/15	PLANNED TARGET FOR 2015/16		ACTUAL ACHIEVEMENT 2015/16	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2015/16	COMMENTS ON DEVIATION; BOTH OVER AND UNDER ACHIEVEMENT
			TARGET	TARGET DESCRIPTION			
PROGRAMME 5: SKILLS DEVELOPMENT							
(4.5.1.4) To enhance the National Information System in order to improve collation of artisan information and skills development levy information for monitoring and evaluation as well as reporting by 31 March 2018	Information management systems developed (n)	New indicator	Information management system developed	A single national artisan development information management system designed and approved	A single national artisan development information management system has been designed	Target not achieved	System documentation for a single national artisan trade test management system has been completed. The next phase is software development. This phase has not been achieved yet due to the external provider, SITA having no internal capacity to further develop the system regarding software and started considering external procurement of the services to develop the Artisan Trade Testing System

5.5.6 Strategy to deal with underperformance

- With regard to performance on artisan registration and completion there needs to be a closer monitoring of the SETAs PIVOTAL allocations in relation to workplaces and learner contracts for artisan training;
- SETAs need to assist in finding options within their sectors to report on non-funded employer training as these numbers are not validated and captured for artisan data reporting;
- With regard to the Artisan National Trade Test System the external provider, SITA has been prompted to find cost effective interventions to accelerate the delivery of the software; and
- Assessor appointment and expansion of demand trade workshops has been adopted at INDLELA, and where possible candidates are redirected to other trade test centres, though the main issue remains the unaffordable fees at these centres. Once the Trade Test Regulation (5) is fully implemented, it will bring relief in terms of standardised fees.



Deputy Minister, Mr Manana, MP speaking to trainee artisans during the Decade of Artisan Development

5.5.7 System Performance: Sector Education and Training Authorities

Further to the above, the implementation of sub-outcome 4 of Outcome 5 namely "increase access to occupationally directed programmes in needed areas and thereby expand the availability of intermediate level skills with a special focus on artisan skills" was monitored to track the performance of SETAs during the year under review. The table below shows that of the 4 targets, two (50%) targets were achieved. One target, namely proportion of SETAs meeting standards of good governance could not be monitored as the indicator will be measured in the next financial year because the charter/standards were only approved towards the end of the year under review.

NO	OUTCOME INDICATOR TARGET	PLANNED TARGET FOR 2015/16	ACTUAL ACHIEVEMENT 2015/16	COMMENTS ON DEVIATION
1.	Work based learning opportunities (n)	45 000	118 582 workplace based learning opportunities (provisional)	73 582 more opportunities provided. Improved monitoring of SETAs through Service Level Agreements entered into between the Department and SETAs. This target depends on the employers opening up their workplaces for workplace based learning opportunities
2.	National artisan learners pass trade test rate (including INDELELA) (%)	50%	54%	The pass rate is 4% above the target. The marginal increase may be attributed to the quality assurance audits conducted by NAMB at all accredited trade test centres and training centres. The rate of quality audits at these centres is increasing progressively
3.	National artisan learners employed or self-employed (%)	67%	40% are employed (about 4 800 learners were sampled for the survey)	The reported actual figure is based on an employment index study conducted, where a sample size was picked from the 2014/15 data to track employment status
4	Proportion of SETAs meeting standards of good governance (%)	100%	The indicator was not measured	The indicator will be measured in the next financial year as the charter/standards were only approved towards the end of the year under review

5.5.8 Linking programme performance with budgets

SUB-PROGRAMME	2015/16			2014/15		
	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	2 724	2 645	79	1 414	1 413	1
SETA Coordination	89 218	88 823	395	75 053	75 044	9
National Skills Development Services	9 099	8 950	149	6 365	6 361	4
Quality Development and Promotion	22 506	22 480	26	23 167	23 167	-
Total	123 547	122 898	649	105 999	105 985	14



PART C
GOVERNANCE

1. INTRODUCTION

The Department is committed to maintaining the highest standard of governance. Good governance structures are in place to ensure effective, efficient and economic utilisation of State resources funded by tax payers.

Regular management meetings are conducted and cases of possible irregularities followed up immediately when discovered. Controls for and segregation of duties regarding payment processes are in place. Policies for various matters have been developed and have been communicated to all staff members.

The budget of the Department is aligned to the Strategic and Annual Performance Plans of the Department and monthly budget monitoring is conducted by means of monthly cash flow statements issued to the Minister and the Department.

2. THE DEPARTMENT'S RISK ASSESSMENT AND FRAUD PREVENTION PLAN

The Department's risk management and fraud prevention strategies/plans have been developed and are regularly reviewed to ensure relevance. The Department established a Risk Management Committee that assists in overseeing effectiveness of the function. Risk management processes are incorporated into planning processes and reporting for effective implementation.

Risk reviews are conducted regularly to identify new and emerging risks of the Department for effective management. Reports regarding the efficiency of risk management and fraud prevention processes including Business Continuity Management, are presented to the Risk Management Committee, Senior Management, the Audit Committee and other oversight structures for advice, guidance and intervention when required.

3. FRAUD AND CORRUPTION

The Department has set in place an approved Fraud Prevention Plan that is managed by the Risk Management unit with the assistance of the Internal Audit unit and other relevant stakeholders. Progress on implementation of the plan is reported as part of the risk management progress to Senior Management, as well as the Risk Management and Audit Committees for advice on how to improve on the function.

The national fraud hotline and the call centre numbers have been published for officials to report suspected fraud and corruption as highlighted in terms of the Whistle Blowing policy, which has also been published on the intranet for easy access by all incumbents. Officials are also encouraged to report suspicious activities anonymously as accordingly indicated in the approved Whistle Blowing policy.

Most reports are registered via the national fraud hotline number, with fewer received through the call centre. Reported cases are followed up and where there is a need, investigations are performed and further actions taken.

4. MINIMISING CONFLICT OF INTEREST

All senior managers in the Department are obliged to declare their financial interests on an annual basis. Furthermore, all employees of the Department are compelled to request permission from the Director-General before they undertake any work outside the Department generating additional personal remuneration. Regular news flashes are utilised with a view to alert all staff members on the process.

The Internal Audit Unit scrutinises the Companies and Intellectual Property Commission (CIPC) list linked to companies where employees are either sole owners or directors. This also includes instances where the company of an employee appears on the database of companies. As from January 2015, it is expressly stated that no employee working within the Public Service may do business with the State.

The Labour Relations Directorate sent out circulars to employees and explained the process of declaring interests where employees engage in remunerative work outside the Department.

In addition, all staff appointed within the Supply Chain Management (SCM) unit are also compelled to complete a Declaration of Interest and Code of Conduct by SCM Officials form, which is kept on a file by the Director: SCM.

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

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

5. CODE OF CONDUCT

The Code of Conduct for Public Servants, developed by the Public Service Commission to promote a high standard of professional ethics within the public service, has been implemented by the Department and managers ensure that all staff members adhere to the contents thereof. Every employee has to at least once, sign and bind themselves to the Department's Code of Ethics/Conduct.

The Code of Conduct is fully in line with that adopted for the Public Service.

Where there is an evident breach of the Code of Conduct, the matter is investigated and may have serious consequences for the defaulter with formal disciplinary steps being followed.

6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The Director-General has approved the establishment of an Occupational Health and Safety Committee within the Department. Evacuation Drills will accordingly be determined by the committee during its first meeting. Scheduled dates for both planned and unplanned emergency evacuation drills will be communicated to all staff at least twice a year.

An Occupational Health and Safety Officer has also since been appointed, while the policy on Employee Health and Wellness was approved and introduced by the Department. The policy is available on the Department's intranet.

The biometric access control system is being maintained by the Landlord. Permanent staff, contract workers and interns are registered on the security system in order to gain access to the building. Validation of laptops is implemented to comply with the Minimum Information Security Standards document. All security officers have been trained and comply with the PSIRA Act. A Security policy has been approved and during February 2014, Occupational Health and Safety representatives were appointed as required in section 17 of the Occupational Health and Safety Act. The Occupational Health and Safety Committee has also subsequently been established in terms of this Act.

Processes are underway to approve the appointment of Floor Wardens in conjunction with acknowledging the responsibilities of Safety Representatives. The coordination of safety awareness campaigns was accordingly managed during the 2015/16 financial year.

Security Advisory Service

The Draft Evacuation Plan will be presented to SAICA representatives seconded to the Department on 26 May 2016. The Occupational Health and Safety policy was reviewed to incorporate colleges and will also be presented to SAICA representatives for inputs and further discussion on 26 May 2016.

The matter on Employee Health and Safety should be referred to Labour Relations as the Directorate responsible for that Sub-Directorate.

A letter has been finalised requesting the NSF permission for possible participation on the DHET- NSF 068: Provisioning of Access Control Security System tender, in order to submit a submission aimed at considering a request for procuring and installation of a new Access Control security system.

Access control registers were also introduced to address the audit finding related to security breaches with a view to correct deviations in alignment with the State Security Agency audit.

7. PORTFOLIO COMMITTEE

The Portfolio Committee on Higher Education and Training convened a number of meetings with the Department pertaining to the Strategic Plan, Annual Performance Plan, the 2014/15 Annual Report, quarterly reporting on expenditure and performance, the status of student unrest, as well as the Higher Education Bill.

8. SCOPA RESOLUTIONS

None.

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

None.

10. 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 accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The Internal Audit Unit operates with skilled personnel and functions as required by the Treasury Regulations and the Public Finance Management Act (PFMA). An audit plan was developed independent from the risk assessment conducted in the Department and approved by the Audit Committee. During the year under review, internal audit engagements were performed in accordance with the audit plan. Due to a lack of staff to perform all the requisite work on the audit plan, the Department utilised the services of consultants in providing co-sourcing functions to assist with the audits.

The main activities of Internal Audit are to:

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

Audit work

The following activities per audit plan were completed:

- A Risk Management audit
- An Information Systems audit
- A Performance information audit
- A Human Resource Management audit
- A Supply Chain Management audit
- An Infrastructure audit
- A Financial Statements review
- Follow-up on internal audit findings
- Other operational and forensic audits

Key activities and objectives of the Audit Committee

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

The main activities are:

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

The Audit Committee is in place and function effectively as required in terms of the Treasury Regulations and the PFMA. The Audit Committee held four meetings during the reporting period.

Attendee profile of Audit Committee meetings:

NAME	QUALIFICATIONS	INTERNAL/ EXTERNAL MEMBER	DATE APPOINTED	NO OF MEETINGS ATTEND
Professor DP van der Nest	D Tech	External	1/12/2013	4
Ms S Padayachy	M Comm	External	1/12/2013	3
Mr S Makhubu	CA, SA	External	1/12/2013	4



PART D

HUMAN RESOURCE MANAGEMENT



The Anene Booysen Skills Development Centre Opening Ceremony at Bredasdorp in the Western Cape Province

1. INTRODUCTION AND OVERVIEW OF HUMAN RESOURCES

As at 31 March 2016, the Department of Higher Education and Training, had a total of 30 389 posts on the Establishment with 28 273 posts filled and therefore the vacancy rate is 6.96%. The Department through its internship programme gave access to 7% more interns than the national target of 3%. Graduates and Student interns exposed to the working environment of the Department per the programme, were 134 and 29 incumbents, in number respectively.

The key priorities for Human Resources in respect of the period under review included the effective management of the function shift (migration process), the provision of suitable human resource capacity in support of a high performing Department, the management of innovative service delivery of the Department, contributing to improved corporate governance through effective management, including performance management of allocated human and related resources and ensuring that Employment Equity targets were met through recruitment and selection processes of the Department. All of these activities have been managed in accordance with requisite action plans, processes and policies in place to ensure effective implementation and rendering effective support to the Department.

There is currently a turnover rate in the Department of 19.3% with loss of staff with critical skills identified as a concern. Exit interviews are conducted and data analysed to understand reasons for the turnover rate and explore retention strategies and mechanisms to attract and retain key skills in the Department, going forward. Most of the resignations are occurring at College level. The remuneration and job profiling of these key posts are being reviewed by the Organisational Development team with a process of job evaluation being conducted for all Head Office posts.

Performance management is critical for the success of the Department with the need for robust systems and processes being a priority to ensure fair, consistent and transparent management of employee performance and development. Work is currently being done to develop an on-line Performance Management System aimed at improving efficiency and improving, ensuring alignment with organisational performance. The Officials that migrated from the nine Provincial Education Departments and 50 college payrolls were not remunerated for the 2014/15 performance cycle, prior to the migration process. The Department as a result, had to finalise the payment process and scores for the officials concerned. In addition to payments for historical pay progression spanning the 2009 to 2014 period issues at some of the colleges remain unresolved.

Various wellness employee programmes including HIV, as well as glucose and blood pressure testing was conducted at Head Office for 86 and 678 employees respectively. In addition a total of 164 employees participated in the HIV Counseling campaign. A further 109 staff were processed through various internal and personal interventions, including TB screening, clinical diagnoses and interventions aimed at attending to sporadic injuries.

There has been a significant growth in the post establishment from 1 235 employees (in 2015), to over 30 389 employees in 2016, which includes unfunded posts. The high level of vacancies also creates a challenge for resourcing within the Department, resulting in capacity gaps that impact on the ability to deliver.

The migration of employees from the various provincial departments took place over two phases. Included as part of the migration process was 63 payrolls, 50 Technical and Vocational Education and Training (TVET) colleges, nine Provincial Education Departments and three independent payrolls from the Mpumalanga Department of Education. Phase one of the migration was completed on 1 April 2015, which entailed the transfer of 24 242 employees. Employees from the Eastern Cape Department of Education successfully migrated on 1 June 2015 due to a technical delay in the registration of the System Change Control and the total compliment transferred was only 6 147.

Included as part of the migration data, are 6 129 officials currently referred to as additional employees on the establishment. These employees come from the Community Education and Training environment and are appointed on the PERSAL salary system on unique notches, as they share one post which is sub-divided into a number of hourly posts to make up one full-time post. The CET environment also has employees that are appointment on nature of appointed period five and 34 and are also appointed as additional to the PERSAL structure.

The transfer of staff from Technical and Vocational Education and Training (TVET) colleges and Community Education and Training (CET) colleges/centres will see the Department growing into approximately an additional 30 389 employees. While we need to optimise performance using existing capacities, a fair and honest review of the current situation is being undertaken. Therefore, this growth puts additional pressure on corporate and finance support services and if it grows without due consideration for the need to recruit skilled resources, it could result in the total collapse of the administration system of the Department.

During 2013, the management of the Human Resources (HR) unit was expanded into a fully-fledged Chief Directorate with three directors. The capacity regarding performance management and organisational development was also increased. As a result, the unit was able to finalise the organisational design process, including job evaluations. The Labour Relations function was also elevated into a fully fledged Labour Relations Directorate with a Collective Bargaining Unit that was previously located within the VCET Branch. This resulted in collective bargaining and labour relations issues emanating from TVET colleges accordingly being managed by the Corporate HR Team.

Requests for additional posts have been processed for approval to ensure that the demands of the function shift are effectively managed within the Human Resources function. The management of the migration of staff from Provincial Departments of Education to the Department has been a great achievement worth highlighting and involved the participation of all human resource sections to ensure that Human Resource administration, Labour Relations and issues around Organisational Development have been satisfactorily addressed. The future goal for HR is to ensure effective HR Management within the Department by filling 90% of vacant funded positions and implementing an effective performance management system, resolving disciplinary cases within 90 days and putting relevant management systems including enterprise content management in place.

An oversight report outlining details of HR statistics related to the Department is provided hereafter.

2. OVERSIGHT REPORT

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

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

- is exercising the powers granted under Public Service and Public Finance legislation in a responsible manner,
- is achieving national transformation priorities established by Cabinet, for example, affirmative action.

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

1 – Expenditure

Note: During **2015/16** a total of **R258.287 million** was spent on remuneration for examiners and moderators. This amount is excluded from the personnel expenditure tables as these officials are remunerated on a claim per task basis. The inclusion of this in the following tables would give a false reflection on the personnel numbers and cost in the Tables.

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

Table 1.1 - Personnel costs by programme, 1 April 2015 to 31 March 2016

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 ON 1 APRIL 2015
1	346 819	161 657	1 157	2 367	46.61	348	464
2	52 019	42 480	7	10	81.66	545	78
3	32 844 629	43 468	3	23	0.13	524	83
4	8 429 189	6 573 870	2 025	46	77.99	240	27 398
5	122 898	86 633	833	0	70.49	347	250
Sub total	41 795 554	6 908 108	4 025	2 446	16.53	2004	28 273
Statutory	15 156 433	0	0	0	0	0	0
Total	56 951 987	6 908 108	4 025	2 446	12.13	2004	28 273

Table 1.2 - Personnel costs by salary bands, 1 April 2015 to 31 March 2016

SALARY BAND	PERSONNEL EXPENDITURE (R'000)	% OF TOTAL PERSONNEL COST	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Lower skilled (Levels 1-2)	345 981	5.02	152
Skilled (Levels 3-5)	1 471 653	21.30	127
Highly skilled production (Levels 6-8)	3 440 945	49.81	299
Highly skilled supervision (Levels 9-12)	1 490 378	21.57	546
Senior Management (Levels 13-16)	159 151	2.30	1 098
Total	6 908 108	100.00	2 222

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

Table 1.3 - Salaries, Overtime, Home Owner's Allowance and Medical Assistance by programme, 1 April 2015 to 31 March 2016

PROGRAMME	SALARIES			OVERTIME		HOME OWNER'S ALLOWANCE		MEDICAL ASSISTANCE	
	PERSONNEL COSTS (R'000)	AMOUNT (R'000)	SALARIES AS A % OF PERSONNEL COST	AMOUNT (R'000)	OVERTIME AS A % OF PERSONNEL COST	AMOUNT (R'000)	HOA AS A % OF PERSONNEL COST	AMOUNT (R'000)	MEDICAL ASSISTANCE AS A % OF PERSONNEL COST
1	161 657	109 124	67.50	6 526	4.04	3 690	2.28	5 350	3.31
2	42 480	29 612	69.71	2	0.00	494	1.16	897	2.11
3	43 468	30 366	69.86	98	0.23	544	1.25	1 039	2.39
4	6 573 870	4 605 396	70.06	3 886	0.06	178 950	2.72	187 545	2.85
5	86 633	59 340	68.50	2 416	2.79	2 735	3.16	4 483	5.17
Total	6 908 108	4 833 838	69.97	12 928	0.19	186 413	2.70	199 314	2.89

Table 1.4 - Salaries, Overtime, Home Owner's Allowance and Medical Assistance by salary bands, 1 April 2015 to 31 March 2016

SALARY BAND	SALARIES			OVERTIME		HOME OWNER'S ALLOWANCE		MEDICAL ASSISTANCE	
	PERSONNEL COSTS (R'000)	AMOUNT (R'000)	SALARIES AS A % OF PERSONNEL COST	AMOUNT (R'000)	OVERTIME AS A % OF PERSONNEL COST	AMOUNT (R'000)	HOA AS A % OF PERSONNEL COST	AMOUNT (R'000)	MEDICAL ASSISTANCE AS A % OF PERSONNEL COST
Lower skilled (Levels 1-2)	345 981	255 710	73.91	434	0.13	16 139	4.66	10 494	3.03
Skilled (Levels 3-5)	1 471 653	1 101 369	74.84	4 482	0.30	54 040	3.67	36 096	2.45
Highly skilled production (Levels 6-8)	3 440 945	2 365 345	68.74	6 179	0.18	89 352	2.60	104 577	3.04
Highly skilled supervision (Levels 9-12)	1 490 378	995 142	66.77	1 833	0.12	25 810	1.73	46 621	3.13
Senior Management (Levels 13-16)	159 151	116 272	73.06	-	0.00	1 072	0.67	1 526	0.96
Total	6 908 108	4 833 838	69.97	12 928	0.19	186 413	2.70	199 314	2.89

2 – Employment and Vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: – programme (Table 2.1), salary band (Table 2.2) and critical occupation (Table 2.3). Departments have identified critical occupations that need to be monitored. Table 2.3 provides establishment and vacancy information for the key critical occupations of the Department.

The vacancy rate reflects the percentage of posts that are not filled.

Table 2.1 - Employment and vacancies by programme, 31 March 2016

PROGRAMME	NUMBER OF POSTS	NUMBER OF POSTS FILLED	VACANCY RATE %	NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT
1	518	464	10.42	3
2	78	78	0	1
3	83	83	0	6
4	29 391	27 398	6.78	6 116
5	319	250	21.63	3
Total	30 389	28 273	6.96	6 129

Note: Due to the newness of the Department it was necessary to implement additional posts to the staff establishment in which to appoint officials to perform the related tasks. Once the vacant posts have been filled the remainder of the vacant posts will be removed from the establishment.

Table 2.2 - Employment and vacancies by salary bands, 31 March 2016

SALARY BAND	NUMBER OF POSTS	NUMBER OF POSTS FILLED	VACANCY RATE %	NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT
Lower skilled (Levels 1-2)	1 713	1 615	5.72	3
Skilled (Levels 3-5)	6 595	5 960	9.63	5
Highly skilled production (Levels 6-8)	18 752	18 169	3.11	6 116
Highly skilled supervision (Levels 9-12)	3 184	2 389	24.97	0
Senior Management (Levels 13-16)	145	140	3.45	5
Total	30 389	28 273	6.96	6 129

Table 2.3 - Employment and vacancies by critical occupation, 31 March 2016

CRITICAL OCCUPATION	NUMBER OF POSTS	NUMBER OF POSTS FILLED	VACANCY RATE %	NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT
Educational Specialist	10	10	0	0
Total	10	10	0	0

The information in each case reflects the situation as at 31 March 2016. For an indication of changes in staffing patterns over the year under review, please refer to section 5 of this report.

Note: The Department was created with effect from 1 April 2010. During the period 2010 to 2015 the Department was in a process of filling critical posts. The main functions of the Department are policy formulation and implementation where different kinds of skills are necessary at different stages. The specialised nature of work in most of the areas of the Department necessitates the use of highly skilled people who are at some stages not readily available for permanent appointment and have to be appointed on contract for periods as may be required. The Department also seconded highly skilled professionals from tertiary institutions and other organisations to address specific needs that arise. These people are appointed against posts on the fixed staff establishment of the Department for short periods, for example three to six months. The above practice might create the impression of a higher than normal staff turnover which is in fact not the case.

3 – Filling of SMS posts

The following tables indicate the number of SMS posts filled and vacant as on 31 March 2016 (Table 3.1), as on 30 September 2015 (Table 3.2), advertising and filling of SMS posts as on 31 March 2016 (Table 3.3), reasons for not having filled vacant posts (Table 3.4) and disciplinary steps taken for not complying with prescribed timeframes.

Table 3.1 - SMS posts information as on 31 March 2016

SMS LEVEL	TOTAL NUMBER OF FUNDED SMS POSTS	TOTAL NUMBER OF SMS POSTS FILLED	% OF SMS POSTS FILLED	TOTAL NUMBER OF SMS POSTS VACANT	% OF SMS POSTS VACANT
Director-General (Level 16)	1	1	100	0	0
Deputy Director-General (Level 15)	6	3	50	0	0
Chief Director (Level 14)	25	25	100	0	0
Director (Level 13)	114	113	100	0	0
Total	146	142	100	0	0

SMS filled post is 100% and vacancy level is 0 due to posts that are abolished on the structure and created on appointment, after approval by the Minister

Table 3.2 - SMS posts information as on 30 September 2015

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 (Level 16)	1	1	100	0	0
Deputy Director-General (Level 15)	6	3	83.33	1	16.66
Chief Director (Level 14)	25	25	100	0	0
Director (Level 13)	114	113	99.12	1	0.87
Total	146	142	98.63	2	1.36

Table 3.3 - Advertising and filling of SMS posts for the period 1 April 2015 to 31 March 2016

SMS LEVEL	TOTAL NUMBER OF FUNDED SMS POSTS	TOTAL NUMBER OF SMS POSTS FILLED	% OF SMS POSTS FILLED	TOTAL NUMBER OF SMS POSTS VACANT	% OF SMS POSTS VACANT
Director-General (Level 16)	1	1	100	0	0
Deputy Director-General (Level 15)	6	6	100	0	0
Chief Director (Level 14)	24	24	100	0	0
Director (Level 13)	114	114	100	0	0

Table 3.4 - Reasons for not having complied with the filling of funded vacant SMS posts – advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2015 to 31 March 2016

Reasons for vacancies not being advertised within 6 months: Only the critical funded vacant posts were filled
Posts were advertised but suitable candidates could not be found in all cases: The migration of staff from the various Provincial Departments of Education and the TVET colleges has led to an increase in the pressure place on the officials in respect to the delivery of services rendered by the Human Resource Services Directorate in the advertising and filling of vacant posts of the Department

Table 3.5 - Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2015 to 31 March 2016

Due to the tremendous huge increase of the migration process and the pressure on the advertising and filling of posts, there was no need to institute disciplinary action against employees in the human resource unit

4 – Job Evaluation

The Public Service Regulations, 1999 introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in their organisations. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled.

The following Table (Table 4.1) summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 4.1 - Job Evaluation, 1 April 2015 to 31 March 2016

SALARY BAND	NUMBER OF POSTS	NUMBER OF JOBS EVALUATED	% OF POSTS EVALUATED BY SALARY BANDS	POSTS UPGRADED		POSTS DOWNGRADED	
				NUMBER	% OF POSTS EVALUATED	NUMBER	% OF POSTS EVALUATED
Lower skilled (Levels 1-2)	2 481	8	0.32	0	0.00	53	2.14
Skilled (Levels 3-5)	8 993	10	0.11	0	0.00	7	0.08
Highly skilled production (Levels 6-8)	10 167	169	1.66	279	2.74	4	0.04
Highly skilled supervision (Levels 9-12)	2 466	35	1.42	22	0.89	0	0.00
Senior Management Service Band A (Level 13)	100	38	38.00	0	0.00	0	0.00
Senior Management Service Band B (Level 14)	23	10	43.48	0	0.00	0	0.00
Senior Management Service Band C (Level 15)	5	0	0.00	0	0.00	0	0.00
Senior Management Service Band D (Level 16)	3	0	0.00	0	0.00	0	0.00
Total	24 238	270	1.11	301	1.24	64	0.26

*It should be noted that all the posts evaluated in column 3 are relevant to the Head Office posts and do not include the TVET & CET colleges or Regional Offices posts. Furthermore it must also be noted that the results for one post can be implemented as a benchmark for the number of posts that perform the same functions. e.g. if there are 50 cleaner posts in the Department, only one post will be evaluated and the result benchmarked or implemented with regard to all 50 cleaners.

The following table provides a summary of the number of employees whose salary positions were upgraded due to their posts being upgraded.

Table 4.2 - Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2015 to 31 March 2016

BENEFICIARIES	AFRICAN	INDIAN	COLOURED	WHITE	TOTAL
Female	168	0	1	2	171
Male	126	0	0	4	130
Total	294	0	1	6	301

Employees with disabilities	0

The following table summarises the number of cases where remuneration levels exceeded the grade determined by job evaluation.

Table 4.3 - Employees whose salary level exceeds the grade determined by job evaluation, 1 April 2015 to 31 March 2016 (in terms of PSR 1.V.C.3)

OCCUPATION	NUMBER OF EMPLOYEES	JOB EVALUATION LEVEL	REMUNERATION LEVEL	REASON FOR DEVIATION
Administrative Officer	1	7	8	Implementation of Grade progression as per PSCBC Res 3 of 2009
Chief Administration Clerk	2	7	8	Implementation of Grade progression as per PSCBC Res 3 of 2009
Cleaner	16	2	3	Implementation of Grade progression as per PSCBC Res 3 of 2009
Driver	4	4	5	Implementation of Grade progression as per PSCBC Res 3 of 2009
Food Service Aid	11	2	3	Implementation of Grade progression as per PSCBC Res 3 of 2009
General Worker	1	2	3	Implementation of Grade progression as per PSCBC Res 3 of 2009
Groundsman Aid	21	2	3	Implementation of Grade progression as per PSCBC Res 3 of 2009
Head of Data Capture	1	7	8	Implementation of Grade progression as per PSCBC Res 3 of 2009
Driver/Messenger	3	4	5	Officials were appointed on level 5 before JE was conducted.
Personal Assistance	4	7	8	Implementation of Grade progression as per PSCBC Res 3 of 2009
Senior Admin Clerk	2	2	5	Officials were appointed as clerks on level 5 but the posts came out on level 2 due to the functions performed which are that of Senior operator

OCCUPATION	NUMBER OF EMPLOYEES	JOB EVALUATION LEVEL	REMUNERATION LEVEL	REASON FOR DEVIATION
Snr Practitioner	1	7	8	Implementation of Grade progression as per PSCBC Res 3 of 2009
Total number of employees whose salaries exceeded the level determined by job evaluation in 2015/16				67
Percentage of total employment				0

Table 4.4 summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 4.4 - Profile of employees whose salary level exceeds the grade determined by job evaluation, 1 April 2015 to 31 March 2016 (in terms of PSR 1.VC.3)

BENEFICIARIES	AFRICAN	INDIAN	COLOURED	WHITE	TOTAL
Female	29	0	1	5	35
Male	31	0	0	1	32
Total	60	0	1	6	67
Employees with a disability					0

5 – Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the Department. The following tables provide a summary of turnover rates by salary band (Table 5.1) and by critical occupations (Table 5.2). (These “critical occupations” should be the same as those listed in Table 2.3)

Table 5.1 - Annual turnover rates by salary band for the period 1 April 2015 to 31 March 2016

SALARY BAND	NUMBER OF EMPLOYEES PER BAND AS ON 1 APRIL 2015	APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT	TERMINATIONS AND TRANSFERS OUT OF THE DEPARTMENT	TURNOVER RATE %
Lower skilled (Levels 1-2)	2 481	769	157	13.6
Skilled (Levels 3-5)	8 993	1 311	847	28.8
Highly skilled production (Levels 6-8)	10 167	2 374	543	32.5
Highly skilled supervision (Levels 9-12)	2 466	293	180	23.9
Senior Management Service Band A (Level 13)	100	15	8	31.5
Senior Management Service Band B (Level 14)	23	1	1	25.00
Senior Management Service Band C (Level 15)	5	2	1	50.00
Senior Management Service Band D (Level 16)	3	0	0	0
Other	4	3	0	0
Total	24 242	4 768	1 737	19.3

Table 5.2 - Annual turnover rates by critical occupation for the period 1 April 2015 to 31 March 2016

OCCUPATION	NUMBER OF EMPLOYEES PER OCCUPATION AS ON 1 APRIL 2015	APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT	TERMINATIONS AND TRANSFERS OUT OF THE DEPARTMENT	TURNOVER RATE %
Educational Specialty	10	0	0	0
Total	10	0	0	0

Table 5.3 identifies the major reasons why staff left the Department.

Table 5.3 - Reasons why staff are leaving the Department 1 April 2015 to 31 March 2016

TERMINATION TYPE	NUMBER	% OF TOTAL
Privatisation	3	0.17
Death	125	7.20
Resignation	1 041	59.93
Transfers to other Public Service Departments	2	0.12
Expiry of contract	307	17.67
Employee initiated severance packages	0	0
Discharge due to ill health	5	0.29
Dismissal – misconduct	58	3.34
Retirement	196	11.28
Total	1 737	100.00
Total number of employees who left as a % of the total employment:		6.14

Table 5.4 - Promotions by critical occupation 1 April 2015 to 31 March 2016

OCCUPATION	EMPLOYEES AS ON 1 APRIL 2015	PROMOTIONS TO ANOTHER SALARY LEVEL	SALARY LEVEL PROMOTIONS AS A % OF EMPLOYEES BY OCCUPATION	PROGRESSIONS TO ANOTHER NOTCH WITHIN A SALARY LEVEL	NOTCH PROGRESSIONS AS A % OF EMPLOYEES BY OCCUPATION
Educators (Level 9-12)	10	0	0	0	0
Total	10	0	0	0	0

Table 5.5 - Promotions by salary band 1 April 2015 to 31 March 2016

SALARY BAND	EMPLOYEES AS ON 1 APRIL 2015	PROMOTIONS TO ANOTHER SALARY LEVEL	SALARY BANDS PROMOTIONS AS A % OF EMPLOYEES BY SALARY LEVEL	PROGRESSIONS TO ANOTHER NOTCH WITHIN A SALARY LEVEL	NOTCH PROGRESSIONS AS A % OF EMPLOYEES BY SALARY BAND
Lower skilled (Levels 1-2)	1 374	4	0.3	749	54.6
Skilled (Levels 3-5)	7 531	14	0.19	4 973	65.65
Highly skilled production (Levels 6-8)	9 637	95	1	5 879	73.65
Highly skilled supervision (Levels 9-12)	2 389	86	3.6	1 835	76.8
Senior Management (Levels 13-16)	117	9	7.7	64	54.7
Other Permanent (contract levels 1-16)	3 194	15	0.47	1 190	51.3
Total	24 242	223	0.9	14 690	60.6

6 – Employment Equity

The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

Table 6.1 - Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2016

OCCUPATIONAL CATEGORY (SASCO)	MALE				FEMALE			
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE
Senior Managers (Level 13-16)	58	12	3	12	31	2	6	21
Educators and Middle Managers (Level 9-12)	993	267	87	420	832	211	30	530
Officers and Senior Clerks, Machine Operators (Level 4-8)	6 521	448	228	485	9 246	735	275	895
Elementary occupations (Cleaners, Messengers, Food Services Aids, Security) (Level 1-3)	2 320	138	4	29	3 238	177	2	17
TOTAL	9 892	865	322	946	13 347	1 125	313	1 463
Employees with disabilities	19	3	0	6	16	0	1	6
								51

Table 6.2 - Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2016

OCCUPATIONAL BAND	MALE				FEMALE			
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE
Top Management (Level 15-16)	3	0	1	1	1	0	0	1
Senior Management (Level 13-14)	53	12	2	11	32	2	6	20
Educators and Middle Managers (Level 9-12)	998	287	98	435	832	231	35	532
Skilled and academically qualified workers (Level 6-8)	4 872	358	133	343	5 595	419	147	852
Semi-skilled and discretionary decision making (Level 3-5)	2 557	166	17	46	5 888	310	29	110
Unskilled and defined decision making (Level 1-2)	1 277	62	2	15	1 391	82	1	8
Total	9 760	885	253	851	13 739	1 044	218	1 523
Employees with disabilities	19	3	0	6	16	0	1	6
								51

Table 6.3 - Recruitment for the period 1 April 2015 to 31 March 2016

OCCUPATIONAL BAND	MALE				FEMALE			
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE
Top Management (Level 15-16)	1	0	0	0	0	0	0	0
Senior Management (Level 13-14)	7	1	0	0	2	1	0	2
Educators and Middle Managers (Level 9-12)	96	6	4	29	67	5	2	58
Skilled and academically qualified workers (Level 6-8)	805	20	18	55	814	25	24	122
Semi-skilled and discretionary decision making (Level 3-5)	731	30	4	28	779	35	4	29
Unskilled and defined decision making (Level 1-2)	173	9	0	4	468	10	0	1
Total	1 813	66	26	116	2 130	76	30	212
Employees with disabilities	19	3	0	6	16	0	1	6
								51

Table 6.4 - Promotions for the period 1 April 2015 to 31 March 2016

OCCUPATIONAL BAND	MALE				FEMALE			
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE
Top Management (Level 15-16)	1	0	0	0	0	0	0	1
Senior Management (Level 13-14)	31	7	0	7	12	1	4	8
Educators and Middle Managers (Level 9-12)	616	111	47	221	503	71	21	331
Skilled and academically qualified workers (Level 6-8)	2 257	203	78	208	2 402	228	78	520
Semi-skilled and discretionary decision making (Level 3-5)	1 048	64	10	18	3 659	100	18	70
Unskilled and defined decision making (Level 1-2)	342	25	0	4	358	23	0	1
Contract	254	128	3	24	471	267	4	55
Total	4 549	538	138	482	7 405	690	125	986
Employees with disabilities	19	3	0	6	16	0	1	6
								51

Table 6.5 - Terminations for the period 1 April 2015 to 31 March 2016

OCCUPATIONAL BAND	MALE					FEMALE				
	AFRICAN	COLOURED	INDIAN	WHITE		AFRICAN	COLOURED	INDIAN	WHITE	TOTAL
Top Management (Level 15-16)	0	0	0	0		1	0	0	0	1
Senior Management (Level 13-14)	2	0	1	0		2	0	0	1	6
Educators and Middle Managers (Level 9-12)	43	13	1	42		29	4	3	32	167
Skilled and academically qualified workers (Level 6-8)	222	28	5	30		135	17	7	50	494
Semi-skilled and discretionary decision making (Level 3-5)	132	6	0	3		539	6	1	2	689
Unskilled and defined decision making (Level 1-2)	21	0	0	0		9	2	0	0	32
Contract	123	10	1	12		186	7	1	8	348
Total	543	57	8	87		901	36	12	93	1 737
Employees with disabilities	3	0	0	0		1	0	0	0	4

Table 6.6 - Disciplinary action for the period 1 April 2015 to 31 March 2016

TYPE OF DISCIPLINARY ACTION	MALE					FEMALE				
	AFRICAN	COLOURED	INDIAN	WHITE		AFRICAN	COLOURED	INDIAN	WHITE	TOTAL
Final written warning	0	0	0	0		0	0	0	0	0
Suspension with pay	6	0	0	0		2	0	0	0	8
Dismissal	5	0	0	0		1	0	0	1	7
Total	11	0	0	0		3	0	0	1	15

Table 6.7 - Skills development for the period 1 April 2015 to 31 March 2016

OCCUPATIONAL CATEGORY	MALE				FEMALE			
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE
Senior Managers (Level 13-16)	70	9	1	15	73	4	4	14
Educators and Middle Managers (Level 9-12)	135	5	10	19	226	2	8	14
Officers and Clerks (Level 4-8)	177	5	5	6	329	4	13	33
Elementary occupations (Cleaners, Messengers, Food Services Aids, Security, Interns) (Level 1-3)	87	2	0	1	71	0	0	0
Total	469	21	16	41	699	10	25	61
Employees with disabilities	1		1			2		2

7 – Signing of Performance Agreements by SMS Members

The following tables indicate the numbers and percentages of SMS members who signed performance agreements as on 31 July 2015 (Table 7.1), reasons for not having concluded performance agreements (Table 7.2) and disciplinary steps taken against SMS members for not having concluded performance agreements (Table 7.3).

Table 7.1 - Signing of performance agreements by SMS members as on 31 July 2015

SMS LEVEL	TOTAL NUMBER OF FUNDED SMS POSTS PER LEVEL	TOTAL NUMBER OF SMS MEMBERS PER LEVEL	TOTAL NUMBER OF SIGNED PERFORMANCE AGREEMENTS PER LEVEL	SIGNED PERFORMANCE AGREEMENTS AS % OF TOTAL NUMBER OF SMS MEMBERS PER LEVEL
Director-General (Level 16)	1	1	1	100
Deputy Director-General (Level 15)	6	3	3	100
Chief Director (Level 14)	25	25	16	64
Director (Level 13)	114	114	81	71
Total	146	143	101	69

Table 7.2 - Reasons for not having concluded performance agreements for all SMS members as on 31 July 2015

Some of the members are newly appointed and must sign a performance agreement within 3 Months from the date of appointment

Table 7.3 - Disciplinary steps taken against SMS members for not having concluded performance agreements as on 31 July 2015

None

8 – Performance Rewards

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability (Table 8.1), salary bands (Table 8.2) and critical occupations (Table 8.3).

Table 8.1 - Performance rewards by race, gender, and disability, 1 April 2015 to 31 March 2016

RACE	BENEFICIARY PROFILE		COST	
	NUMBER OF BENEFICIARIES	TOTAL NUMBER OF EMPLOYEES IN GROUP	% OF TOTAL WITHIN GROUP	AVERAGE COST PER EMPLOYEE
African				
Male	197	9 890	1.99	12 042
Female	172	13 307	1.29	14 186
Indian				
Male	5	322	1.55	18 083
Female	4	313	1.28	47 683
Coloured				
Male	6	865	0.69	16 578
Female	9	1 120	0.80	27 188
White				
Male	52	946	5.50	19 264
Female	29	1 461	1.98	30 148
Employees with Disability	7	49	14.29	11 630
Total	481	28 273	1.70	15 374

Table 8.2 - Performance rewards by salary bands for personnel below Senior Management Service, 1 April 2015 to 31 March 2016

SALARY BAND	BENEFICIARY PROFILE				COST		
	TOTAL PERSONNEL EXPENDITURE FOR LEVEL (R'000)	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN SALARY BANDS	TOTAL COST (R'000)	AVERAGE COST PER EMPLOYEE (R'000)	TOTAL COST AS A % OF THE TOTAL PERSONNEL EXPENDITURE
Lower skilled (Levels 1-2)	140 772	15	1 238	1.2	55	4	0.04
Skilled (Levels 3-5)	767 244	80	7 309	1.1	413	5	0.05
Highly skilled production (Levels 6-8)	2 722 717	173	10 527	1.6	1 664	10	0.35
Highly skilled supervision (Levels 9-12)	1 216 205	156	2 647	5.9	2 957	20	1.64
Total	4 846 938	424	21 721	9.8	5 089	39	0.10

Table 8.3 - Performance related rewards (cash bonus), by salary band, for Senior Management Service 1 April 2015 to 31 March 2016

Note: This task has not been finalised for the 2015/16 assessment year and only the following figures are currently available.

SALARY BAND	BENEFICIARY PROFILE				COST		
	TOTAL PERSONNEL EXPENDITURE FOR LEVEL (R'000)	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN BAND	TOTAL COST (R'000)	AVERAGE COST PER EMPLOYEE	TOTAL COST AS A % OF THE TOTAL PERSONNEL EXPENDITURE
(Level 13-16)	97 067	38	122	31.1	1 873	49	1.93
Total	97 067	38	122	31.1	1 873	49	1.93

9 – Foreign Workers

The tables below summarise the employment of foreign nationals in the Department in terms of salary bands and by major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

Table 9.1 - Foreign workers, 1 April 2015 to 31 March 2016, by salary band

SALARY BAND	1 APRIL 2015		31 MARCH 2016		CHANGE	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL	NUMBER	% CHANGE
Total	1	100.00	760	100.00	759	99.8

Table 9.2 - Foreign workers, 1 April 2015 to 31 March 2016, by major occupation

MAJOR OCCUPATION	1 APRIL 2015		31 MARCH 2016		CHANGE	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL	NUMBER	% CHANGE
Educators	1	100.00	760	100.00	759	0.00
Total	1	100.00	760	100.00	759	99.8%

10 – Leave utilisation for the period 1 January 2015 to 31 December 2015

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 10.1) and disability leave (Table 10.2). In both cases, the estimated cost of the leave is also provided.

Table 10.1 - Sick leave, 1 January 2015 to 31 December 2015

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 skilled (Levels 1-2)	3 407	65.15	713	4.75	5	1 358
Skilled (Levels 3-5)	8 423	74	1 679	11.15	5	5 209
Highly skilled production (Levels 6-8)	18 890	69.45	3 916	26.05	5	20 043
Highly skilled supervision (Levels 9-12)	5 984	73	1 130	7.5	5	11 665
Senior Management (Levels 13-16)	481	80.7	77	0.5	6	1 690
Other	9	77.8	2	0	5	28
Total	37 194	73.3	7 517	100.00	5	39 993

Table 10.2 - Disability leave (temporary and permanent), 1 January 2015 to 31 December 2015

SALARY BAND	TOTAL DAYS TAKEN	% DAYS WITH MEDICAL CERTIFICATION	NUMBER OF EMPLOYEES USING DISABILITY LEAVE	% OF TOTAL EMPLOYEES USING DISABILITY LEAVE	AVERAGE DAYS PER EMPLOYEE	ESTIMATED COST (R'000)
Lower skilled (Levels 1-2)	158	100.00	5	3.1	32	67
Skilled (Levels 3-5)	997	100.00	36	22.3	28	578
Highly skilled production (Levels 6-8)	2 025	100.00	75	46.6	27	2 185
Highly skilled supervision (Levels 9-12)	1 740	100.00	44	27.3	40	3 538
Senior Management (Levels 13-16)	12	100.00	1	0.6	12	39
Total	4 932	100	161	100.00	31	6 407

Table 10.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 10.3 - Annual leave, 1 January 2015 to 31 December 2015

SALARY BAND	TOTAL DAYS TAKEN	AVERAGE PER EMPLOYEE	NUMBER OF EMPLOYEES WHO TOOK LEAVE
Lower skilled (Levels 1-2)	23 389	26	1 617
Skilled (Levels 3-5)	51 457.09	29	3 293
Highly skilled production (Levels 6-8)	34 851.42	32	1 970
Highly skilled supervision (Levels 9-12)	19 186	33	1 091
Senior Management (Levels 13-16)	2 640	34	134
Other	66	11	7
Total	131 589.51	16	8 112

Table 10.4 - Capped leave, 1 January 2015 to 31 December 2015

SALARY BAND	TOTAL DAYS OF CAPPED LEAVE TAKEN	NUMBER OF EMPLOYEES WHO TOOK CAPPED LEAVE	AVERAGE NUMBER OF DAYS TAKEN PER EMPLOYEE	AVERAGE CAPPED LEAVE PER EMPLOYEE AS ON 31 DECEMBER 2015
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	79	11	7	32 743
Highly skilled production (Levels 6-8)	224	29	8	36 955
Highly skilled supervision (Levels 9-12)	346	35	10	32 088
Senior Management (Levels 13-16)	2	1	2	3 720
Total	651	76	9	105 506

Table 10.5 - Leave payouts for the period 1 April 2015 to 31 March 2016

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

REASON	TOTAL AMOUNT (R'000)	NUMBER OF EMPLOYEES	AVERAGE PAYMENT PER EMPLOYEE
Leave payout due to non-utilisation of leave and termination of service	0	0	0
Capped leave payout on termination of service	45	5	9
Total	45	5	9

11 – HIV/Aids and Health Promotion Programmes

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

UNITS/CATEGORIES OF EMPLOYEES IDENTIFIED TO BE AT HIGH RISK OF CONTRACTING HIV AND RELATED DISEASES (IF ANY)	KEY STEPS TAKEN TO REDUCE THE RISK
None	Education awareness and prevention programmes
	Distribution of universal precautions
	First aid kits installed on all floors of the building and the wellness center has 4 first aid kits for sporadic injuries and it is used by sports officials when training or playing games
	Condom distribution is done on a monthly basis

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

QUESTION	YES	NO	DETAILS, IF YES
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Mr J Slater
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 Assistant Director 1 Practitioner 4 Senior Administration Clerks 1 Intern
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 task related and personal problems
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		The HIV/Aids Committee and each branch is represented
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		Leave policy Wellness policy Recruitment HIV/Aids, STI&TB 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 and TB management policy HCT campaigns Condom distribution, males and females
7. Does the Department encourage its employees to undergo Voluntary Counseling and Testing? If so, list the results that you have achieved.	X		Through the HCT campaign the officials undergo pre-and post-testing counseling. The uptake for the four quarters was 632, with those tested for HIV comprising 408 and reflecting a positivity rate of 3.8%.
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		Training in First Aid programmes Distribution of condoms Protective gloves distribution Awareness campaign Information sessions Introduced wellness programmes i.e soccer, netball and aerobics

12 – Labour Relations

The following collective agreements were entered into with trade unions within the Department:

Table 12.1 - Collective agreements, 1 April 2015 to 31 March 2016

SUBJECT MATTER	DATE
None	-

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

Table 12.2 - Misconduct and disciplinary hearings finalised, 1 April 2015 to 31 March 2016

OUTCOME OF DISCIPLINARY HEARINGS	NUMBER	% OF TOTAL
Correctional counselling	14	23.33
Verbal warning	0	0.00
Written warning	16	26.67
Final written warning	16	26.67
Suspended without pay	2	3.33
Fine	2	3.33
Demotion	0	0.00
Dismissal	5	8.33
Not guilty	3	5.00
Case withdrawn	2	3.33
Total	60	

Table 12.3 - Types of misconduct addressed at disciplinary hearings for the period 1 April 2015 to 31 March 2016

TYPE OF MISCONDUCT	NUMBER	% OF TOTAL
Mismanagement of funds	0	0.00
Negligently cause loss of state property	3	100.00
Total	3	100.00

Table 12.4 - Grievances lodged for the period 1 April 2015 to 31 March 2016

	NUMBER	% OF TOTAL
Number of grievances resolved	4	36.36
Number of grievances not resolved	7	63.64
Total number of grievances lodged	11	100.00

Table 12.5 - Disputes lodged with Councils for the period 1 April 2015 to 31 March 2016

	NUMBER	% OF TOTAL
Number of disputes upheld	0	0.00
Number of disputes dismissed	3	37.50
Number of dispute outstanding	5	62.50
Total number of disputes lodged	8	100.00

Table 12.6 - Strike actions for the period 1 April 2015 to 31 March 2016

Total number of person working days lost	None
Total cost (R'000) of working days lost	None
Amount (R'000) recovered as a result of no work no pay	None

Table 12.7 - Precautionary suspensions for the period 1 April 2015 to 31 March 2016

Number of people suspended	8
Number of people whose suspension exceeded 30 days	8
Average number of days suspended	337.5
Cost (R'000) of suspensions	4 166

13 – Skills Development

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

Table 13.1 - Training needs identified 1 April 2015 to 31 March 2016

OCCUPATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2015	TRAINING NEEDS IDENTIFIED AT START OF REPORTING PERIOD			
			NUMBER OF EMPLOYEES IDENTIFIED FOR TRAINING	SKILLS PROGRAMMES AND OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL NUMBER OF COURSES
Senior Managers (Level 13–16)	Female	94	53	- Policy Development and Implementation - Advanced Project Management - Occupational Health and Safety - Electronic Editing - Compliance Risk Management - Mentoring and Coaching - Public Finance Management Act - Finance for Non-Financial Managers - Monitoring and Evaluation - Advanced Management Development Programme - Curriculum Design and Development	Wamkelekile	11
	Male	95	42			

OCCUPATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2015	TRAINING NEEDS IDENTIFIED AT START OF REPORTING PERIOD			
			NUMBER OF EMPLOYEES IDENTIFIED FOR TRAINING	SKILLS PROGRAMMES AND OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL NUMBER OF COURSES
Educators and Middle Managers (Level 9-12)	Female	235	85	- Office Administration and Management - MS Office 2013 - Supervisory Skills - Emerging Management Development Programme - Business Report Writing - Assessor/ Moderator - Curriculum Design and Development - Radio Presenting and Voice Training - SCOA and ERF for Budget Practitioners - Project Management - Policy Development and Implementation - Public Finance Management Act - Monitoring and Evaluation		13
	Male	169	35			
Officers, Clerks and Machine Operators (Level 3-8)	Female	382	48	- Office Administration and Management - Business Report Writing - MS Office 2013 - Project Management - Occupational Health and Safety - Public Finance Management Act - Monitoring and Evaluation		7
	Male	193	24			

OCCUPATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2015	TRAINING NEEDS IDENTIFIED AT START OF REPORTING PERIOD			
			NUMBER OF EMPLOYEES IDENTIFIED FOR TRAINING	SKILLS PROGRAMMES AND OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL NUMBER OF COURSES
Elementary occupations (Cleaners, Messengers, Food services Aids, Security, Interns) (Level 1-2)	Female	71	0			
	Male	90	0			
Sub Total	Female	782	186			31
	Male	574	101			
Total		1 356	289			31

Table 13.2 - Training provided 1 April 2015 to 31 March 2016

OCCUPATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2015	TRAINING PROVIDED WITHIN THE REPORTING PERIOD			
			NUMBER OF EMPLOYEES IDENTIFIED FOR TRAINING	SKILLS PROGRAMMES AND OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
Senior Managers (Level 13-16)	Female	94	16	- Advanced Presentation Skills - English for Professional Development - Disability Management - Finance for Non-Financial Management - Strategic Planning and Management - Public Finance Management Act - Mentoring and Coaching	Wamkeleke	8
	Male	95	6			

OCCUPATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2015	TRAINING PROVIDED WITHIN THE REPORTING PERIOD			
			NUMBER OF EMPLOYEES IDENTIFIED FOR TRAINING	SKILLS PROGRAMMES AND OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
Educators and Middle Managers (Level 9-12)	Female	235	42	- Advanced Presentation Skills - Public Relations Writing - Basic Project Management - Disability Management - Finance for Non-Financial Managers - Training of Trainers Programme - Supervisory Skills - Strategic Planning and Management - Business Report Writing - Public Finance Management Act - Mentoring and Coaching		11
	Male	169	18			
Officers, Clerks and Machine Operators (Level 3-8)	Female	382	78	- Advanced Presentation Skills - Basic Project Management - Disability Management - Finance for Non-Financial Managers - Training of Trainers Supervisory Skills - Excellent Customer Care - Business Report Writing - Public Finance Management Act - Mentoring and Coaching		9
	Male	193	36			
Elementary occupations (Cleaners, Messengers, Food Services Aids, Security, Interns) (Level 1-2)	Female	71	3	- Basic Project Management - Excellent Customer Care - Business Report Writing - Disability Management		4
	Male	90	6			

OCCUPATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2015	TRAINING PROVIDED WITHIN THE REPORTING PERIOD			
			NUMBER OF EMPLOYEES IDENTIFIED FOR TRAINING	SKILLS PROGRAMMES AND OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
Sub total	Female	800	139			32
	Male	547	66			
Total		1 347	205			32

14 – Injury on duty

The following table provides basic information on injuries on duty.

Table 14.1 - Injury on duty, 1 April 2015 to 31 March 2016

NATURE OF INJURY ON DUTY	NUMBER	% OF TOTAL
Required basic medical attention only	0	0.00
Temporary Total Disablement	0	0.00
Permanent Disablement	0	0.00
Fatal	0	0.00
Total	0	0.00

15 – Utilisation of Consultants

Table 15.1 - Report on consultant appointments using appropriated funds for the period 1 April 2015 to 31 March 2016

Note: In cases where companies were granted the tender, the number of consultants and duration of work days spent on the tasks is unknown and is indicated as unknown in the following tables.

PROJECT TITLE/ DESCRIPTION OF TASK	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION: WORK DAYS	CONTRACT VALUE IN RAND R
DHET049: Appointment of a service provider to develop a costing model and verify Further Education and Training (FET) College programme costs	PricewaterhouseCoopers Incorporated Team of 12 Consultants	17/11/2014 – 16/03/2015	2 999 956.68
DHET051: Appointment of service provider to manage funds for the National Skills Authority on behalf of the Department of Higher Education	SAB & T Chartered Accountants Incorporated t/a Nexia SAB & T Team of 9 Consultants	3 years with an option to shorten to 2 years.	Management fee of 5.69%. Annual estimate 30 000 000.00
DHET054: Management of funds for the National Institute for Humanities and Social Sciences (IHSS) on behalf of DHET	Deloitte Consulting (Pty) Ltd Team of 10 Consultants	01/10/2014 – date of reporting after event.	3 495 335.76
Consultant to render communications and marketing services	Ms Angela Church Team of 4 Consultants	January 2015 December 2015 (12 Months)	2 443 558.00
Appointment of two individual consultants to assist CD: National Examination and Assessments with editing of scripts	(2 Consultants) Ms J Coetzee Mr DBN Boshoff	Jan 15 - Dec 2015 Jan 15 - Dec 2015	445 299.00 445 299.00

Table 15.2 - Report on consultant appointments using Donor funds

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION: WORK DAYS	DONOR AND CONTRACT VALUE IN RAND (R,000)
Single Source: Appointment of a service provider to support services for the Career Development website	Private Label Web Solution (Pty) Ltd 1 Consultant	01/10/2014 – 30/09/2016	355 200.00
DHET057: Development of a Business case for the establishment of Career Development and Central Applications Service (CD & CAS) institutional mechanism	Learning Strategies (Pty) Ltd Team of 5 Consultants	Ending 30/06/2015	497 040.00

Table 15.3 - Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs)

PROJECT TITLE	PERCENTAGE OWNERSHIP BY HDI GROUPS	PERCENTAGE MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT
DHET057: Development of a Business case for the establishment of Career Development and Central Applications Service (CD & CAS) institutional mechanism	26%	26%	4
Single Source: Appointment of a service provider to support services for the Career Development website	100%	100%	1

16 – Employee initiated severance packages

The Minister for the Public Service and Administration (MPSA) in terms of section 3(3)(c) of the Public Service Act, 1994, as amended, has with effect from 1 January 2006 issued a determination on the introduction of an Employee Initiated Severance Package (EISP) for employees. The procedure relevant to the granting of an EISP to an employee entails that the comments of the MPSA must first be obtained before departments make a final decision in this regard.

The following table provides information in respect of EISP granted during the period 1 April 2015 to 31 March 2016.

Table 16.1 - Granting of employee initiated severance packages, 1 April 2015 to 31 March 2016

SALARY BAND	NUMBER OF APPLICATIONS RECEIVED	NUMBER OF APPLICATIONS REFERRED TO THE MPSA	NUMBER OF APPLICATIONS SUPPORTED BY MPSA	NUMBER OF PACKAGES APPROVED BY DEPARTMENT
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior Management (Levels 13-16)	0	0	0	0
Total	0	0	0	0

PART E

FINANCIAL INFORMATION



The Minister, Dr BE Nzimande, MP sharing a lighter moment with students prior to the advent of the 2015/16 Budget Vote address



Managers attending the 2015/16 Budget Vote Media Briefing

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2015/16

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DEPARTMENT OF HIGHER EDUCATION AND TRAINING
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REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2016

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 2015/16 financial year, excluding direct charges, which was included in the Estimates of National Expenditure 2015, increased by 13.5% from R36 866.681 million in 2014/15 to R41 843.955 million. This included R26 243.227 million for Higher Education Institutions (HEIs) and R6 448.551 million for the National Student Financial Aid Scheme (NSFAS) (78.1% of the Department's total budget for 2015/16, compared to 82.2% in 2014/15).

The total expenditure, excluding direct charges, for the 2014/15 financial year, increased by 13.4% from R36 865.521 million in 2014/15 to R41 795.554 million in 2015/16, which represents a spending rate of 99.8% (99.99% in 2014/15). The expenditure was made up as follows (in R'000):

	2014/15	2015/16	Increase/ (Decrease)
Compensation of employees	426 913	7 166 395	6 739 482
Departmental operations	159 481	307 920	148 439
Payments for financial assets (Losses)	-	51 902	51 902
Departmental earmarked funds	43 944	74 930	30 986
Subsidies to HEIs	24 155 093	26 243 110	2 088 017
NSFAS	6 138 832	6 448 551	309 719
Subsidies to public entities	120 864	117 424	(3 440)
Conditional grants to the provinces for TVET colleges	2 631 346	-	(2 631 346)
Subsidies to TVET colleges	3 185 827	1 262 521	(1 923 306)
Subsidies to CET colleges	-	91 758	91 758
Other transfers	3 221	31 043	27 822
Total expenditure	36 865 521	41 795 554	4 930 033

The surplus on the vote for the financial year, excluding direct charges, amounted to R84.584 million (R1.160 million in 2014/15) and was made up as follows (in R'000):

	2014/15	2015/16
Compensation of employees	902	79 211
Departmental operations	85	3 452
Departmental earmarked funds	1	26
Subsidies to HEIs	-	117
Subsidies to CET colleges	-	712
Other transfers	172	1 066
Total savings	1 160	84 584

An increase in the projected collection of the skills development levy resulted in an increase of R1 110 million in the

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allocation in respect of Direct Charges from R14 690 million to R15 800 million in the Adjusted Estimates for 2015/16. Based on the actual collection of levies, the total expenditure on direct charges in the 2015/16 financial year amounted to R15 156.433 million (R13 838.798 million in 2014/15) and was made up as follows (in R'000):

	2014/15	2015/16
Sector Education and Training Authorities (SETAs)	11 071 024	12 125 894
National Skills Fund	2 767 774	3 030 539
Total expenditure	13 838 798	15 156 433

Important policy decisions and strategic issues

Various policy decisions and strategic issues unfolded during the year under review. A substantial effort was made regarding the Technical and Vocational Education and Training (TVET) and Adult Education and Training (now called Community Education and Training (CET)) function shift process from the provincial sphere of Government to the Department. The final shifting of the functions together with the applicable staff and funding took place on 1 April 2015. The function shift drastically changed the labour profile of the Department with the addition of approximately 37 000 staff members on the establishment of the Department.

The process for the National Plan for Post-School Education and Training (NP-PSET) aligned to the White Paper for Post-School Education and Training has started with the appointment of three task teams, one each for higher education, TVET and CET. The draft NP-PSET will be developed during the 2016/17 financial year.

A Policy Framework for the Realisation of Social Inclusion in the PSET system was developed and submitted to the CHE for endorsement. Policy and guidelines on Articulation was developed and published for public comments. In addition, a draft Strategic Disability Policy Framework for Post-School Education and Training (PSET) was developed and approved.

The Department published a policy standard on approval to conduct research in public colleges. This Standard stipulates the processes that need to be followed by researchers and research organisations when research is to be undertaken in public TVET colleges and public CET colleges. An internal standard on the publication of commissioned research reports was also published. This standard provides the format for the publication of commissioned research reports. It serves to ensure that research reports commissioned by the Department reflect minimum requirements when they are published.

Policy decisions also included the development and implementation of the Higher Education and Training Management Information System (HETMIS) and the Technical and Vocational Education and Training Management Information System (TVETMIS). Additionally the following sub-systems that support the overall vision of HETMIS have been developed: SurveyHub (an integrated online system that allows the Department to collect non-unit record data from stakeholders), OFO Register (an online register for maintenance of the OFO) and WIL (an online application that allows both students and employees to capture their requirements in regard to work based placements).

The Department published its first national List of Occupations in High Demand in 2014. The list was updated in 2015 and published on 19 January 2016. The Occupations in High Demand refer to those occupations that are in shortage and those that are growing in the labour market. The primary purpose of the List of Occupations in High Demand is to support planning in the Post-School Education and Training system, particularly in relation to enrolment planning,

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resource allocations, career advice and qualifications development. A decision was also taken that the annual report on skills supply and demand be published on a yearly basis as skills are volatile and depended upon the movements and changes in the economy on a macro level.

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

- The appointment of the National Institute for Humanities and Social Sciences (NIHSS) as the permanent home of the South African BRICS Think Tank (SABTT). The SABTT will lead South Africa's engagement in the BRICS Think Tanks Council (BTTC) and coordinate South Africa's participation in the BRICS Academic forums in the future. Draft amended regulations were published for public comment to include the SABTT in the NIHSS' remit;
- The reviewed Higher Education Act (Act 101 of 1997), as amended, was approved by the Minister and submitted into the 2015 legislative programme in November 2015. The Higher Education Amendment Bill 2015 suggests some significant changes that will enable better differentiation of the higher education sector and its integration into the Post-School Education and Training system in line with the policy directions in the 2013 White Paper. The Bill provides for the Minister, after due consultation, to set policy on transformation for the sector, provides for better integration of Private Higher Education, and introduces three institutional types; universities, university colleges and higher education colleges;
- The modeling of the recommendations of the Ministerial Report on the Funding of Universities was completed by a Technical Team and Reference Group and a draft revised funding framework was approved by the Minister for submission to Cabinet before it is published in the Government Gazette for public comment; and
- The Minister approved the enterprise architecture for the development of the Central Applications Service (CAS). A draft policy for the CAS was developed and an intensive consultation process on the architecture and policy is being undertaken.

Important strategic issues in the university education sector include the following:

- The Staffing South Africa's Universities Framework (SSAUF) – a transformative, comprehensive approach to building capacity and developing future generations of academics was launched and the first phase of implementation began. The framework identifies six components: the Nurturing Emerging Scholars Programme (NESP); the New Generation of Academics Programme (nGAP); the Existing Academics Capacity Enhancement Programme (EACEP); the Higher Education Leadership and Management Programme (HELMP); the Staffing South Africa's Universities Development Programme (SSAU-DP); and the Supplementary Staff Employment Programme (SSEP). The implementation started with the nGAP and HELMP programmes. 125 nGAP posts were advertised in May 2015 and by the end of the year 102 had been filled, all with black African South African candidates, of which 55 are women. The 23 remaining posts are at different stages of being filled. Funding for a further 80 posts was identified through reprioritisation and the recruitment processes for these will follow in the next financial year. The HELMP began with the implementation of the Future Leaders Initiative (FLI), whereby 27 candidates from universities across the country were selected to undertake a Doctoral programme in higher education leadership and management through a partnership between the Department, University of Bath, the United Kingdom and Nelson Mandela Metropolitan University;

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- A strategic decision was taken in 2014/15 to change the process for the allocation of Infrastructure and Efficiency funds for the 2015/16 financial year and onwards. Although a draft plan was compiled, the plan was not completed during the financial year. The Department expects to publish it in the 2016/17 financial year. The analysis of the university submissions revealed a major problem with deferred maintenance in the sector. Funds were disbursed to all universities to start dealing with this issue, as well as for selected strategic projects and the development of new student housing;
- The approval of the business plan for a new five-year European Union sector budget support programme, the Teaching and Learning Development Capacity Improvement Programme, which will enable substantial resources to be directed towards strengthening teacher education for a range of sub-sectors over the next five years. In particular this programme will support the development of the capacity of higher education to produce lecturers/teachers for the TVET and CET sectors;
- The inter-departmental Steering Committee and Joint Task Team, to make recommendations on the transfer of Agricultural Colleges from the concurrent responsibility of the Department of Agriculture, Forestry and Fisheries (DAFF) and their provincial counterparts to the Department was established and started its work. It is envisaged that the plan for the function shift will be finalised by March 2017 for implementation in 2018/19;
- A Joint Task Team between the Department and the Department of Public Works was set up to deal with infrastructure development for the Post-School Education and Training Sector, in particular the identification of government properties or buildings that could be utilised for university and TVET student housing;
- The Clinical Training Grant Review commenced. The process, managed through a partnership with the University of Cape Town, involves the Department of Health, National Treasury, Medical Deans, and other relevant stakeholders;
- The President set up a task team to make recommendations on short term university student funding challenges, including issues related to the NSFAS shortfalls and to quantify the financial implications of the agreement for a 0% increase in fees for the 2016 academic year, and to identify the proportion that universities and government would contribute to the funds required. The Task Team, for which the Department acted as secretariat, presented its report to the President on 30 November 2015. Based on the recommendations of the report, it was ensured that the 2016 fees were kept at 2015 levels; and
- Two additional important processes flowed out of the Presidential Task Team recommendations and have been put into action.
  - Firstly, a process for developing a funding mechanism to deal with loans for those students that are not considered poor enough to qualify for loans, but are financially needy and cannot afford higher education. A Ministerial Task Team has been set up to develop a model and to test it for the 2017 academic year, with a view to full implementation in the 2018 academic year; and
  - Secondly, a process to put in place a regulatory framework for setting university fees and fee increases into the future. The Minister, after agreement with USAf, requested the Council on Higher Education to set up a team to develop and consult on such a framework, and to provide a recommendation that could be put in place for the 2017 academic year, and beyond.

With regards to Skills Development, the proposal for the New National Skills Development Strategy (NSDS) and Sector Education and Training Authorities (SETAs) landscape within the context of an integrated and differentiated Post-School

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Education and Training system (NSLP-2015) was published for public comment.

During the period under review the SETAs Governance Standards Charter was developed and approved and the Trade Test Regulations were published to provide for a single national artisan trade testing and certification system across all economic sectors.

With regards to Artisan Development, the Artisan Recognition of Prior Learning (ARPL) policy, criteria and guidelines were published to promote and implement ARPL as an active pathway to a full artisan trade occupational qualification in all sectors of the economy, and sets national criteria and guidelines on the practice of ARPL in order to grant access to non-contracted learners to a national trade test both in the formal and informal sectors of the economy.

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

A number of key events critical to the country and its economy took place during the 2015/16 financial year. Activities in the university sector that had a serious impact on the functioning of the Department included the “#fees must fall” campaign and the no fee increase campaign.

The 2015 Career Development Festival took place from Wednesday, 15 July 2015 to Friday, 17 July 2015 at the Umfolozi Technical and Vocational Education and Training (TVET) College (Esikhawini Campus) in Richards Bay, KwaZulu-Natal with the main celebrations at the University of Zululand (KwaDlangezwa Campus) on Saturday, 18 July 2015 hosted by the Minister. The festival was attended by 4 942 learners as well as 4 473 students and NEET youth.

A Research Colloquium on Workplace-Based Learning took place from 22 to 23 October 2015. The event was organised in partnership with SETAs.

On the International front, support was provided to the Minister for working visits to Angola, London, Switzerland, South Korea, Germany, China and Cuba and to the Deputy Minister for working visits to Sweden, Brazil and China. The Department undertook working visits to the United Kingdom, Ireland, Belgium, United States of America, Russia, Italy, Austria and France. The Department was represented in the BRICS Ministerial and Senior Officials meeting in Russia; the UNESCO General Conference in Paris, France; Education Policy Committee meeting of the OECD; the International Labour Organisation Conference in Switzerland; the World Education Forum meeting in South Korea and SADC meeting on the Recognition of Prior Learning and hosted the SADC technical committee meeting on higher education. The Department also participated at the First Ordinary Session of the Specialised Technical Committee on Education, Science and Technology in Ethiopia and an inter-departmental meeting to prepare for the AU 2016 summit. Delegations from China, Germany, Canada, Cameroon, Romania, Russia, Japan, France, the United Kingdom and the Norwegian Parliamentary Standing Committee were hosted by the Department. An agreement on higher education cooperation between South Africa and Angola was signed. The Action Plan on Human Resource Development was signed between China and South Africa during the Forum on China/Africa Cooperation. Agreements that are under consideration include, China, Malaysia, Hungary, India, Poland, France, Romania, Namibia, Iraq, UK, Brazil and Algeria. Furthermore, the Department was represented at bilateral, joint or senior officials meetings with Switzerland, Finland, Sweden, Taiwan, Portugal, Botswana, China and Japan.

Scholarship opportunities have been identified and received as a result of international engagements from China, Russia, Korea, Mauritius, France, India, Thailand, African Union, Ireland, Sweden, Algeria, Iran, Chile and the USA.

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The Department hosted the second meeting of the SADC Technical Committee on Higher Education and Training, Research and Development in 2015. The meeting prepared recommendations to SADC Ministers on the study on cost barriers to access Higher Education and student mobility in the region and developed its action plan based on among others the targeted outputs in the revised Regional Indicative Strategic Development Plan (RISDP) Implementation Framework 2015-2020, in relation to Higher Education, Research and Development.

In November 2015, the Minister, together with his BRICS (Brazil, Russia, India and China) counterparts, signed an agreement on mutual cooperation among member states. The agreement includes areas related to general education, educational policy strategy, TVET colleges and higher education. It also commits the partners to support joint research projects, encourage more collaborative programmes at postgraduate, doctorate and post-doctorate levels as well as the co-publishing of scientific results by BRICS universities. Twelve South African universities are participating in the BRICS Network of Universities, which will serve as the anchor universities for collaboration.

Ten inter-departmental National Qualifications Framework (NQF) Steering Committee meetings were held in the financial year. Key items dealt with which have importance for the PSET system include the following:

- The RPL Coordination Policy;
- The draft Articulation Policy for publication for public comment;
- The Joint Communiqué 1 of 2016, which requires all private providers of qualifications, registered on the Occupational Qualifications Sub-framework to be registered with the Department;
- The SAQA Policy on the evaluation of foreign qualifications, the verification of qualifications and a Cabinet Memorandum dealing with the misrepresentation of qualifications;
- The Addis Convention dealing with continental recognition and harmonisation of higher education qualifications;
- The coordination of a contribution to the proposed three-streams model by the Department of Basic Education;
- The Ministerial Guidelines for SAQA and the three Quality Councils for 2016/17;
- The proposed institute for Mathematics and Science;
- Access for TVET students into higher education programmes and further learning opportunities for students with a NSC pass; and
- Re-initiating discussions regarding the minimum requirements for access into higher education institutions.

During the year under review the Department commenced with a pilot project in the third quarter to automate the reporting on Annual Performance Plan performance information through the procurement of a web-based performance management system. As part of project implementation during 2015/16, the Department embarked upon a process to customise and implement a licensed web-based organisational performance management system. The system is expected to track the implementation of the Strategic Plan and Annual Performance Plan measurable performance targets and indicators of the Department. The solution entailed a Department specific hierarchy built onto the automated system.

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The Department in partnership with the Department of Performance Monitoring and Evaluation undertook a design evaluation of the draft policy on Community Colleges during the 2014/15 financial year. The findings from the evaluation fed into the policy refinement process for the policy on Community Colleges.

Cabinet has approved the use of the Socio-Economic Impact Assessment (SEIAS) as a tool to assess the intended and unintended consequences of new policy, regulations and legislation. An Inter-branch Committee on the SEIAS to provide advice on policy development issues has been established within the Department.

A report on key successes of the Department since its establishment in 2009 was developed and submitted to the Minister. A Work Integrated Learning registration system for learners seeking work integrated learning opportunities and firms wanting to provide work integrated learning, on the internet has been established.

The first draft of the annual report on skills supply and demand was completed and circulated to the peer reviewers. A broad set of comments were received and prompted the need for substantial clarity and revision of the information, as well as the re-construction of the layout of the report.

The Sefako Makgatho Health Sciences University (SMU) was launched as a comprehensive health and allied sciences university. A full Council was established for the University and the new Council appointed an interim Vice-Chancellor from 1 July 2015.

A national consultative workshop to launch the Clinical Training Grant Review was held on 18 June 2015. Two student leadership capacity development workshops were held on 1 and 2 October 2015 for institutions in the coastal provinces (KwaZulu-Natal, Eastern Cape and Western Cape); and on 8 and 9 October 2015 for institutions in the inland provinces (Gauteng, Limpopo, Mpumalanga, Free State, Northern Cape and North-West).

A successful second national higher education transformation summit was held from 15 to 17 October 2015. The main summit output was a Summit Declaration that identified a range of transformation imperatives that must be taken forward with urgency. The Department is incorporating these imperatives in its work as well as in the development of the National Plan for Post-School Education and Training.

A successful workshop on infrastructure was held with universities. The workshop focused on various issues around infrastructure, including the processes for the allocations in 2015/16, the macro infrastructure plan, student housing and the establishment of the Joint Task Team with the Department of Public Works.

The New Universities Project, which oversees the major infrastructure development linked to the expansion of Sol Plaatje University (SPU) and the University of Mpumalanga (UMP), saw both universities opening their doors to their third intake of students in the 2016 academic year, 710 at SPU and 1 329 at UMP. This intake is significantly more than their initial modest intakes of 124 and 140 respectively in 2014. At both institutions this expansion was enabled by a combined investment of R1.6 billion to construct substantial new campuses, representing the first phase of the ten to fifteen year infrastructure development programmes at each institution. New infrastructure to enable further similar expansion for 2017 to the value of R1.260 billion is currently under construction.

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Other major projects performed by the university education sector include the completion of a report by the working group on Community Service for Graduates in South Africa. This report will form the basis for the development of policy on this matter. The Panel on African Languages finalised its report on the Use of African Languages as Mediums of Instruction in Higher Education in South Africa.

Curriculum statements for the National Senior Certificate for Adults were gazetted for public comment. Regulations on the conduct, administration and management of assessments for the National Senior Certificate for Adults were approved by the Minister. The draft policy on minimum admission requirements for entry into higher education institution programmes requiring the NASCA was gazetted for public comment.

The Department revised the national Norms and Standards for Funding TVET colleges as a result of the function shift. The national Norms and Standards for funding CET colleges were also published in 2015. The Minister appointed a Ministerial Committee to review the funding framework for TVET and CET colleges. Major work had already taken place and the final report to the Minister will be presented during the 2016/17 financial year.

The Department delivered nine national examination cycles during 2015/16 of which seven were for the TVET college sector and two for the CET sector. Each of the nine cycles culminated in the resulting of TVET or CET candidates in accordance with the management plans for the conduct of examination cycles for the TVET and CET sectors respectively.

A SETA Panel was appointed to evaluate the Sector Skills Plans, the Strategic Plans, Annual Performance Plans and Annual Reports of the 21 SETAs to present a complete view of the SETA Plans and Reports. The Panel developed a framework for evaluation and reporting which has been approved by the Departmental reference group.

Consultation workshops for the proposed SETA landscape were held in various provinces with various stakeholders.

Significant events in Corporate Services included the following:

- The development of a business processes map between the Department and colleges to determine work allocations and resources required to finalise the regional structures;
- The Department introduced a general security learnership programme and ten interns were enrolled onto this programme in January 2016 in partnership with the SASSETA; and
- The internship programme is one of the flagship programmes of the Department. In total 358 interns were placed from 2011 to date. During the period under review, 140 interns have been placed, 25 have been appointed in permanent positions and 20 have been appointed on contract.

There has been progress in resolving Departmental disciplinary cases and all cases managed were finalised within the 90 day turnaround time. A number of disciplinary cases in 42 colleges remain unresolved.

The visibility and credibility of the Department has grown significantly through events such as the Decade of Artisan Development and the Apply Now! campaigns. Career guidance exhibitions increased in number and both quantity and quality of information made available to learners and stakeholders improved. A Rapid Response Team was established to manage issues in the media environment. These emanated mainly from protests at universities regarding the scrapping of fees, shortages of student accommodation and language policy changes demanded by students. The process assisted

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in identifying negative reporting and rectifying any distortions in the media thereby timeously communicating accurate information and policies of the Department. A Universities Communicators Forum was also established to initiate a much closer working relationship to address areas of common interest and a chat group to ensure the sharing of information.

The Department's Call Centre received 19 805 enquiries to which it responded smoothly and satisfactorily during the period under review. 13 171 Toll free calls were received and resolved from April 2015 to March 2016. Out of 5 121 website enquires received, 5 055 were resolved.

A converged infrastructure which included the installation of IP telephony and Wi-Fi was implemented for the migration of the National Skills Fund (NSF) and the Human Resource Development Council (HRDC) Secretariat to new accommodation. PERSAL was successfully implemented at TVET colleges to ensure proper human resources management.

Spending trends

The under-expenditure of R84.584 million (R1.160 million in 2014/15) on the Department's programmes, measured against the allocations after virement, is as follows, in R'000:

	2014/15		2015/16	
	Under-expenditure	Percentage	Under-expenditure	Percentage
1. Administration	264	0.11%	8 139	2.29%
2. Human Resource Development, Planning and Monitoring Evaluation	828	1.78%	3 230	5.85%
3. University Education	19	0.00%	2 816	0.01%
4. Vocational and Continuing Education and Training	35	0.00%	69 750	0.82%
5. Skills Development	14	0.00%	649	0.53%
Total	1 160	0.00%	84 584	0.20%

The under-expenditure did not impact negatively on the Department's programmes and service delivery. Factors that contributed to under-expenditure included savings realised on funds provided for new posts linked to the function shift that could not be filled as projected due to the large volumes of applications received for these vacant positions, the moratorium placed on the filling of posts in the TVET colleges due to the uncertainty with regards to funds shifted to the Department of Higher Education and Training, posts on the staff establishment of the Department that became vacant during the year and that could not be filled as projected and the concomitant savings that resulted from this, Legal and Legislative fees for claims not received for court cases as projected, administrative costs relating to the shifting of the function such as the provision for PILLAR and courier services that was not claimed as projected, TVET operational costs that did not take place as projected, operational costs relating to the newly established CET colleges as well as cost containment measures put in place to ensure that the Department would not overspend on its budget.

Based on the migration process of the TVET and CET sectors, the Department retained approximately 81% of the total TVET colleges' budget for Compensation of Employees due to the uncertainty of the actual cost emanating from the function shift. The performance assessment of all staff in the TVET colleges for the 2014/15 financial year was not received on time.

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Pay progression for staff moved from provincial education and training departments was not instated in all instances and the Department commenced with a process to address this. This directly contributed to the saving on Compensation of Employees as the subsidy budget only remained with 19% of the total budget.

Expenditure was monitored on a monthly basis, whereby the responsible managers were requested to provide progress reports on projects. The Minister is also informed on a monthly basis of the spending levels in terms of the Public Finance Management Act. The reprioritisation of activities within the objectives of the Department was also considered when necessary.

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

Virement

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

Shifted from	Shifted to	Amount
1: Administration	5: Skills Development	4 561
2: Human Resource Development, Planning and Monitoring Co-ordination	5: Skills Development	3 004
4: Vocational and Continuing Education and Training	5: Skills Development	3 351

The Department effected deliberate savings on various projects in order to address excess expenditure on Compensation of Employees in Programme 5: Skills Development. Treasury approvals, with reference number 9/4/4/4/13 dated 22 December 2015 and 24 March 2016 were obtained to increase transfer payments to TVET colleges for training and skills development projects and to cover a budget shortfall at Vuselela TVET College. Treasury approval, with reference number 9/4/4/4/13 dated 15 January 2016 was obtained to increase the transfer payment to the University of Mpumalanga, the Sol Plaatje University and the University of Witwatersrand for building, maintenance, upgrading of infrastructure and operations at the two universities. The virement was approved in accordance with the Public Finance Management Act and reported to National Treasury and the Minister.

2. Services rendered by the Department

2.1 Services rendered

The Department was in the main responsible for the formulation of national higher education and training policy, and for monitoring and evaluating the implementation of policy. Revenue collected was for services that were rendered on a national basis in respect of TVET college examinations and certificates, the registration of private HEIs as well as revenue generated by the Institute for the National Development of Learnerships, Employment Skills and Labour Assessments (INDLELA) from fees for trade tests, boarding and rentals. The total revenue collected in this regard for the period under review amounted to R5.405 million (R5.183 million in 2014/15).

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2.2 Tariff policy

National Technical Examinations

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

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

Private Technical and Vocational Education and Training (TVET) Colleges

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

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

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Private Higher Education Institutions

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

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

Trade test tariffs

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

2.3 Free services

None

2.4 Inventories

The inventories on hand at year end amounted to R484 285 (R699 929 on 31 March 2015).

3. Capacity constraints

A number of capacity constraints are being experienced by the Department. The TVET and CET function shift brought a huge amount of pressure in the Department particularly for the human resource and finance functions in order to manage the recruitment processes and salary payments for the TVET and CET sectors.

The Department continues to experience funding shortfalls regarding a number of key areas. This makes it difficult to realise the growth requirements within the Post-School Education and Training system in terms of enrolments, infrastructure requirements and student support services. It furthermore has a direct impact on the ability of the Department to manage and perform key operations such as institutional monitoring and evaluation, especially taking into account that the Department is responsible for 112 institutions across the country, with more than 3 000 delivery points.

The Department needs to prioritise the appointment of a Deputy Director-General for the new Community Education and Training programme that will be established with effect from 1 April 2016, as well as a number of other vacant management positions to improve efficiency and effectiveness. There is also a lack of capacity in various components, such as the Recruitment and Selection Unit. Additional staff will need to be appointed to ensure that efficient services are rendered and that targets are met as per the annual performance objectives. Additional training interventions and opportunities need to be created in order to assist staff to improve their performance.

In the Human Resource Development, Planning and Monitoring Coordination Branch, the appointment of contract staff addressed the capacity constraints in Career Development and Open Learning. Capacity is, however, required in various areas such as the National Qualifications Framework, Research, Coordination, Monitoring and Evaluation as well as Legal and Legislative Services. Various posts have been advertised during December 2015 to alleviate the situation.

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Human resource capacity constraints are also experienced in the University Education Branch which impact on the timeous delivery of services and the welfare of the staff. The volatile staffing environment remains a challenge and requires on-going monitoring and attention. While permanent appointments were made for the Deputy Director-General and the Chief Director: Teaching and Learning Development, other critical positions remain vacant. A number of posts were advertised and should be filled during the 2016/17 financial year.

One of the most significant constraints that impacted on the service delivery of the University Education Branch relates to the restricted operational budgets available for all sections to carry out their monitoring and evaluation functions. This had the effect of restricting site visits to institutions to qualitatively monitor the infrastructure development projects at universities as well as the effective use of other earmarked grants. In order to mitigate the challenges linked to this the Director-General approved the project plan for the implementation of the Sector Planning, Monitoring, Evaluation and Support Programme (SPMESP). This is supported through an earmarked grant approved by the Minister and managed in partnership with a selected university to enable a more robust monitoring process and effective oversight of the earmarked grants.

Funding also remains a major constraint with respect to financial aid to students. Although substantial new resources have been made available due to the work of the Presidential Task team and Government's reprioritisation of funds, there are still large numbers of financially needy but academically capable university students that cannot be supported through loans.

The function shift of the CET and TVET colleges from the provincial education departments brought additional administrative functions such as supporting regions with their claims as well as salary queries. The Branch: Vocational and Continuing Education and Training, therefore, experienced severe human resource capacity constraints in various Directorates as well as in the Regional Offices. Directorates in the Branch are currently under-staffed to deal with all the additional work. Some of the funded posts were advertised and will be filled during the new financial year.

Several funded attrition posts in the Chief Directorate: National Examinations and Staff Assessment are in the process of being filled. However, despite these posts, this Chief Directorate remains critically under-staffed, which is compromising service delivery and turnaround times. The examination function also experiences budgetary constraints taking into account the mandate it is expected to deliver on especially with regards to monitoring and quality assurance activities.

Funding and staffing capacity is also a risk in the Skills Development Branch. This is especially experienced in the operational budget for INDLELA, the National Artisan Moderation Body and Work Integrated Learning.

4. Utilisation of donor funds

The Department received new donations totalling R73.400 million in cash from foreign donors during the 2015/16 financial year. Expenditure of R41.040 million was incurred against funds held in the Reconstruction and Development Programme (RDP) Fund. The balance of the funds available to the Department in the RDP Fund, as at 31 March 2016, was R96.138 million.

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Donor funds were mainly used as follows:

European Union

- The Strengthening Foundation Phase Teacher Education Programme has been implemented since 2010/11, as part of the Primary Education Sector Policy Support Programme. The programme is now being closed out, with a close-out report in the final stages of preparation. Key achievements of the Strengthening Foundation Phase Teacher Education Programme include the following: Increasing the number of universities involved in Foundation Phase initial teacher education from 13 to 21; supporting the increase of headcount enrolments in Foundation Phase initial teacher education programmes from 11 891 in 2010 to 21 576 in 2014; provision of scholarships to 213 Bachelor of Education African Language students, 4 Honours, 59 Masters and 53 PhD students in Childhood Education; the seed employment of 21 new primary education academics at universities; enabled the establishment of the South African Journal of Childhood Education (SAJCE), which has now been accredited; enabled the establishment of the South African Research Association for Early Childhood Education (SARAECE) and supported a range of research projects and activities that have produced a vibrant research culture in Foundation Phase teacher education and has thus far resulted in the publication of 120 peer reviewed journal articles and several Master's dissertation and PhD thesis. SARAECE and SAJCE are now self-funding.
- Career Development Services Project: The Department has been mandated by Cabinet to develop the National Career Development Policy across all spheres of Government. During the year under review, a draft policy for career development services and a Competency Framework of Career Development Practitioners were developed. The Competency Framework was published in a Government Gazette during March 2016. 10 Protocols were signed with National Departments and entities. The National Career Development Government Forum was established and has met twice during the year. Of the total allocation of R60 million, R11.703 million was spent on this project during 2015/16.
- Career Development Services Project: This includes the establishment of Career Development Services in the Department. During 2015/16, the Department of Higher Education and Training offered free information, guidance and advice services through its Career Development Helpline which is a multi-platform service through telephone; e-mail (careerhelp@dhet.gov.za); SMS or "Please call me"; Facebook; or Walk-In Centre at 123 Francis Baard Street Pretoria. A total of 30 196 cases were recorded and closed during 2015/16. The Department participated in career information sessions with NEET youth and grade 9 to 12 learners, as part of the school visit programme. Career information sessions are group-based with question and answer sessions and cover amongst others, topics such as: career choice and career pathing, the Post-School Education system and options available, financing studies and applying on time. The Department further participated in career exhibitions targeting learners, including grade 12s across the country. Many of these exhibitions offered the Department the opportunity to introduce Career Development Services and to highlight key career related information that learners must consider. Over 91 000 people were reached through both these interventions. A total of 104 events were recorded that reached 91 668 persons. The following career platforms are operational:
  - All learners have access to career development information on the Careerhelp website, the mobisite (mobi.careerhelp.org.za) or the National Career Advice Portal (NCAP) at <http://ncap.careerhelp.org.za>. The portal provides learners with information on occupations (according to the OFO), related learning pathways, where to study and what to study;

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- The Careerhelp website was visited by 227 310 unique users, with 270 938 sessions and 548 852 page views;
- The Careerhelp mobi-site was visited by 455 399 unique users, with 605 806 sessions and 1 804 734 page views;
- The NCAP website was visited by 41 033 unique users, with 47 937 sessions and 256 394 page views. The NCAP mobi-site was visited by 58 961 unique users, with 52 391 sessions and 268 149 page views; and
- The FaceBook page has 13 444 likes.

Furthermore, 7 blitz campaign events were held and 15 000 Khetha cards were distributed. Khetha radio programmes ran on 10 SABC African languages radio stations including Afrikaans on a weekly basis. Themes were aligned with specific events and timeframes for learners, including grade 12s such as the different options and opportunities in Post-School Education and Training, how to apply in time for access and provide information on available options and career choices. The programme reaches approximately 1.9 million listeners per week. 718 200 Apply Now! Booklets were delivered to 7 182 schools. The Deputy Minister visited 15 schools as part of the Apply Now! Campaign. The Information Hub is functional. Frequently asked questions are updated regularly on the Information Hub from information received from the Helpline. Of the total allocation of R99 million, R29.336 million was spent on this project during 2015/16.

- The European Union also supported a pilot for an enabling environment for the implementation of open learning approaches and to identify workable models of open learning, especially for the areas of adult and youth, and the development of technical and vocational skills using open learning. A concept document, a framework for a flexible model of learning delivery and an implementation strategy were developed and approved by the Minister. The Minister also approved the prototype of learning management system for open learning system that was developed on the Google platform in March 2016. The Business Process Description for the development of the National Open Learning System was completed. Material development for the “National Occupational Certificate for Electricians” and “Online Diagnostic Tests and Preparation Programme for South African TVET college students” that can be offered through open learning has been identified to be piloted. Of the total allocation of R51.860 million, no spending was incurred on this project during 2015/16.
- European Union – SA Dialogue facility: Funds were used for research, two international study visits and two stakeholder workshops. The focus was skills planning.
- Open Learning System for Post School Education and Training – Of the total allocation of R18.8 million, no spending was incurred on this project during 2015/16.

Royal Danish government

- The Royal Danish Government support was received for the Education and Skills Development programme in South Africa. The purpose of this project is to identify, implement, and strengthen good practices in the support services provided to students in selected TVET colleges. In respect of academic and exit support the project has delivered the following outputs:
  - Level 2 Maths and English Workbooks and Study Guides;
  - Training models for peer tutors and potential new lecturers;

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- Developed digital book discs;
- Use of CAMI and Learnscapes software;
- Use of model games in remediation;
- The Job Portal; and
- Students workbooks, logbooks and portfolios of evidence for WBE.

In addition to the specific project outputs from the various college projects, Danida SESD III also provided the following overarching outputs:

- Work Integrated Learning guidebook;
- Work readiness booklet;
- Highlights and innovations booklet;
- Appointment of graduates as Academic Support Assistants and Lecturer Support Assistants in the college;
- Training of graduates in an occupationally directed Education Training and Development Practices Sector Education and Training Authority qualification;
- Development of remediation material in National Certificate Vocational (NCV) subjects of Engineering, Information and Communications Technology (ICT), Mathematics and Mathematical literacy;
- A pilot on Technology-Based Student Support services;
- A pilot on tutor development model in different TVET colleges;
- A pilot on instructional coaching and mentoring for improved instructional practice, improved students learning, students profiling and collaborative teaching;
- Training of staff in project and database management;
- Development of an electronic library of academic support material accessible through a web portal; and
- Provision of Web Based Exposure for Level 3 and 4 students.

Funds are allocated directly to these TVET colleges. A total amount of R27.8 million was spent on this project during 2015/16.

Chinese Government

- The Chinese Government offered 2 000 training opportunities to South Africa for the period 2015 to 2020; and
- The Chinese Government also contributed to the development of designs and plans for the refurbishment of four TVET colleges to the amount of R479 million.

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5. Public entities

As at 31 March 2016, 26 public entities reported to the Minister of Higher Education and Training, namely:

5.1 Council on Higher Education (CHE)

The CHE is an independent statutory body, established in terms of the Higher Education Act, 1997 to advise the Minister of Higher Education and Training, monitor trends in the higher education system and assure and promote the quality of higher education. The passing of the Higher Education Amendment Act, 2008 and the National Qualifications Framework Act, 2009 signified a significant change for the Council, from its function as an advisory body, to a quality council for higher education. This mandates the CHE to audit higher education institutions, accredit programmes offered, development of the higher education qualifications framework and set standards. An amount of R40.819 million was transferred to the CHE in the 2015/16 financial year.

During 2015/16 the following strategic objectives were executed by the CHE:

- Advice requested by the Minister:
  - Provided comments to the Minister on the draft Policy on Social Inclusion; and
  - Provided comments on the amended regulations for the registration of private higher education institutions.
- Monitoring the state of higher education whereby The *VitalStats* 2013 publication is being distributed to institutions;
- Research projects/publications:
  - The Review of the State of Higher Education 1994-2014 has been published;
  - A reflection of South African University Leaders on academic leadership was published; and
  - An unplanned issue in the Kagisano series was published based on the proceedings of a colloquium on student funding, in view of the pressing relevance to the sector.
- Higher Education Qualifications Sub-Framework - 100% of programmes submitted by institutions for alignment with the HEQSF were processed;
- Standards Development - The standards development framework was published and four national standards were developed;
- Database of learner achievements - 82% of private providers submitted learner records/achievements for inclusion in the HEQCIS database;
- Auditing institutional quality assurance mechanisms:
  - 100% monitoring of all institutions and progress reports linked to institutional improvement plans received;
  - It is anticipated that the first cycle of institutional audit improvement plans will be completed by the end of 2016;
  - 21 submissions of institutional reports on the Quality Enhancement Project (QEP) focus areas have been received;

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- The content analysis of the Baseline Institutional Submissions for Phase 1 of the Quality Enhancement Project was published; and
- Five workshops for institutions to discuss the synthesised reports of baseline data linked to the QEP focus areas were held.
- Institutional programme accreditation and re-accreditation:
  - 76% of new accredited programmes with an approved HEQC outcome were finalised within 6 months of screening;
  - 65% of re-accredited programmes with an approved HEQC outcome tabled within 18 months of screening were finalised;
  - 75% of site visits with an HEQC outcome were finalised; and
  - Four training workshops were held.
- National Standards and Reviews - The finalisation of a national report on Bachelor of Social Work programmes is still to be presented to National Reviews Committee and the HEQC for approval. 100% of improvement plans received relating to the Bachelor of Social Work programme were analysed and approved. The document of agreed criteria to guide the national reviews was approved by the HEQC;
- Quality promotion and capacity building - Three quality assurance forums were held, one each for professional councils, public and private institutions of higher education;
- Human Resource Management - 70% of staff received training and 85% of the organisational structure was filled;
- Finance and Administration - To ensure that financial administration and supply chain management is compliant with PFMA requirements, policies were reviewed and updated;
- Effective Governance and compliance of ICT with statutory requirements:
  - A Procurement and Migration Plan was developed;
  - The Strategic and Operational Plan 2016/19 was revised and approved by Council; and
  - The ICT Governance Charter was approved.
- The ICT Change Management Policy and, ICT Change Control Committee – Terms of Reference were developed and approved.

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 of Higher Education and Training, 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 R6 448.551 million was transferred to the NSFAS in 2015/16. Other sources of revenue are donor funds, money repayable on study loans and interest on investments. During the 2015/16 financial year, the unaudited number of students who received NSFAS financial assistance amounts to 414 949, which includes TVET college bursary recipients.

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5.3 South African Qualifications Authority (SAQA)

SAQA is a statutory body, established in terms of the South African Qualifications Act, 1995. As from 1 April 2009, SAQA operated in terms of the National Qualifications Framework (NQF) Act, 2008, which replaced the former SAQA Act. In terms of the new NQF Act, SAQA continued to focus on upholding the principles of the NQF, including ensuring access, quality, redress and development for all learners through an integrated national framework of learning achievements. The Department transferred an amount of R54.757 million to SAQA during the 2015/16 financial year.

During the 2015/16 financial year:

- The sixth SAQA Board was appointed. The new Chairperson is Dr V Toni-Penxa;
- Developed and published draft policies on "Criteria for the evaluation of Foreign Qualifications" and "Misrepresentation of Qualifications and Part-qualifications";
- Published the guidelines and criteria for learning that does not lead to a qualification for public comment;
- Through the CEO Committee, achieved the approval for the NQF implementation Framework for 2015 to 2020;
- Submitted three reports to the Minister on misrepresentation related to local and foreign qualifications;
- A total of 607 802 individuals used one of SAQA's digital platforms;
- SAQA successfully loaded all compliant data from the Quality Councils (QCs) onto the National Learner Records Database, (NLRD) and produced a NLRD Trends report;
- 100% of applications for verifications received in the financial year were processed;
- SAQA reported on 425 local cases of people who misrepresented their qualifications and 650 cases of foreign qualifications being misrepresented;
- SAQA finalised and workshopped the SAQA Impact Study;
- Dealt with 25 022 applications for evaluation of foreign qualifications;
- SAQA completed a research report on trends related to national standards for teachers and school leaders and submitted this to the Commonwealth Secretariat; and
- SAQA continued to work closely with the Department to provide a quality national NQF helpline service.

5.4 The National Skills Fund (NSF)

The National Skills Fund was established in 1999 in terms of section 27 of the Skills Development Act, 1998 (Act No. 97 of 1998). The main revenue sources for the National Skills Fund are 20 percent of the skills development levies as contemplated in the Skills Development Levies Act, 1999 as collected by the South African Revenue Service (SARS); Interest earned on investments held at the Public Investment Corporation; and uncommitted surpluses from the SETAs that are transferred to the NSF in terms of SETA grant regulations. The money in the fund may be used for the primary objectives as defined by the prescripts of the Skills Development Act, namely to fund projects identified in the national skills development strategy as national priorities; to fund projects related to the achievement of the purposes of the Skills Development Act as the Director-General determines and to administer the Fund within the prescribed limit. Regulations to prescribe the limit for

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the administration of the Fund at 10 percent of revenue has been approved and published in Government Gazette No. 33740 dated 8 November 2010; and to fund any activity undertaken by the Minister to achieve a national standard of good practice in skills development.

The Department transferred an amount of R3 030.539 million from direct charges to the NSF during 2015/16.

5.5 Sector Education and Training Authorities (SETAs)

During 2015/16, there were 21 SETAs that were mandated by section 9 of the Skills Development Act, 1998 to provide skills development across various economic sectors. Their main objectives are to implement sector skills plans aimed at developing the appropriate skills, to develop and register learning programmes and to distribute skills development levy funds. The SETAs meet the NSDS targets by means of a legislated service level agreement with the Department. All SETAs are expected to implement learning programmes in terms of their service level agreements. These annual agreements are determined by the NSDS five-year target, which is also calculated in annual terms. The Department transferred an amount of R12 125.894 million from direct charges to SETAs during the 2015/16 financial year.

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

The overall performance of the SETAs across all outcomes based on the year under review is satisfactory. The following NSDS goals were achieved during the 2015/16 financial year:

- Total workers entered: Learnerships, Bursaries and Skills Programmes – 124 023 learners funded;
- Total workers certificated: Learnerships, Bursaries and Skills Programmes – 104 934 learners funded;
- Total unemployed entered: Learnerships, Internships, Bursaries and Skills Programmes – 956 492 learners funded;
- Total unemployed certificated: Artisan, University graduate placement, TVET college partnerships, University partnerships, AET programmes, co-operatives supported and small business supported – 950 153 learners certificated; and
- Total number of NGOs, NLPEs and CBOs supported and career guidance provided – 119 899.

5.6 The Quality Council for Trades and Occupations (QCTO)

The QCTO was established in terms of the Skills Development Act, 1998 and became operational in 2010. The primary functions of the QCTO are to design and develop occupational standards and qualifications and to submit these to SAQA for registration on the national qualifications framework, establish and maintain occupational standards and qualifications, ensure the quality of occupational standards and qualifications and learning in and for the workplace, promote the objectives of the national qualifications framework, liaise with the National Skills Authority on the suitability and adequacy of occupational standards and qualifications and on the quality of learning in and for the workplace. The Department transferred an amount of R21.848 million to the QCTO during the 2015/16 financial year.

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The major achievements of the 2015/16 financial year are detailed below:

- 47 occupational qualifications were approved by the QCTO for recommendation to SAQA for registration;
- The QCTO commenced accrediting Skills Development Providers (SDPs) that seek to offer occupational qualifications;
- 180 Historically registered qualifications were identified for further deregistration or deactivation by June 2016;
- The QCTO has embarked on strengthening collaborative efforts to support the delivery of occupational qualifications. In this regard the QCTO has been working closely with academies of learning associated with Eskom, Transnet, and the South African Airways; joined the EW SETA and Rand Water Board in responding to the Presidential Call on War on Leaks and works in partnership with the Department to implement a project that will see 13 registered Trade qualifications piloted in public TVET colleges;
- The QCTO was able to apply its full quality assurance for the new occupational qualifications. In the year under review the final External Integrated Summative Assessments (EISA) was administered for the Tax Practitioner, Compliance Officer and Electrical Line Mechanic qualifications;
- As at the end of the 2015/16 reporting period there are 35 Assessment Quality Partners (AQPs) approved for registered occupational qualifications. This includes the National Artisan Moderating Body (NAMB) as the AQP for trades as well as Sector Education and Training Authorities (SETAs), and Professional Bodies. The AQP Forum is fully functional and has been instrumental in helping shape the AQP policies and processes;
- The QCTO trade test certification system is functional and effective. Much of the backlog in the issuing of trade certificates as well as outstanding applications for replacement certificates has been resolved; and
- The Monitoring and Evaluation Unit conducted planned monitoring visits to Quality Assurance Partners (QAPs). Monitoring reports for each of the QAPs were developed and QAPs are being monitored against the improvement plans submitted. In addition a sample of 64 Skills Development Providers (SDPs) were monitored to verify compliance with SETA accreditation policies and procedures. This included determining the veracity of the SETA accreditation procedures and processes.

6. Other organisations that receive transfer payments from the Department

6.1 Higher Education Institutions (HEIs)

Funds were transferred in order to support HEIs (Universities and Universities of Technology) and enable them to perform their core functions of lecturing and research, efficiently and effectively. This is linked to the broader policy goals and objectives outlined in the National Plan for Higher Education, which is underpinned by the need to ensure the sustainability, affordability and responsiveness of the higher education system, and to enable it to contribute to the social and economic development of South Africa. A total amount of R26 243.110 million was transferred to HEIs.

6.2 Sector Education and Training Authorities (SETAs)

▪ Education and Training Development Practices SETA

An amount of R22.780 million was transferred to ETDP SETA for skills development in the TVET college sector from voted funds.

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6.3 TVET Colleges

Funds were transferred in order to support the TVET colleges and to enable them to perform their core functions. A total amount of R1 262.521 million was transferred to the 50 TVET colleges.

6.4 CET Colleges

For the year under review, CET colleges were not yet fully operational and did not have the required administrative and financial systems in place in order to manage their resources effectively and efficiently. Consequently, funds were transferred to identified TVET colleges in order to support the CET colleges and to enable them to perform their functions. A total amount of R91.758 million was transferred for this purpose.

6.5 Other transfers

▪ Commonwealth of Learning

An amount of R2.588 million was transferred to the Commonwealth of Learning, being the membership fee for South Africa as a member country.

▪ Higher Education South Africa (HESA)

An amount of R7.761 million was transferred to HESA for the Higher Education HIV and Aids programme.

6.6 Conditional grants to Provincial Education Departments (PEDs)

During the period under review no funds were allocated as conditional grants to the Department. The Department was only responsible for the final report for the FET colleges Schedule 4 conditional grant that was allocated to the Department in 2014/15.

6.6.1 Performance evaluation of conditional grants

In terms of Section 9(1) of DoRA, 2015, the transferring national officer must evaluate the performance of programmes that are funded or partially funded by the allocation, and submit the evaluation report to the National Treasury within four months after the end of the financial year. This obligation was duly adhered to and the 2014/15 annual performance evaluation of the FET colleges Schedule 4 conditional grant was conducted and the report was submitted to National Treasury on 31 July 2015.

7. Public-Private Partnerships (PPPs)

None.

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8. Corporate governance arrangements

8.1 The Department's Risk Assessment and Fraud Prevention Plan

The Department's risk management and fraud prevention strategies/plans have been developed and are regularly reviewed to ensure relevance. The Department established a Risk Management Committee that assists in overseeing effectiveness of the function. Risk management processes are incorporated into planning processes and reporting for effective implementation.

Risk reviews are conducted regularly to identify new and emerging risks of the Department for effective management. Reports on the effectiveness of the risk management and fraud prevention processes including Business Continuity Management are presented to the Risk Management Committee, Senior Management, Audit Committee and other oversight structures for advice and intervention where needed.

8.2 Internal Audit Unit

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

The Internal Audit Unit operates with skilled personnel and functions as required by the Treasury Regulations and the Public Finance Management Act (PFMA). An audit plan was developed subsequent from the risk assessment conducted in the Department and approved by the Audit Committee. During the year under review, internal audit engagements were performed in accordance with the Audit Plan. Due to a lack of staff to execute all the work on the audit plan, the Department utilised consultants in providing co-sourcing functions to assist with the audits.

8.3 The Audit Committee

The objective of the Audit Committee is to assist the Accounting Officer in fulfilling oversight responsibilities regarding the financial reporting process, the system of internal control and management of risks, the audit process, and the monitoring of compliance with laws and regulations and the Department's own code of business conduct. The Audit Committee is in place and functions effectively, as required by the Treasury Regulations and the PFMA. The Audit Committee held four meetings during the period under review and was assisted by Internal Audit, which provides secretariat services.

8.4 Management processes for minimising conflict of interest

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

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8.5 Implementation of a Code of Conduct

The Code of Conduct for Public Servants, developed by the Public Service Commission to promote a high standard of professional ethics in the public service, was implemented in the Department and managers ensure that all staff members adhere to it. Copies of the Code of Conduct for Public Servants were distributed to every official in the Department and have been fully implemented.

Employees who would violate the Code of Conduct would be disciplined in terms of the Disciplinary Code and Procedures for the Public Service. This code of conduct is also now implemented in public colleges.

8.6 Safety, health and environmental issues facing the Department

The Director-General has approved the implementation of an Occupational Health and Safety Committee within the Department. Evacuation drills will be determined by the committee at the first meeting. (Dates will be communicated to staff for an Emergency Evacuation Drill; Planned and Unplanned to be conducted twice a year).

The policy on Employee Health and Wellness was approved and introduced. The policy is available on the Department's intranet.

The biometric access control system is being maintained by the Landlord. Permanent staff, contract workers and interns are being registered on the security system in order to gain access. Validation of laptops has been implemented to comply with the Minimum Information Security Standards document. All security officers have been trained and comply with the PSIRA Act. A security policy has been approved. During February 2014, Occupational Health and Safety representatives were appointed as specified in section 17 of the Occupational Health and Safety Act and the Occupational Health and Safety committee has been established in terms of the same Act.

Processes are underway to approve the appointment of Floor Wardens and to acknowledge the responsibilities of Safety Representatives. The hosting of safety awareness campaigns will be implemented in the 2016/17 financial year.

8.7 Other governance structures

▪ Bid Committees

– Bid Specification Committee (BSC)

A minimum of three members constitute the BSC recommended by the relevant Deputy Director-General and appointed by the Chief Financial Officer. A representative from the Legal Services and Supply Chain Management units forms part of the committee in an advisory capacity. The role of the committee is to draft specifications or terms of reference for the acquisition of goods or services that are above the threshold of R500 000 and not available on any transversal contract. The draft specification/terms of reference reflect amongst others the scope of work, technical requirements, evaluation criteria and any special conditions, etc. The specifications/terms of reference drafted by the committee must promote open market competition. Specifications are submitted to the Accounting Officer for approval via the BAC (refer to below) prior to advertisement in at least the Government Tender Bulletin (GTB).

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– **Bid Evaluation Committee (BEC)**

A minimum of three members constitute the BEC recommended by the relevant Deputy Director-General and appointed by the Chief Financial Officer. A representative from the Legal Services and Supply Chain Management units forms part of the committee in an advisory capacity. The Committee is responsible for evaluation of bids submitted, according to published evaluation criteria. The BEC submits recommendations to award or not to award to the Accounting Officer via the BAC.

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

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

The responsibilities of the BAC include, the review of specifications of the BSC, consider requests or recommendations for the advertising of bids, deviations, extensions of contracts, appointment or cancellations of contracts, etc. The BAC makes final recommendations to the Accounting Officer for cancellations, deviations or awards of bids. The main purpose of the BAC is to adjudicate whether the bidding processes were fair, equitable, transparent, competitive and cost-effective, and ensures that these processes comply with the PFMA, Treasury Regulations and other relevant and applicable legislation. The Committee is scheduled to meet at least once in a month, but *ad hoc* meetings are arranged if necessary.

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

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

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

The purpose of the ITSC, which meets on a quarterly basis, is to review and endorse ICT plans, policies and standards. Furthermore, the ITSC prioritises implementation of ICT projects and the funding thereof. The ITSC coordinates and endorses compliance of the Department's ICT architecture, configuration and initiatives with the strategic directions of the Government Information Technology Officer Council (GITOC), as well as government policies and standards. The ITSC regulates the acquisition, deployment, use and disposal of all Information and Communications Technology (ICT), Information Systems (IS) and Information Management Systems (IMS) in the Department. This is done in terms of standardisation, need, quantity required, frequency of use, as well as the potential impact on work outcomes and cost advantages. Its role is to ensure that the office of the Government Information Technology Officer (GITO) plans and investment in ICT supports the strategic goals of the Department.

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9. Discontinued activities/activities to be discontinued

None.

10. New/proposed activities

New activities that may have severe budgetary implications on the operations of the Department are linked to the function shift and new budget programmes were established for this purpose as from 1 April 2016.

11. Asset management

11.1 Progress with regard to capturing assets in a register

All assets, including those newly acquired, are currently reflected on the Department's consolidated Asset Register.

The information regarding all assets transferred to the Department for utilisation in respect of posts for the respective TVET and CET functions, subsequent to the function shift process have also been captured in the Asset Register. However, the value of these assets is not reflected as part of the total asset value in the financial statements, as ownership of these assets has not been transferred to the Department. The transfer of ownership to the Department will be complete once the requisite transfer certificates have been issued by the Provincial Heads of Department and duly received in terms Section 42 of the Public Finance Management Act.

11.2 Indication of the extent of compliance with the minimum requirements

The Asset Register complies with the minimum requirements.

11.3 Indication of the extent of compliance with the Asset Management Reform Milestones

All assets were recorded in the Asset Register and a policy was developed on the reconciliation of assets between the asset register and the basic accounting system.

11.4 Indication of problems experienced with the Asset Management Reform

The recording of assets in the Asset Register takes place according to component accounting, while the recording of the payments for assets on the financial systems is treated as a unit.

12. Events after the reporting date

None.

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13. Information on predetermined objectives

The Department was responsible for the development of policy on educational and skills-related matters in relation to monitoring and evaluating policy implementation. The information on predetermined objectives is included under 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

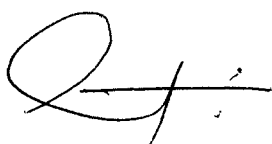
Interim Financial Statements were compiled according to the Treasury guidelines and submitted to National Treasury during the 2015/16 financial year.

18. Other

None.

19. Approval

The Annual Financial Statements, set out on pages 210 to 293, were approved by the Accounting Officer.



Mr GF Qonde
Director-General
31 May 2016

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REPORT OF THE AUDIT COMMITTEE
for the year ended 31 March 2016

We are pleased to present our report for the financial year ended 31 March 2016.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38(1) (a) of the Public Finance Management Act and Treasury Regulation 3.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its committee charter, has conducted its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

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

The Department is in a period of transition due to the function shift that has taken place during the year. This has also contributed to the fact that the system of internal control was not entirely effective during the year under review. Several instances of non-compliance with internal controls were reported by both Internal Audit and the AGSA. It is a concern for the Audit Committee that a number of the matters raised by the AGSA are repeat findings from one or more previous years. The Audit Committee will continue to monitor progress against the corrective action plans implemented by management.

The system of control over the generation, collation and reporting of performance information requires improvement in some programmes. This continues to be an area of concern to the Audit Committee.

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

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

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

Evaluation of Financial Statements

The Audit Committee has:

- reviewed and discussed the audited financial statements to be included in the annual report, with the AGSA and the Accounting Officer;
- reviewed the AGSA's management report and management's response thereto;
- reviewed changes in accounting policies and practices;
- reviewed the Departments compliance with legal and regulatory provisions;

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REPORT OF THE AUDIT COMMITTEE
for the year ended 31 March 2016

- reviewed significant adjustments resulting from the audit; and
- reviewed information on predetermined objectives to be included in the annual report.

The Audit Committee concurs with, and accepts the AGSA's conclusions on the annual financial statements, and is of the opinion that the audited annual financial statements be accepted and read together with the report of the AGSA.

Internal Audit

The Audit Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the Department in its audits. An external quality assessment was conducted on the Internal Audit function and the function general conforms to the international Standards of Internal Auditing. Additional capacity was obtained for internal audit and they were able to complete all the audits approved in the coverage plan by the Audit Committee.

Risk Management

A risk management strategy is in place and a Risk Management Committee. As a result of the findings raised by Internal Audit risk management needs improvement in the Department. Risk Management still needs to be embedded in the management processes of the Department.

Auditor-General South Africa

The Audit Committee has met with the Auditor-General South Africa to ensure that there are no unresolved issues. The Audit Committee wishes to express thanks to the Office of the Auditor-General.

Conclusion

The Audit Committee congratulates the Department for achieving an unqualified audit report for the year under review. Staff have been working very hard to implement the function shift, the Audit Committee wishes to express its gratitude to them. The Audit Committee will monitor the improvements made by management in addressing control deficiencies identified by external and internal audit.



Prof DP van der Nest
Chairperson of the Audit Committee
31 July 2016

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT for the year ended 31 March 2016

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Department of Higher Education and Training (DHET) set out on pages 210 to 271, which comprise the appropriation statement, the statement of financial position as at 31 March 2016, 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, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Modified Cash Standard prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No.1 of 1999) (PFMA), 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.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT for the year ended 31 March 2016

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the DHET as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with the Modified Cash Standard prescribed by the National Treasury and the requirements of the PFMA.

Emphasis of matter

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

Significant uncertainties

8. With reference to note 21 to the financial statements, the large increase in contingent liabilities is attributable to the possible pension liability of 500 TVET college staff. There are uncertainties relating to the amount of the outflow in respect of claims for the possible pension liability of R96,773 million as calculated by actuarial valuers that relates to the employment status of staff previously remunerated by college councils.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. 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 findings on the reported performance information against predetermined objectives of selected programmes presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

10. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information of the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2016:
  - Programme 2: human resource development, planning and monitoring coordination on pages 75 to 81
  - Programme 3: university education on pages 85 to 93 and pages 96 to 101
  - Programme 4: vocational and continuing education and training (VCET) on pages 103 to 107 and pages 109 to 110
  - Programme 5: skills development on pages 113 to 121 and page 123

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT

for the year ended 31 March 2016

11. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for Managing Programme Performance Information (FMPPI).
12. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
13. The material findings in respect of the selected programmes are as follows:

Programme 4: vocational and continuing education and training**Usefulness of reported performance information**

14. The processes and systems that produced the indicator should be verifiable, as required by the FMPPI. A total of 48% of indicators were not verifiable.
15. The FMPPI requires performance targets to be measurable. A total of 48% of targets were not measurable.

Reliability of reported performance information

16. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. I was unable to obtain the information and explanations I considered necessary to satisfy myself as to the reliability of the reported performance information. This was because limitations were placed on the scope of my work due to the absence of systems to verify the reported performance information, and the auditee could not provide sufficient appropriate evidence in support of the reported performance information. The auditee's records did not permit the application of alternative audit procedures.
17. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:
  - Programme 2: human resource development, planning and monitoring coordination
  - Programme 3: university education
  - Programme 5: skills development

Additional matter

18. I draw attention to the following matter:

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for the year ended 31 March 2016

Achievement of planned targets

19. Refer to the annual performance report on pages 75 to 81; 85 to 93; 96 to 101; 103 to 107; 109 to 110; 113 to 121 and 123 for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 14; 15 and 16 of this report.

Compliance with legislation

20. I performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Annual financial statements

21. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1) (a) and (b) of the PFMA. Material misstatements of compensation of employees, commitments, employee benefits, irregular expenditure and contingent liabilities identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records provided, resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

22. Contracts and quotations were awarded to suppliers whose tax matters had not been declared by the South African Revenue Services to be in order, as required by treasury regulation 16A9.1(d) and the Preferential Procurement Regulations.
23. A contract was awarded to a bidder that did not score the highest points in the evaluation process, as required by section 2(1)(f) of Preferential Procurement Policy Framework Act and Preferential Procurement Regulations.

Internal control

24. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.

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Leadership

25. Sufficient controls were not implemented by parties involved in the Technical Vocational Education and Training (TVET)/Continuous Education and Training (CET) function shift to ensure that all relevant employee records were accurate and complete and were transferred to the DHET within a reasonable time frame. As a result, adequate employee records were not readily available for audit purposes.
26. Management did not always develop action plans that were sufficient to address prior year reported internal control deficiencies. Furthermore, the action plans were not effectively implemented on a timely basis during the year as recurring findings were identified.
27. There was inadequate consequence management by the director-general and deputy directors-general where action plans were not implemented to address previously reported internal control deficiencies by external and internal audit.
28. There were insufficient internal controls, policies and procedures to ensure that the disclosure notes to the financial statements were accurate and complete in accordance with the modified cash basis of accounting on a continuous basis throughout the year.
29. The department was unable to perform all the required verification and monitoring functions over its entities due to funding and human resource capacity constraints. As a result, the reliability of reported achievements by its entities and institutions that were consolidated into the achievements reported by the department was not adequately verified.

Financial and performance management

30. Records for compensation of employees, related balances, disclosures and compliance were not readily available as a result of the function shift. Quality control processes over employee records were not implemented by all parties involved in the function shift to ensure that records were valid, accurate and complete.
31. The department did not implement sufficient internal controls and adequately monitor compliance with relevant legislation. As a result, recurring findings were raised in the area of supply chain management.

Other reports

32. I draw attention to the following engagements that could potentially have an impact on the department's financial, performance and compliance related matters. My opinion is not modified in respect of these engagements that are either in progress or have been completed.

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT

for the year ended 31 March 2016

Investigations

33. An investigation was undertaken by an internal audit service provider from September 2015 to December 2015 regarding an allegation of a departmental employee selling trade tests to candidates for a certain fee. The investigation is complete and the report was issued during March 2016. The allegation of fraud was not confirmed, although significant control weaknesses over various trade test processes were identified.
34. An investigation was undertaken by internal audit from May 2015 to September 2015 regarding a complaint about an appointment where the employee did not declare having a criminal record. The investigation by internal audit was completed and recommended for further action, which was still in progress.
35. An investigation was undertaken during 2015-16 by the DHET Human Resources division regarding allegations that an employee incorrectly captured and increased the notch of a colleague without authority. The notch of the implicated employee was also increased. Subsequently the employee lodged a grievance against the department regarding the investigation and the revoking of his access rights on Persal.

*Auditor - General.***Pretoria****31 July 2016****AUDITOR - GENERAL
SOUTH AFRICA***Auditing to build public confidence*

APPROPRIATION STATEMENT

for the year ended 31 March 2016

APPROPRIATION PER PROGRAMME									
2015/16								2014/15	
Voted funds and direct charges	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000
Programme									
1. Administration	359 519	-	(4 561)	354 958	346 819	8 139	97.7	234 361	234 097
2. Human Resource Development, Planning and Monitoring Coordination	58 253	-	(3 004)	55 249	52 019	3 230	94.2	46 511	45 683
3. University Education	32 847 445	-	-	32 847 445	32 844 629	2 816	100.0	30 443 974	30 443 955
4. Vocational and Continuing Education and Training	8 502 290	-	(3 351)	8 498 939	8 429 189	69 750	99.2	6 035 836	6 035 801
5. Skills Development	112 631	-	10 916	123 547	122 898	649	99.5	105 999	105 985
Programme sub total	41 880 138	-	-	41 880 138	41 795 554	84 584	99.8	36 866 681	36 865 521
Statutory Appropriation	15 156 433	-	-	15 156 433	15 156 433	-	100.0	13 838 798	13 838 798
Skills Levy and Sector Education and Training Authorities	15 156 433	-	-	15 156 433	15 156 433	-	100.0	13 838 798	13 838 798
TOTAL	57 036 571	-	-	57 036 571	56 951 987	84 584	99.9	50 705 479	50 704 319
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				15 444				11 594	
Aid assistance				46 813				21 218	
Actual amounts per Statement of Financial Performance (Total Revenue)				57 098 828				50 738 291	
Add: Aid assistance					41 039				19 181
Actual amounts per Statement of Financial Performance (Total Expenditure)					56 993 026				50 723 500

APPROPRIATION STATEMENT

for the year ended 31 March 2016

APPROPRIATION PER ECONOMIC CLASSIFICATION									
2015/16								2014/15	
	Adjusted ap- propriation	Shifting of funds	Virement	Final appro- priation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appro- priation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	7 696 183	(82 727)	(270)	7 613 186	7 531 298	81 888	98.9	618 730	617 770
Compensation of employees	7 317 155	(80 049)	8 500	7 245 606	7 166 395	79 211	98.9	427 815	426 913
Salaries and wages	4 367 325	2 226 861	6 725	6 600 911	6 533 185	67 726	99.0	386 634	385 878
Social contributions	2 949 830	(2 306 910)	1 775	644 695	633 210	11 485	98.2	41 181	41 035
Goods and services	379 028	(2 678)	(8 770)	367 580	364 903	2 677	99.3	190 915	190 857
Administrative fees	4 858	(3 896)	65	1 027	1 024	3	99.7	230	231
Advertising	5 573	(2 401)	15	3 187	3 175	12	99.6	1 662	1 663
Minor assets	4 795	(2 061)	50	2 784	2 725	59	97.9	643	643
Audit costs: External	13 175	(3 649)	-	9 526	9 525	1	100.0	8 102	8 101
Bursaries: Employees	515	2 015	-	2 530	2 529	1	100.0	376	376
Catering: Departmental activities	1 418	789	-	2 207	2 138	69	96.9	1 524	1 520
Communication (G&S)	13 896	(5 810)	290	8 376	8 264	112	98.7	7 178	7 170
Computer services	37 671	27 234	138	65 043	65 030	13	100.0	38 196	38 193
Consultants: Business and advisory services	11 707	(3 551)	(4 104)	4 052	4 026	26	99.4	1 720	1 720
Legal services	239	1 957	-	2 196	1 972	224	89.8	3 242	3 245
Contractors	665	11 647	-	12 312	12 075	237	98.1	898	898
Agency and support / outsourced services	14 827	4 355	(2 000)	17 182	17 061	121	99.3	4 871	4 872
Entertainment	103	-	-	103	52	51	50.5	63	62
Fleet services (including government motor transport)	946	349	-	1 295	1 286	9	99.3	974	974
Inventory: Clothing material and accessories	-	-	-	-	-	-	0.0	134	133

APPROPRIATION STATEMENT

for the year ended 31 March 2016

APPROPRIATION PER ECONOMIC CLASSIFICATION									
2015/16								2014/15	
	Adjusted ap- propriation	Shifting of funds	Virement	Final appro- priation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appro- priation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Food and food supplies	-	-	-	-	-	-	0.0	366	366
Inventory: Fuel, oil and gas	-	-	-	-	-	-	0.0	13	11
Inventory: Materials and supplies	-	-	-	-	-	-	0.0	3 000	2 991
Consumable supplies	-	6 479	-	6 479	6 345	134	97.9	1 411	1 411
Consumable: Stationery, printing and office supplies	40 669	(4 326)	(134)	36 209	35 931	278	99.2	13 703	13 691
Operating leases	8 180	(4 734)	22	3 468	3 348	120	96.5	7 642	7 640
Property payments	54 003	16 078	26	70 107	70 070	37	99.9	36 892	36 891
Transport provided: Departmental activity	608	665	-	1 273	1 273	-	100.0	82	82
Travel and subsistence	116 644	(24 915)	(2 066)	89 663	88 580	1 083	98.8	48 611	48 592
Training and development	3 203	(739)	-	2 464	2 446	18	99.3	1 517	1 515
Operating payments	38 876	(23 566)	(622)	14 688	14 651	37	99.7	4 995	4 993
Venues and facilities	5 574	5 058	(450)	10 182	10 157	25	99.8	2 758	2 761
Rental and hiring	883	344	-	1 227	1 220	7	99.4	112	112
Transfers and subsidies	49 330 033	30 463	-	49 360 496	49 358 600	1 896	100.0	50 081 573	50 081 401
Provinces and municipalities	-	-	-	-	-	-	0.0	2 631 346	2 631 346
Provinces	-	-	-	-	-	-	0.0	2 631 346	2 631 346
Provincial Revenue Funds	-	-	-	-	-	-	0.0	2 631 346	2 631 346
Departmental agencies and accounts	21 768 282	(22 421)	-	21 745 861	21 745 547	314	100.0	20 098 668	20 098 495
Departmental agencies (non-business entities)	21 768 282	(22 421)	-	21 745 861	21 745 547	314	100.0	20 098 668	20 098 495
Higher education institutions	26 243 227	-	-	26 243 227	26 243 110	117	100.0	24 155 093	24 155 093

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
VOTE 15

APPROPRIATION STATEMENT
for the year ended 31 March 2016

APPROPRIATION PER ECONOMIC CLASSIFICATION									
2015/16								2014/15	
	Adjusted ap- propriation	Shifting of funds	Virement	Final appro- priation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appro- priation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Foreign governments and international organisations	3 156	-	-	3 156	2 588	568	82.0	2 983	2 983
Non-profit institutions	1 314 971	47 781	-	1 362 752	1 362 040	712	99.9	3 193 247	3 193 247
Households	397	5 103	-	5 500	5 315	185	96.6	236	237
Social benefits	397	5 103	-	5 500	5 315	185	96.6	236	237
Payments for capital assets	10 355	631	-	10 986	10 187	799	92.7	5 176	5 148
Machinery and equipment	10 355	518	-	10 873	10 075	798	92.7	5 176	5 148
Transport equipment	1 798	658	-	2 456	2 455	1	100.0	-	-
Other machinery and equipment	8 557	(140)	-	8 417	7 620	797	90.5	5 176	5 148
Software and intangible assets	-	113	-	113	112	1	99.1	-	-
Payments for financial assets	-	51 633	270	51 903	51 902	1	100	-	-
Total	57 036 571	-	-	57 036 571	56 951 987	84 584	99.9	50 705 479	50 704 319

APPROPRIATION STATEMENT

Detail per programme 1 - Administration

for the year ended 31 March 2016

Details per sub-programme	2015/16						2014/15			
	Adjusted ap- propriation	Shifting of funds	Virement	Final appropri- ation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appro- priation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
1. Ministry	27 522	12 362	-	-	39 884	39 735	149	99.6	32 416	32 408
2. Department Management	48 371	3 050	-	-	51 421	51 153	268	99.5	38 408	38 400
3. Corporate Services	138 975	(3 578)	(2 961)	(2 961)	132 436	126 422	6 014	95.5	80 467	80 230
4. Office of the Chief Financial Officer	83 521	(26 522)	-	-	56 999	55 663	1 336	97.7	40 488	40 483
5. Internal Audit	8 685	(62)	(1 600)	(1 600)	7 023	6 676	347	95.1	6 056	6 051
6. Office Accommodation	52 445	14 750	-	-	67 195	67 170	25	100.0	36 526	36 525
Total	359 519	-	(4 561)	(4 561)	354 958	346 819	8 139	97.7	234 361	234 097

APPROPRIATION STATEMENT

Detail per programme 1 - Administration

for the year ended 31 March 2016

Programme 1 per economic classification	2015/16						2014/15		
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000
Economic classification									
Current payments	350 785	(521)	(4 561)	345 703	338 139	7 564	97.8	230 711	230 623
Compensation of employees	168 453	-	-	168 453	161 657	6 796	96.0	122 010	121 938
Salaries and wages	97 727	47 486	-	145 213	143 510	1 703	98.8	108 318	108 266
Social contributions	70 726	(47 486)	-	23 240	18 147	5 093	78.1	13 692	13 672
Goods and services	182 332	(521)	(4 561)	177 250	176 482	768	99.6	108 701	108 685
Administrative fees	4 784	(3 786)	-	998	996	2	99.8	213	213
Advertising	4 187	(2 837)	-	1 350	1 340	10	99.3	1 560	1 560
Minor assets	4 132	(1 774)	-	2 358	2 326	32	98.6	180	179
Audit costs: External	13 175	(3 649)	-	9 526	9 525	1	100.0	8 102	8 101
Bursaries: Employees	515	(185)	-	330	329	1	99.7	376	376
Catering: Departmental activities	624	(54)	-	570	563	7	98.8	566	564
Communication (G&S)	4 078	149	-	4 227	4 195	32	99.2	3 605	3 603
Computer services	29 924	687	-	30 611	30 603	8	100.0	22 406	22 405
Consultants: Business and advisory services	6 197	(3 437)	(1 600)	1 160	1 158	2	99.8	1 103	1 103
Legal services	239	754	-	993	991	2	99.8	9	9
Contractors	374	11 333	-	11 707	11 474	233	98.0	795	795
Agency and support / outsourced services	14 555	(2 042)	(2 000)	10 513	10 454	59	99.4	4 185	4 185
Entertainment	103	-	-	103	52	51	50.5	63	62
Fleet services (including government motor transport)	667	434	-	1 101	1 097	4	99.6	827	826
Inventory: Clothing material and accessories	-	-	-	-	-	-	0.0	84	84

APPROPRIATION STATEMENT

Detail per programme 1 - Administration

for the year ended 31 March 2016

Programme 1 per economic classification	2015/16						2014/15		
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000
Inventory: Fuel, oil and gas	-	-	-	-	-	-	0.0	2	-
Inventory: Materials and supplies	-	-	-	-	-	-	0.0	1	-
Consumable supplies	-	1 247	-	1 247	1 176	71	94.3	520	524
Consumable: Stationery, printing and office supplies	6 852	(941)	-	5 911	5 819	92	98.4	3 360	3 355
Operating leases	3 068	(985)	-	2 083	2 055	28	98.7	1 783	1 783
Property payments	52 890	14 851	-	67 741	67 713	28	100.0	36 060	36 060
Transport provided: Departmental activity	-	631	-	631	631	-	100.0	82	82
Travel and subsistence	19 510	(414)	(961)	18 135	18 048	87	99.5	19 011	19 004
Training and development	3 023	(655)	-	2 368	2 367	1	100.0	1 350	1 349
Operating payments	11 432	(9 276)	-	2 156	2 141	15	99.3	1 361	1 360
Venues and facilities	1 425	(529)	-	896	896	-	100.0	996	1 002
Rental and hiring	578	(43)	-	535	533	2	99.6	101	101
Transfers and subsidies	313	247	-	560	246	314	43.9	267	95
Departmental agencies and accounts	313	171	-	484	170	314	35.1	173	-
Departmental agencies (non-business entities)	313	171	-	484	170	314	35.1	173	-
Households	-	76	-	76	76	-	100.0	94	95
Social benefits	-	76	-	76	76	-	100.0	94	95

APPROPRIATION STATEMENT

Detail per programme 1 - Administration

for the year ended 31 March 2016

Programme 1 per economic classification	2015/16						2014/15		
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	8 421	-	-	8 421	8 160	261	96.9	3 383	3 379
Machinery and equipment	8 421	(88)	-	8 333	8 072	261	96.9	3 383	3 379
Transport equipment	1 798	658	-	2 456	2 455	1	100.00	-	-
Other machinery and equipment	6 623	(746)	-	5 877	5 617	260	95.6	3 383	3 379
Software and intangible assets	-	88	-	88	88	-	100.0	-	-
Payments for financial assets	-	274	-	274	274	-	100.0	-	-
Total	359 519	-	(4 561)	354 958	346 819	8 139	97.7	234 361	234 097

APPROPRIATION STATEMENT
Detail per programme 2 - Human Resource Department, Planning and Monitoring Coordination
for the year ended 31 March 2016

Details per sub-programme	2015/16						2014/15		
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Programme Management: Human Resource Development, Planning and Monitoring Coordination	3 012	220	-	3 232	3 222	10	99.7	2 965	2 933
2. Human Resource Development, Strategic Planning and Coordination	14 237	692	-	14 929	14 816	113	99.2	11 730	11 584
3. Planning, Information, Monitoring and Evaluation Coordination	11 440	(430)	-	11 010	10 707	303	97.2	7 203	6 854
4. International Relations	11 352	501	-	11 853	11 242	611	94.8	10 822	10 775
5. Legal and Legislative Services	13 403	(940)	(3 004)	9 459	7 464	1 995	78.9	9 624	9 386
6. Social Inclusion in Education	4 809	(43)	-	4 766	4 568	198	95.8	4 167	4 151
Total	58 253	-	(3 004)	55 249	52 019	3 230	94.2	46 511	45 683

APPROPRIATION STATEMENT

Detail per programme 2 - Human Resource Department, Planning and Monitoring Coordination

for the year ended 31 March 2016

	2015/16						2014/15		
Programme 2 per economic classification	Adjusted appropriation	Shifting of funds	Virement	Final appro- priation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appro- priation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	54 603	(19)	(3 004)	51 580	49 149	2 431	95.3	43 268	42 454
Compensation of employees	44 747	-	(500)	44 247	42 479	1 768	96.0	35 418	34 614
Salaries and wages	26 848	12 459	(250)	39 057	37 975	1 082	97.2	31 227	30 538
Social contributions	17 899	(12 459)	(250)	5 190	4 504	686	86.8	4 191	4 076
Goods and services	9 856	(19)	(2 504)	7 333	6 670	663	91.0	7 850	7 840
Administrative fees	6	2	-	8	8	-	100.0	-	-
Advertising	37	(6)	-	31	31	-	100.0	-	-
Minor assets	134	(91)	-	43	32	11	74.4	38	39
Catering: Departmental activities	328	(299)	-	29	26	3	89.7	44	41
Communication (G&S)	684	159	-	843	815	28	96.7	772	769
Computer services	3	137	-	140	139	1	99.3	105	105
Consultants: Business and advisory services	3 936	(1 425)	(2 504)	7	7	-	100.0	76	76
Legal services	-	1 188	-	1 188	966	222	81.3	3 233	3 236
Contractors	-	2	-	2	1	1	50.00	-	-
Agency and support / outsourced services	89	467	-	556	495	61	89.0	-	-
Fleet services (including government motor transport)	-	1	-	1	-	1	0.0	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	0.0	1	-
Consumable supplies	-	53	-	53	12	41	22.6	11	9
Consumable: Stationery, printing and office supplies	655	253	-	908	855	53	94.2	1 007	1 004
Operating leases	-	32	-	32	32	-	100.0	16	15
Property payments	265	(262)	-	3	2	1	66.7	2	2
Travel and subsistence	2 987	1	-	2 988	2 793	195	93.5	2 051	2 050
Training and development	124	(98)	-	26	10	16	38.5	157	156
Operating payments	311	(94)	-	217	207	10	95.4	204	204

APPROPRIATION STATEMENT

Detail per programme 2 - Human Resource Department, Planning and Monitoring Coordination

for the year ended 31 March 2016

	2015/16						2014/15		
Programme 2 per economic classification	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
Venues and facilities	94	4	-	98	79	19	80.6	131	131
Rental and hiring	203	(43)	-	160	160	-	100.0	2	3
Transfers and subsidies	3 156	19	-	3 175	2 606	569	82.1	2 984	2 984
Departmental agencies and accounts	-	8	-	8	7	1	87.5	1	1
Departmental agencies (non-business entities)	-	8	-	8	7	1	87.5	1	1
Foreign governments and international organisations	3 156	-	-	3 156	2 588	568	82.0	2 983	2 983
Households	-	11	-	11	11	-	100.0	-	-
Social benefits	-	11	-	11	11	-	100.0	-	-
Payments for capital assets	494	-	-	494	264	230	53.4	259	245
Machinery and equipment	494	(25)	-	469	240	229	51.2	259	245
Other machinery and equipment	494	(25)	-	469	240	229	51.2	259	245
Software and other intangible assets	-	25	-	25	24	1	96.0	-	-
Total	58 253	-	(3 004)	55 249	52 019	3 230	94.2	46 511	45 683

APPROPRIATION STATEMENT **Detail per programme 3 - University Education** for the year ended 31 March 2016

		2015/16						2014/15		
Details per sub-programme		Adjusted ap- propriation	Shifting of funds	Virement	Final appropri- ation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appro- priation	Actual expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.	Programme Management: University Education	2 394	1 632	-	4 026	3 915	111	97.2	1 961	1 959
2.	University – Academic Planning and Management	6 558 464	(117)	-	6 558 347	6 557 911	436	100.0	6 249 120	6 249 117
3.	University – Financial Planning and Information Systems	9 055	(483)	-	8 572	8 437	135	98.4	7 560	7 556
4.	University – Policy and Development	22 379	(49)	-	22 330	21 048	1 282	94.3	19 742	19 736
5.	Teacher Education	11 926	(983)	-	10 943	10 208	735	93.3	10 498	10 494
6.	University Subsidies	26 243 227	-	-	26 243 227	26 243 110	117	100.0	24 155 093	24 155 093
Total		32 847 445	-	-	32 847 445	32 844 629	2 816	100.0	30 443 974	30 443 955

APPROPRIATION STATEMENT

Detail per programme 3 - University Education

for the year ended 31 March 2016

	2015/16						2014/15		
Programme 3 per economic classification	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	52 086	(36)	-	52 050	49 369	2 681	94.8	44 652	44 639
Compensation of employees	46 137	(36)	-	46 101	43 468	2 633	94.3	39 094	39 093
Salaries and wages	27 681	11 352	-	39 033	38 793	240	99.4	34 864	34 867
Social contributions	18 456	(11 388)	-	7 068	4 675	2 393	66.1	4 230	4 226
Goods and services	5 949	-	-	5 949	5 901	48	99.2	5 558	5 546
Administrative fees	68	(68)	-	-	-	-	-	-	-
Advertising	64	(38)	-	26	26	-	100.0	34	34
Minor assets	31	2	-	33	32	1	97.0	88	90
Catering: Departmental activities	83	10	-	93	90	3	96.8	216	216
Communication (G&S)	530	90	-	620	613	7	98.9	543	542
Computer services	620	(360)	-	260	259	1	99.6	185	184
Consultants: Business and advisory services	218	(215)	-	3	3	-	100.0	-	-
Contractors	-	-	-	-	-	-	0.0	1	1
Agency and support / outsourced services	63	64	-	127	127	-	100.0	144	144
Inventory: Materials and supplies	-	-	-	-	-	-	0.0	3	-
Consumable supplies	-	29	-	29	27	2	93.1	11	9
Consumable: Stationery, printing and office supplies	597	(110)	-	487	479	8	98.4	251	248
Operating leases	47	38	-	85	82	3	96.5	66	66
Property payments	-	1	-	1	-	1	0.0	-	-
Transport provided: Departmental activity	5	34	-	39	39	-	100.0	-	-
Travel and subsistence	3 250	427	-	3 677	3 658	19	99.5	3 653	3 650
Training and development	13	10	-	23	23	-	100.0	10	10
Operating payments	164	(7)	-	157	155	2	98.7	286	287
Venues and facilities	196	80	-	276	275	1	99.6	67	65
Rental and hiring	-	13	-	13	13	-	100.0	-	-

APPROPRIATION STATEMENT

Detail per programme 3 - University Education

for the year ended 31 March 2016

	2015/16						2014/15		
Programme 3 per economic classification	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	32 795 122	36	-	32 795 158	32 795 034	124	100.0	30 399 042	30 399 042
Departmental agencies and accounts	6 544 127	36	-	6 544 163	6 544 156	7	100.0	6 236 529	6 236 529
Departmental agencies (non-business entities)	6 544 127	36	-	6 544 163	6 544 156	7	100.0	6 236 529	6 236 529
Higher education institutions	26 243 227	-	-	26 243 227	26 243 110	117	100.0	24 155 093	24 155 093
Non-profit institutions	7 761	-	-	7 761	7 761	-	100.0	7 420	7 420
Households	7	-	-	7	7	-	100.0	-	-
Social benefits	7	-	-	7	7	-	100.0	-	-
Payments for capital assets	237	-	-	237	226	11	95.4	280	274
Machinery and equipment	237	-	-	237	226	11	95.4	280	274
Other machinery and equipment	237	-	-	237	226	11	95.4	280	274
Total	32 847 445	-	-	32 847 445	32 844 629	2 816	100.0	30 443 974	30 443 955

APPROPRIATION STATEMENT**Detail per programme 4 - Vocational and Continuing Education and Training**

for the year ended 31 March 2016

Details per sub-programme	2015/16						2014/15		
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Programme Management: Vocational and Continuing Education and Training	5 105	2 431	-		6 177	1 359	82.0	9 105	9 104
2. Planning and Institutional Support	6 358 736	(161 331)	2 361	6 199 766	6 136 247	63 519	99.0	5 832 634	5 832 631
3. Programmes and Qualifications	1 871 185	(13 000)	(5 712)	1 852 473	1 847 691	4 782	99.7	15 965	15 964
4. National Examinations and Assessment	267 264	171 900	-	439 164	439 074	90	100.0	178 132	178 102
Total	8 502 290	-	(3 351)	8 498 939	8 429 189	69 750	99.2	6 035 836	6 035 801

APPROPRIATION STATEMENT

Detail per programme 4 - Vocational and Continuing Education and Training

for the year ended 31 March 2016

Programme 4 per economic classification	2015/16					2014/15			
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	7 148 631	(81 987)	(3 351)	7 063 293	6 994 451	68 842	99.0	217 716	217 685
Compensation of employees	6 980 024	(80 013)	-	6 900 011	6 832 157	67 854	99.0	159 680	159 662
Salaries and wages	4 168 393	2 134 362	-	6 302 755	6 238 088	64 667	99.0	150 509	150 495
Social contributions	2 811 631	(2 214 375)	-	597 256	594 069	3 187	99.5	9 171	9 167
Goods and services	168 607	(1 974)	(3 351)	163 282	162 294	988	99.4	58 036	58 023
Administrative fees	-	21	-	21	20	1	95.2	17	18
Advertising	1 285	495	-	1 780	1 778	2	99.9	8	8
Minor assets	83	192	-	275	268	7	97.5	234	232
Bursaries: Employees	-	2 200	-	2 200	2 200	-	100.0	-	-
Catering: Departmental activities	326	1 061	-	1 387	1 334	53	96.2	632	633
Communication (G&S)	7 302	(5 938)	-	1 364	1 344	20	98.5	1 065	1 064
Computer services	7 122	26 904	-	34 026	34 023	3	100.0	15 500	15 499
Consultants: Business and advisory services	669	1 358	-	2 027	2 025	2	99.9	473	473
Legal services	-	15	-	15	15	-	100.0	-	-
Contractors	-	308	-	308	305	3	99.0	2	2
Agency and support / outsourced services	-	4 963	-	4 963	4 962	1	100.0	55	56
Fleet services (including government motor transport)	-	38	-	38	37	1	97.4	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	17	16
Inventory: Materials and supplies	-	-	-	-	-	-	-	2	-
Consumable supplies	-	486	-	486	475	11	97.7	146	146
Consumable: Stationery, printing and office supplies	27 189	1 411	(351)	28 249	28 151	98	99.7	8 384	8 382
Operating leases	4 262	(3 727)	-	535	510	25	95.3	5 180	5 179
Property payments	4	1 753	-	1 757	1 752	5	99.7	-	-

APPROPRIATION STATEMENT**Detail per programme 4 - Vocational and Continuing Education and Training**
for the year ended 31 March 2016

Programme 4 per economic classification	2015/16					2014/15			
	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
Transport provided: Departmental activity	148	-	-	148	148	-	100.0	-	-
Travel and subsistence	89 406	(25 419)	(1 450)	62 537	61 798	739	98.8	21 701	21 695
Training and development	43	4	-	47	46	1	97.9	-	-
Operating payments	26 937	(14 144)	(800)	11 993	11 984	9	99.9	3 108	3 109
Venues and facilities	3 792	5 616	(750)	8 658	8 656	2	100.0	1 512	1 511
Rental and hiring	39	429	-	468	463	5	98.9	-	-
Transfers and subsidies	1 353 161	30 010	-	1 383 171	1 382 281	890	99.9	5 817 298	5 817 298
Provinces and municipalities	-	-	-	-	-	-	-	2 631 346	2 631 346
Provinces	-	-	-	-	-	-	-	2 631 346	2 631 346
Provincial Revenue Funds	-	-	-	-	-	-	-	2 631 346	2 631 346
Departmental agencies and accounts	45 561	(22 734)	-	22 827	22 834	(7)	100.0	-	-
Departmental agencies (non-business entities)	45 561	(22 734)	-	22 827	22 834	(7)	100.0	-	-
Non-profit institutions	1 307 210	47 781	-	1 354 991	1 354 279	712	99.9	3 185 827	3 185 827
Households	390	4 963	-	5 353	5 168	185	96.5	125	125
Social benefits	390	4 963	-	5 353	5 168	185	96.5	125	125
Payments for capital assets	498	631	-	1 129	1 111	18	98.4	822	818
Machinery and equipment	498	631	-	1 129	1 111	18	98.4	822	818
Other machinery and equipment	498	631	-	1 129	1 111	18	98.4	822	818
Payments for financial assets	-	51 346	-	51 346	51 346	-	100.0	-	-
Total	8 502 290	-	(3 351)	8 498 939	8 429 189	69 750	99.2	6 035 836	6 035 801

APPROPRIATION STATEMENT

Detail per programme 5 - Skills Development

for the year ended 31 March 2016

Details per sub-programme	2015/16							2014/15	
	Adjusted appropriation	Shifting of funds	Virement	Final appropri-ation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Programme Management: Skills Development	1 940	784	-	2 724	2 645	79	97.1	1 414	1 413
2. SETA Coordination	81 224	226	7 768	89 218	88 823	395	99.6	75 053	75 044
3. National Skills Development Services	7 619	(1 010)	2 490	9 099	8 950	149	98.4	6 365	6 361
4. Quality Development and Promotion	21 848	-	658	22 506	22 480	26	99.9	23 167	23 167
Total	112 631	-	10 916	123 547	122 898	649	99.5	105 999	105 985

APPROPRIATION STATEMENT

Detail per programme 5 - Skills Development

for the year ended 31 March 2016

Programme 5 per economic classification	2015/16						2014/15		
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000
Economic classification									
Current payments	90 078	(164)	10 646	100 560	100 190	370	99.6	82 383	82 369
Compensation of employees	77 794	-	9 000	86 794	86 634	160	99.8	71 613	71 606
Salaries and wages	46 676	21 202	6 975	74 853	74 819	34	100.0	61 716	61 712
Social contributions	31 118	(21 202)	2 025	11 941	11 815	126	98.9	9 897	9 894
Goods and services	12 284	(164)	1 646	13 766	13 556	210	98.5	10 770	10 763
Administrative fees	-	(65)	65	-	-	-	-	-	-
Advertising	-	(15)	15	-	-	-	-	60	61
Minor assets	415	(390)	50	75	67	8	89.3	103	103
Catering: Departmental activities	57	71	-	128	125	3	97.7	66	66
Communication (G&S)	1 302	(270)	290	1 322	1 297	25	98.1	1 193	1 192
Computer services	2	(134)	138	6	6	-	100.0	-	-
Consultants: Business and advisory services	687	168	-	855	833	22	97.4	68	68
Contractors	291	4	-	295	295	-	100.0	100	100
Agency and support / outsourced services	120	903	-	1 023	1 023	-	100.0	487	487
Fleet services (including government motor transport)	279	(124)	-	155	152	3	98.1	147	148
Inventory: Clothing material and accessories	-	-	-	-	-	-	0.0	33	33
Inventory: Food and food supplies	-	-	-	-	-	-	0.0	366	366
Inventory: Fuel, oil and gas	-	-	-	-	-	-	0.0	11	11
Inventory: Materials and supplies	-	-	-	-	-	-	0.0	2 993	2 991
Consumable supplies	-	4 664	-	4 664	4 655	9	99.8	723	723
Consumable: Stationery, printing and office supplies	5 376	(4 939)	217	654	627	27	95.9	701	702
Operating leases	803	(92)	22	733	669	64	91.3	597	597
Property payments	844	(265)	26	605	603	2	99.7	830	829
Transport provided: Departmental activity	455	-	-	455	455	-	100.0	-	-

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 15

APPROPRIATION STATEMENT
Detail per programme 5 - Skills Development
for the year ended 31 March 2016

	2015/16						2014/15		
	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
Programme 5 per economic classification									
Travel and subsistence	1 491	490	345	2 326	2 283	43	98.2	2 195	2 193
Operating payments	32	(45)	178	165	164	1	99.4	36	33
Venues and facilities	67	(113)	300	254	251	3	98.8	52	52
Rental and hiring	63	(12)	-	51	51	-	100.0	9	8
Transfers and subsidies	21 848	151	-	21 999	22 000	(1)	100.0	23 184	23 184
Departmental agencies and accounts	21 848	98	-	21 946	21 947	(1)	100.0	23 167	23 167
Departmental agencies (non-business entities)	21 848	98	-	21 946	21 947	(1)	100.0	23 167	23 167
Households	-	53	-	53	53	-	100.0	17	17
Social benefits	-	53	-	53	53	-	100.0	17	17
Payments for capital assets	705	-	-	705	426	279	60.4	432	432
Machinery and equipment	705	-	-	705	426	279	60.4	432	432
Other machinery and equipment	705	-	-	705	426	279	60.4	432	432
Payments for financial assets	-	13	270	283	282	1	99.6	-	-
Total	112 631	-	10 916	123 547	122 898	649	99.5	105 999	105 985

APPROPRIATION STATEMENT

Detail per programme 5 - Skills Development

for the year ended 31 March 2016

STATUTORY APPROPRIATION							
2015/16						2014/15	
Direct charges	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %
1. Sector education and training authorities	12 125 894	-	-	12 125 894	12 125 894	-	100.0
2. National Skills Fund	3 030 539	-	-	3 030 539	3 030 539	-	100.0
Total	15 156 433	-	-	15 156 433	15 156 433	-	100.0
						13 838 798	13 838 798
							13 838 798

STATUTORY APPROPRIATION PER ECONOMIC CLASSIFICATION							
2015/16						2014/15	
Economic classification	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %
Transfers and subsidies	15 156 433	-	-	15 156 433	15 156 433	-	100.0
Departmental agencies and accounts	15 156 433	-	-	15 156 433	15 156 433	-	100.0
Departmental agencies (non-business entities)	15 156 433	-	-	15 156 433	15 156 433	-	100.0
Total	15 156 433	-	-	15 156 433	15 156 433	-	100.0
						13 838 798	13 838 798
							13 838 798

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
VOTE 15
NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2016

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, the note on the statement of conditional grants paid to provinces and Annexure 1 (A-H) 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 per programme 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 %
Administration	354 958	346 819	8 139	2.29
The under-spending is due mainly to the slow filling of vacant funded posts due to the large volumes of applications, posts that were advertised as part of the TVET and CET function shift process and the concomitant saving on machinery and equipment as well as goods and services.				
Human Resource Development, Planning and Monitoring Coordination	55 249	52 019	3 230	5.85
The under-spending is due mainly to: 1) the slow filling of vacant funded posts due to the large volumes of applications, posts that were advertised as part of the TVET and CET function shift process and the concomitant saving on machinery and equipment as well as goods and services; 2) outstanding invoices for litigation matters that was not received in time; and 3) saving on transfers to the India-Brazil-South Africa Trilateral Commission as no invoice was received for services rendered in the financial year.				
University Education	32 847 445	32 844 629	2 816	0.01
There were no material variances on this programme.				
Vocational and Continuing Education and Training	8 498 939	8 429 189	69 750	0.82
The under-spending is due mainly to: 1) retained funds from TVET colleges to cover the uncertainty of the actual cost that emanated from the function shift; 2) performance assessment of staff in the TVET colleges for the 2014/15 financial year were not received on time; 3) pay progression for staff that moved from provincial education departments was not instated in all instances; and 4) a moratorium on the filling of vacant posts in the TVET sector.				

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2016

	Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
	R'000	R'000	R'000	%
Skills Development	123 547	122 898	649	0.53
There were no material variances on this programme.				

4.2 Per economic classification:**Current expenditure**

Compensation of employees	7 245 606	7 166 395	79 211	1.09
Goods and services	367 580	364 903	2 677	0.73

Transfers and subsidies

Departmental agencies and accounts	21 745 861	21 745 547	314	0.00
Higher education institutions	26 243 227	26 243 110	117	0.00
Foreign governments and international organisations	3 156	2 588	568	18.00
Non-profit institutions	1 362 752	1 362 040	712	0.05
Households	5 500	5 315	185	3.36

Payments for capital assets

Machinery and equipment	10 873	10 075	798	7.34
Software and other intangible assets	113	112	1	0.88

Payments for financial assets

	51 903	51 902	1	0.00

Compensation of Employees

The under-spending is due mainly to: 1) the slow filling of vacant funded posts due to the large volumes of applications and posts that were advertised as part of the TVET and CET function shift process ; 2) retained funds from TVET colleges to cover the uncertainty of the actual cost that will emanate from the function shift; 3) performance assessments of staff in the TVET colleges for the 2014/15 financial year were not received on time; 4) pay progression for staff that moved from provincial education departments that was not instated in all instances; and 5) a moratorium on the filling of vacant posts in the TVET sector.

Goods and services

There were no material variances on goods and services. However, the under-spending is due mainly to the slow filling of vacant funded posts which resulted in the concomitant savings on goods and services.

Foreign governments and international organisations

The under-spending is due mainly to a saving on transfers to the India-Brazil-South Africa Trilateral Commission as no invoice was received for services rendered in the financial year.

Payments for capital assets

The under-spending is due mainly to slow filling of vacant posts which resulted in the concomitant savings on machinery and equipment.

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
VOTE 15
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
REVENUE			
Annual appropriation	1	41 880 138	36 866 681
Statutory appropriation	2	15 156 433	13 838 798
Departmental revenue	3	15 444	11 594
Aid assistance	4	46 813	21 218
TOTAL REVENUE		57 098 828	50 738 291
EXPENDITURE			
Current expenditure			
Compensation of employees	5	7 166 395	426 913
Goods and services	6	364 903	190 857
Aid assistance	4	41 039	19 181
Total current expenditure		7 572 337	636 951
Transfers and subsidies			
Transfers and subsidies	8	49 358 600	50 081 401
Aid assistance	4	-	-
Total transfers and subsidies		49 358 600	50 081 401
Expenditure for capital assets			
Tangible assets	9	10 075	5 148
Software and other intangible assets	9	112	-
Total expenditure for capital assets		10 187	5 148
Payments for financial assets	7	51 902	-
TOTAL EXPENDITURE		56 993 026	50 723 500
SURPLUS FOR THE YEAR		105 802	14 791
Reconciliation of Net Surplus for the year			
Voted Funds		84 584	1 160
Annual appropriation		84 584	1 160
Departmental revenue and NRF receipts	15	15 444	11 594
Aid assistance	4	5 774	2 037
SURPLUS FOR THE YEAR		105 802	14 791

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
VOTE 15
STATEMENT OF FINANCIAL POSITION
as at 31 March 2016

	<i>Note</i>	2015/16 R'000	2014/15 R'000
ASSETS			
Current Assets		589 485	64 198
Cash and cash equivalents	10	199 116	343
Prepayments and advances	11	18 344	8 144
Receivables	12	369 494	53 408
Loans	13	2 531	2 303
Non-Current Assets		20 972	239 648
Receivables	12	3 839	219 984
Loans	13	17 133	19 664
TOTAL ASSETS		610 457	303 846
LIABILITIES			
Current Liabilities		590 404	281 498
Voted funds to be surrendered to the Revenue Fund	14	84 584	1 160
Departmental revenue to be surrendered to the Revenue Fund	15	1 005	347
Bank overdraft	16	431 375	275 030
Payables	17	67 666	2 924
Aid assistance repayable	4	5 774	2 037
Non-Current Liabilities			
Payables	18	248	-
TOTAL LIABILITIES		590 652	281 498
NET ASSETS		19 805	22 348
Represented by:			
Capitalisation reserve		19 664	21 967
Recoverable revenue		141	381
TOTAL		19 805	22 348

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
VOTE 15
STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2016

	<i>Note</i>	2015/16 R'000	2014/15 R'000
Capitalisation Reserves			
Opening balance		21 967	24 247
Transfers:			
Other movements		(2 303)	(2 280)
Closing balance		19 664	21 967
Recoverable revenue			
Opening balance		381	382
Transfers		(240)	(1)
Debts recovered (including in departmental receipts)		(4 274)	(78)
Debts raised		4 034	77
Closing balance		141	381
TOTAL		19 805	22 348

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 15

CASH FLOW STATEMENT

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		57 098 656	50 738 276
Annual appropriated funds received	1.1	41 880 138	36 866 681
Statutory appropriated funds received	2	15 156 433	13 838 798
Departmental revenue received	3	11 481	8 236
Interest received	3.2	3 791	3 343
Aid assistance received	4	46 813	21 218
Net (increase)/ decrease in working capital		(45 399)	(115 868)
Surrendered to Revenue Fund		(15 946)	(13 374)
Surrendered to RDP Fund/Donor		(2 037)	(3 131)
Current payments		(7 572 337)	(636 951)
Payments for financial assets		(51 902)	-
Transfers and subsidies paid		(49 358 600)	(50 081 401)
Net cash flow available from operating activities	19	52 435	(112 449)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9	(10 187)	(5 148)
Proceeds from sale of capital assets	3.3	172	15
(Increase)/ decrease in loans		2 303	2 280
Net cash flows from investing activities		(7 712)	(2 853)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		(2 543)	(2 281)
Increase/ (decrease) in non-current payables		248	-
Net cash flows from financing activities		(2 295)	(2 281)
Net increase/ (decrease) in cash and cash equivalents		42 428	(117 583)
Cash and cash equivalents at beginning of period		(274 687)	(157 104)
Cash and cash equivalents at end of period	20	(232 259)	(274 687)

ACCOUNTING POLICIES

for the year ended 31 March 2016

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.

ACCOUNTING POLICIES

for the year ended 31 March 2016

6. Comparative information**6.1 Prior period comparative information**

Prior period comparative information has been presented in the current year's Financial Statements. Where necessary figures included in the prior period Financial Statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's Financial Statements.

6.2 Current year comparison with budget

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the Appropriation Statement.

7. Revenue**7.1 Appropriated funds**

Appropriated funds comprise of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the Statement of Financial Performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the Statement of Financial Performance on the date the adjustments become effective.

The net amount of any appropriated funds due to / from the relevant 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.

ACCOUNTING POLICIES

for the year ended 31 March 2016

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.

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 Accrued expenditure payable

Accrued expenditure payable is 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.

Accrued expenditure payable is 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.

ACCOUNTING POLICIES

for the year ended 31 March 2016

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.

ACCOUNTING POLICIES

for the year ended 31 March 2016

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, a department shall 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

Loans and payables are recognised in the Statement of Financial Position at cost.

15. Capital Assets**15.1 Immovable capital assets**

Immovable capital assets are initially recorded in the notes to the Financial Statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of immovable capital assets cannot be determined reliably, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

ACCOUNTING POLICIES

for the year ended 31 March 2016

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.

15.2 Movable capital assets

Movable capital assets are initially recorded in the notes to the Financial Statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

15.3 Intangible assets

Intangible assets are initially recorded in the notes to the Financial Statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the Financial Statements when the Department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

ACCOUNTING POLICIES

for the year ended 31 March 2016

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 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.

ACCOUNTING POLICIES

for the year ended 31 March 2016

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.

ACCOUNTING POLICIES

for the year ended 31 March 2016

22. Principal-Agent-arrangements

The Department is party to a principal-agent arrangement for the Technical and Vocational Education and Training college infrastructure project. In terms of the arrangement the Department is the agent. The Department has been appointed by the National Skills Fund to project manage the Technical and Vocational Education and Training college infrastructure development funded by the National Skills Fund and relevant Sector Education and Training Authorities. The beneficiaries of the project will be the respective Technical and Vocational Education and Training colleges who will receive the new or improved Technical and Vocational Education and Training colleges campus sites once the construction has been completed. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Any unspent funds will be returned to the National Skills Fund. Principal-Agent arrangements have been accounted for in the notes to the Financial Statements where appropriate.

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.

VOTE 15

for the year ended 31 March 2016

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
3.1 Sales of goods and services other than capital assets	3		
Sales of goods and services produced by the department		8 983	5 634
Sales by market establishment		475	430
Administrative fees		4 657	4 417
Other sales		3 851	787
Sales of scrap, waste and other used current goods		15	17
Total		8 998	5 651
3.2 Interest, dividends and rent on land	3		
Interest		3 791	3 343
Total		3 791	3 343
3.3 Sales of capital assets	3		
Tangible assets			
Machinery and equipment		172	15
Total		172	15
3.4 Transactions in financial assets and liabilities	3		
Other receipts including recoverable revenue		2 483	2 585
Total		2 483	2 585
4. Aid Assistance			
Opening Balance		2 037	3 131
Transferred from statement of financial performance		5 774	2 037
Paid during the year		(2 037)	(3 131)
Closing Balance		5 774	2 037
4.1 Analysis of balance by source	4		
Aid assistance from RDP		5 774	2 037
Closing Balance		5 774	2 037
4.2 Analysis of balance			
Aid assistance repayable	4	5 774	2 037
Closing balance		5 774	2 037
4.3 Reconciliation of closing balance	4		
Revenue		46 813	21 218
Expenditure		41 039	19 181
Closing balance		5 774	2 037

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
5. Compensation of employees			
5.1 Salaries and wages			
Basic salary		4 833 838	240 450
Performance award		17 691	4 479
Service based		5 110	203
Compensative/circumstantial		863 335	81 434
Periodic payments		188	1
Other non-pensionable allowances		813 023	59 311
Total		6 533 185	385 878
<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>			
5.2 Social contributions			
Employer contributions			
Pension		430 909	29 031
Medical		199 314	11 934
UIF		321	-
Bargaining council		1 724	69
Official unions and associations		942	1
Total		633 210	41 035
Total compensation of employees		7 166 395	426 913
Average number of employees		28 184	1 092

The increase in compensation of employees is relating to the Technical and Vocational Education and Training (TVET) and Adult Education and Training (now called Community Education and Training (CET) function shift process from the provincial sphere of Government to the Department.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
6. Goods and services			
Administrative fees		1 024	231
Advertising		3 175	1 663
Minor assets	6.1	2 725	643
Bursaries (employees)		2 529	376
Catering		2 138	1 520
Communication		8 264	7 170
Computer services	6.2	65 030	38 193
Consultants: Business and advisory services		4 026	1 720
Legal services		1 972	3 245
Contractors		12 075	898
Agency and support / outsourcing services		17 061	4 872
Entertainment		52	62
Audit cost – external	6.3	9 525	8 101
Fleet services		1 286	974
Inventory	6.4	-	3 501
Consumables	6.5	42 276	15 102
Operating leases		3 348	7 640
Property payments	6.6	70 070	36 891
Rental and hiring		1 220	112
Transport provided as part of the departmental activities		1 273	82
Travel and subsistence	6.7	88 580	48 592
Venues and facilities		10 157	2 761
Training and development		2 446	1 515
Other operating expenditure	6.8	14 651	4 993
Total		364 903	190 857
6.1 Minor assets	6		
Tangible assets		2 725	633
Machinery and equipment		2 725	633
Intangible assets		-	10
Software		-	10
Total		2 725	643
6.2 Computer Services	6		
SITA computer services		61 394	32 579
External computer services providers		3 636	5 614
Total		65 030	38 193

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
6.3 Audit cost – external	6		
Regularity audits		8 470	6 075
Performance audits		148	575
Computer audits		907	1 451
Total		9 525	8 101
6.4 Inventory	6		
Clothing material and accessories		-	133
Food and food supplies		-	366
Fuel, oil and gas		-	11
Materials and supplies		-	2 991
Total		-	3 501
6.5 Consumables	6		
Consumable supplies		6 345	1 411
Uniform and clothing		774	42
Household supplies		840	959
Building material and supplies		3 140	229
Communication accessories		158	-
IT consumables		279	111
Other consumables		1 154	70
Stationery, printing and office supplies		35 931	13 691
Total		42 276	15 102
6.6 Property payments	6		
Municipal services		10 484	4
Property management fees		58 307	35 931
Property maintenance and repairs		86	3
Other		1 193	953
Total		70 070	36 891
6.7 Travel and subsistence	6		
Local		80 466	41 004
Foreign		8 114	7 588
Total		88 580	48 592
6.8 Other operating expenditure			
Resettlement costs		1 477	831
Other		13 174	4 162
Total		14 651	4 993

Other includes courier and delivery services, printing and publications, resettlement costs and insurance payments.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
7. Payments for financial assets			
Debts written off	7.1	51 902	-
Total		51 902	-
7.1 Debts written off			
Nature of debts written off			
Irregular expenditure written off			
Pension Fund Interest		15	-
Total		15	-
Recoverable revenue written off			-
Gauteng Department of Education		51 346	-
World Bank Claims		12	-
Pension Fund (Old DOE cases)		144	-
South African Revenue Service		102	-
Quality Council for Trades and Occupation		270	-
Total		51 874	-
Other debt written off			
Stationery		13	-
Total		13	-
Total debt written off		51 902	-
8. Transfers and subsidies			
Provinces and municipalities	34	-	2 631 346
Departmental agencies and accounts	Annex 1A	21 745 547	20 098 495
Higher education institutions	Annex 1B	26 243 110	24 155 093
Foreign governments and international organisations	Annex 1C	2 588	2 983
Non-profit institutions	Annex 1D	1 362 040	3 193 247
Households	Annex 1E	5 315	237
Total		49 358 600	50 081 401
Unspent funds transferred to the above beneficiaries		8 023	46 559

An amount of R8.023 million was surrendered by the provincial education department of Eastern Cape.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

	<i>Note</i>	2015/16 R'000	2014/15 R'000
9. Expenditure for capital assets			
Tangible assets		10 075	5 148
Machinery and equipment	31	10 075	5 148
Intangible assets		112	-
Patents, licences, copyright, brand names, trademarks	32	112	-
Total		10 187	5 148

9.1 Analysis of funds utilised to acquire capital assets - 2015/16

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	10 075	-	10 075
Machinery and equipment	10 075	-	10 075
Intangible assets	112	-	112
Patents, licences, copyright, brand names, trademarks	112	-	112
Total	10 187	-	10 187

9.2 Analysis of funds utilised to acquire capital assets - 2014/15

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	5 148	-	5 148
Machinery and equipment	5 148	-	5 148
Intangible assets	-	-	-
Software	-	-	-
Total	5 148	-	5 148

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
10. Cash and cash equivalents			
Cash receipts		3	5
Cash on hand		40	32
Cash with commercial banks (Local)		199 073	306
Total		199 116	343
11. Prepayments and advances			
Travel and subsistence		100	87
Prepayments		2 308	2 630
Advances paid	11.1	15 936	5 427
Total		18 344	8 144
11.1 Advances paid			
National departments	Annex 5A	15 936	5 427
		15 936	5 427
11.2 Prepayments (Not expensed)			
Goods and services		2 308	2 630
		2 308	2 630

The prepayments are mainly in respect of payments made to a service provider for which there was a dispute that still needs to be resolved.

		2015/16			2014/15		
	Note	Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
12. Receivables							
12.1							
Claims recoverable	Annex 3	354 924	2 332	357 256	52 244	218 533	270 777
Recoverable expenditure	12.2	8 846	830	9 676	459	882	1 341
Staff debt	12.3	2 881	475	3 356	270	568	838
Other debtors	12.4	2 843	202	3 045	435	1	436
Total		369 494	3 839	373 333	53 408	219 984	273 392

The increase in claims recoverable is due to claims in respect of March 2016 for services rendered on behalf of the National Skills Fund and payments in respect of the NSF growth projects for the 2015/16 financial year. Claims in respect of March 2016 were issued in April 2016.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
12.1 Claims recoverable	12		
National departments		26 536	3 313
Provincial departments		405	51 548
Public entities		320 002	213 927
Private enterprises		1 786	1 629
Higher education institutions		8 527	35
Households and non-profit institutions		-	325
Total		357 256	270 777
<i>The increase in claims recoverable is due to claims in respect of March 2016 for services rendered on behalf of the National Skills Fund and payment in respect of the NSF growth projects for the 2015/16 financial year. Claims in respect of March 2016 were issued in April 2016.</i>			
12.2 Recoverable expenditure (disallowance accounts)	12		
Dishonoured Cheques		-	14
Salaries		8 857	298
No Shows		285	458
Miscellaneous		534	571
Total		9 676	1 341
12.3 Staff debt	12		
Motor accidents		270	272
Other		546	204
Pension Fund		175	198
Salary overpayment		1 091	131
Salary tax debt		1 274	33
Total		3 356	838
12.4 Other debtors	12		
Debt taken over from the Department of Education		-	35
Pension recoverable		-	15
Other debtors		3 045	386
Total		3 045	436
12.5 Impairment of receivables			
Estimate of impairment of receivables		410	51 960
Total		410	51 960

Items older than three years were impaired.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
13. Loans			
Higher education institutions		19 664	21 967
Total		19 664	21 967
Analysis of balance			
Opening balance		21 967	24 247
Repayments		(2 303)	(2 280)
Closing balance		19 664	21 967
Cape Peninsula University of Technology		2 553	2 935
Durban University of Technology		5 590	6 151
Nelson Mandela Metropolitan University		134	144
Tshwane University of Technology		5 519	6 084
Vaal University of Technology		1 994	2 265
University of Johannesburg		3 568	3 976
University of Stellenbosch		306	412
		19 664	21 967
Current portion of loans		2 531	2 303
14. Voted funds to be surrendered to the Revenue Fund			
Opening balance		1 160	1 931
Transfer from Statement of Financial Performance		84 584	1 160
Voted funds not requested/not received	1.1	-	-
Paid during the year		(1 160)	(1 931)
Closing balance		84 584	1 160
15. Departmental revenue and NRF receipts to be surrendered to the Revenue Fund			
Opening balance		347	196
Transfer from Statement of Financial Performance		15 444	11 594
Paid during the year		(14 786)	(11 443)
Closing balance		1 005	347
16. Bank overdraft			
Consolidated Paymaster-General Account		431 375	275 030
Total		431 375	275 030

The bank overdraft is due mainly in respect of March 2016 for services rendered on behalf of the National Skills Fund and for the payment in respect of the NSF growth projects for the 2015/16 financial year. Claims in respect of March 2016 payments were only issued in April 2016.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
17. Payables - current			
Amounts owing to other entities			
Advances received	17.1	57 293	1 963
Clearing accounts	17.2	67	86
Other payables	17.3	10 306	875
Total		67 666	2 924

The increase in payables is due mainly to advance payment received in respect of the NSF FET college Infrastructure and NSF International Scholarship grants.

17.1 Advances received	17		
Public entities		57 293	1 963
Total		57 293	1 963
17.2 Clearing accounts	17		
Tax RSA		-	86
Salary Claims: Limpopo and Mpumalanga		67	-
Total		67	86
17.3 Other payables	17		
Unidentified deposits		462	608
Other payables		87	30
Bank rejected deposits		-	237
Salary Income Tax		6 249	-
Salary: Money Back		3 508	-
Total		10 306	875

	Note	2015/16				2014/15
		One to two years R'000	Two to three years R'000	More than three years R'000	Total R'000	Total R'000
18. Payables – non-current						
Other payables	18.1	248	-	-	248	-
		248	-	-	248	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
18.1 Other payables	18		
Other payables		1	-
Salary Income Tax		68	-
Salary: Money Back		179	-
Total		248	-
19. Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		105 802	14 791
Add back non cash/cash movements not deemed operating activities		(53 367)	(127 240)
(Increase)/decrease in receivables – current		(99 941)	(58 450)
(Increase)/decrease in prepayments and advances		(10 200)	5 070
Increase/(decrease) in payables – current		64 742	(62 488)
Proceeds from sale of capital assets		(172)	(15)
Expenditure on capital assets		10 187	5 148
Surrenders to Revenue Fund		(15 946)	(13 374)
Surrenders to RDP Fund/Donor		(2 037)	(3 131)
Voted funds not requested / not received		-	-
Other non-cash items		-	-
Net cash flow generated by operating activities		52 435	(112 449)
20. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster-General account		(431 375)	(275 030)
Cash receipts		3	5
Cash on hand		40	32
Cash with commercial banks (Local)		199 073	306
Total		(232 259)	(274 687)
21. Contingent liabilities and contingent assets			
21.1 Contingent liabilities			
Liable to	Nature		
Housing loan guarantees	Employees	Annex 2A	-
Other guarantees		Annex 2A	146
Claims against the department		Annex 2B	106 690
Total		106 836	11 351

The large increase in contingent liabilities is attributable to the possible pension liability of 500 TVET college staff members.

There is uncertainties relating to the amount of the outflow in respect of claims for the possible pension liability of R96.773 million as calculated by actuarial valuers that relates to the employment status of staff previously remunerated by College Councils as well as against the Department for the cases of Vital vs Vista University (R4 million) as this case is dormant and it might not realise.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
22. Commitments			
Current expenditure			
Approved and contracted		29 165	15 105
		29 165	15 105
Capital expenditure (including transfers)			
Approved and contracted		399	591
		399	591
Total Commitments		29 564	15 696

Commitments to the amount of R1.056 million is longer than a year.

23. Accruals					
Listed by economic classification	30 days	30+ days	Total	Total	
Compensation of employees	-	39 060	39 060	63 036	
Goods and services	6 345	20 192	26 537	39 410	
Capital assets	38	81	119	1 627	
Total	6 383	59 333	65 716	104 073	

Listed by programme level

Programme 1: Administration	11 840	21 564
Programme 2: Human Resource Development, Planning and Monitoring Coordination	589	533
Programme 3: University Education	2 043	832
Programme 4: Vocational and Continuing Education and Training	50 453	78 937
Programme 5: Skills Development	791	2 049
Unallocated	-	158
Total	65 716	104 073

Reasons for material accruals:

Claims in respect of the Rennie's account, Community Education and Training lectures and examiners and moderators were not received before closure of the financial year. Other accruals include, claims from Community Education and Training lectures and examiners and moderators.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
24. Employee benefits			
Leave entitlement		119 096	15 049
Service bonus (Thirteenth cheque)		146 336	8 948
Performance awards		79 139	3 932
Capped leave commitments		105 505	11 442
Other		4 778	1 347
Total		454 854	40 718
Negative leave balances			
Differences in the reporting cycle for leave		1 004	302

Negative leave balances: Differences in reporting cycle for leave: 2014/15: R302 000; 2015/16: R1.004 million. The increase in the negative leave balance is due to the increase number of staff relating to the function shift and pro-rata leave granted for the year by end of March. Employee benefits for 2014/15 were increased from R1.110 million to R1.347 million to include long service awards.

25. Lease commitments**25.1 Operating leases expenditure**

2015/16	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	54 755	4 323	59 078
Later than 1 year and not later than 5 years	14 879	771	15 650
Total lease commitments	69 634	5 094	74 728
2014/15	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	50 272	1 408	51 680
Later than 1 year and not later than 5 years	68 678	1 176	69 854
Total lease commitments	118 950	2 584	121 534

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 lease amount for the period longer than a year for 123 Francis Baard Street as this agreement have not yet been concluded. The lease agreement for machinery and equipment is mainly in respect of photocopy machines and these contracts are for a period of three to five years for the lease of these machinery and equipment.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
26. Irregular expenditure			
26.1 Reconciliation of irregular expenditure			
Opening balance		726	1 345
Prior period error		-	(526)
		726	819
Add: Irregular expenditure – relating to current year		31 308	1 252
Less: Prior year amounts condoned		(726)	(1 345)
Irregular expenditure awaiting condonation		31 308	726
Analysis of awaiting condonation per age classification			
Current year		-	1 252
Prior years		-	-
Total		-	1 252

Prior period error: An amount of R526 796.60 was overstated for inclusion in the AFS of 2014/15 as identified by the Auditor-General.

26.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2015/16 R'000
Contract awarded to bidder not scoring the highest point in the evaluation process	Under investigation	30 118
Procurement of suppliers not listed on the database	Under investigation	1 190
Total		31 308

26.3 Details of irregular expenditure condoned – current year

Incident	Condoned by (condoning authority)	
2014/15- Correct procurement procedures were not followed	Accounting Officer	32
2014/15- Correct procurement procedures were not followed	Accounting Officer	304
2014/15- Correct procurement procedures were not followed	Accounting Officer	390
		726

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

2014/15

R'000

26.4 Prior period error

Nature of prior period error

Amount overstated during 2014/15

(526)

Total**(526)***An amount of R526 796.60 was overstated for inclusion in the AFS of 2014/15 as identified by the Auditor-General.***27. Related party transactions**

List related party relationships

Ministerial Portfolio	Departmental Schedule	Public Entity
Higher Education and Training	3A	Council on Higher Education and Training
	3A	National Student Financial Aid Scheme
	3A	South African Qualifications Authority
	3A	Quality Council for Trades and Occupations
		National Skills Fund
	3A	Sector Education and Training Authorities (SETAs):
		Agriculture Sector Education and Training Authority
		Banking Sector Education and Training Authority
		Construction Sector Education and Training Authority
		Energy and Water Sector Education and Training Authority
		Education, Training and Development Practices SETA
		Financial and Accounting Services SETA
		Food and Beverages Manufacturing Industry
		Health and Welfare Sector Education and Training Authority
		Chemical Industries Education and Training Authority
		Transport Education and Training Authority
		Public Service Sector Education and Training Authority
		Insurance Sector Education and Training Authority
		Media, Information and Communication Technologies SETA
		Manufacturing, Engineering and Related Services SETA
		Mining Qualifications Authority
		Safety and Security Sector Education and Training Authority
		Services Sector Education and Training Authority
		Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority
		Wholesale and Retail Sector Education and Training Authority
		Local Government Sector Education and Training Authority
		Fibre Processing and Manufacturing SETA
		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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
28. Key management personnel			
	No. of Individuals		
Political office bearers	2	4 337	4 254
Officials:			
Level 15 to 16	10	13 113	12 570
Level 14	27	27 854	21 995
Total		45 304	38 819
Minister: 2015/16: R2.4 million; 2014/15: R2.192 million. Deputy Minister: 2015/16: R1.937 million; 2014/15: R1.822 million.			
29. Provisions			
Examiner and moderator claims		5 852	8 353
CET claims		2 324	-
		8 176	8 353

29.1 Reconciliation of movements in provisions - 2015/16

	Provision 1 R'000	Provision 2 R'000	Total provisions R'000
Opening balance	8 353	-	8 353
Increase in provision	5 852	2 324	8 176
Settlement of provision	(8 353)	-	(8 353)
Closing balance	5 852	2 324	8 176

29.2 Reconciliation of movements in provisions - 2014/15

	Provision 1 R'000	Provision 2 R'000	Total provisions R'000
Opening balance	8 353	-	8 353
Increase in provision	-	-	-
Settlement of provision	-	-	-
Closing balance	8 353	-	8 353

Provision 1: Provision in respect of examination claims received in the previous financial year that were returned to marking centres as these claims were incomplete. There is uncertainty on when these claims will be received. Amount used is based on recorded information on claims returned to marking centres. In view of the fact that these claims must be verified by the marking centres there is uncertainty on when these claims will be returned for processing.

Provisions 2: Provision in respect of community education and training centres received in the previous financial year for which necessary appointment documents were not received. The amount included is based on claims received. There is uncertainty whether these claims will be processed and by when these claims will be processed.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

2015/16

R'000

30. Non-adjusting events after reporting date

During April 2016, the Department established that a number of salary overpayments occurred in the previous financial year. A process commenced to investigate these cases and debt is taken on when the value of the overpayment of these cases is determined. The total amount of overpayment cannot be determined as this is still under investigation.

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31. Movable Tangible Capital Assets**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	37 543	9 600	1 779	45 364
Transport assets	6 621	1 557	1 139	7 039
Computer equipment	23 769	5 782	633	28 918
Furniture and office equipment	4 746	1 466	-	6 212
Other machinery and equipment	2 407	795	7	3 195
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	37 543	9 600	1 779	45 364

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

Additions**31.1 ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016**

	Cash	Non-cash	(Capital work-in- progress current costs and finance lease payments)	Received current, not paid (paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	10 074	-	-	(474)	9 600
Transport assets	2 455	-	-	(898)	1 557
Computer equipment	5 743	-	-	39	5 782
Furniture and office equipment	1 450	-	-	16	1 466
Other machinery and equipment	426	-	-	369	795
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	10 074	-	-	(474)	9 600

Movable Tangible Capital Assets under investigation

	Number	Value
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		R'000
Machinery and equipment	1	29

Assets under investigation due to office renovation that occurred where single office locations were converted to open plan settings. During this, officials were temporarily housed in other offices without the movement forms being completed as per departmental prescripts. Whole sections also moved to other locations and floors as sections were streamlining their operations. In some cases officials just moved their assets without completing the movement form and informing Asset Management.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

Disposals**31.2 DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016**

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash received actual R'000
MACHINERY AND EQUIPMENT	891	888	1 779	172
Transport assets	891	248	1 139	172
Computer equipment	-	633	633	-
Other machinery and equipment	-	7	7	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	891	888	1 779	172

Movement for 2014/15**31.3 MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015**

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	38 397	898	5 246	6 998	37 543
Transport assets	5 723	898	-	-	6 621
Computer equipment	21 015	-	4 469	1 715	23 769
Furniture and office equipment	9 623	-	336	5 213	4 746
Other machinery and equipment	2 036	-	441	70	2 407
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	38 397	898	5 246	6 998	37 543

**2014/15
R'000****31.3.1 Prior period error**

Nature of the prior error

Relating to 2014/15

Understatement of Transport Equipment: Transport Equipment incorrectly recorded as R1 value due to unavailability of supporting documents

Total

898

898

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

31.4 Minor assets**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016**

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Opening balance	90	6 869	6 959
Additions	653	1 040	1 693
Disposals	-	115	115
TOTAL MINOR ASSETS	743	7 794	8 537

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	21 669	21 669
Number of minor assets at cost	284	3 402	3 686
TOTAL NUMBER OF MINOR ASSETS	284	25 071	25 355

Minor Capital Assets under investigation

	Number	Value R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	8	9

Asset under investigation due to office renovation that occurred where single office locations were converted to open plan settings. During this, officials were temporarily housed in other offices without the movement forms being completed as per departmental prescripts. Whole sections also moved to other locations and floors as sections were streamlining their operations. In some cases officials just moved their assets without completing the movement form and informing Asset Management.

Minor assets**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015**

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Opening balance	74	6 465	6 539
Additions	16	683	699
Disposals	-	279	279
TOTAL MINOR ASSETS	90	6 869	6 959

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	-	-
Number of minor assets at cost	-	-	-
TOTAL NUMBER OF MINOR ASSETS	-	-	-

31.5 Movable assets written off**MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2016**

	Machinery and equipment R'000	Total R'000
Assets written off	115	115
TOTAL MOVABLE ASSETS WRITTEN OFF	115	115

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2015

	Machinery and equipment R'000	Total R'000
Assets written off	279	279
TOTAL MOVABLE ASSETS WRITTEN OFF	279	279

32. Intangible Capital Assets**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
COMPUTER SOFTWARE	11 651	-	-	11 651
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	138	112	-	250
TOTAL INTANGIBLE CAPITAL ASSETS	11 789	112	-	11 901

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

Additions**32.1 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016**

	Cash R'000	Non-cash R'000	Received current, not paid (paid current year, received prior year) R'000	Total R'000
COMPUTER SOFTWARE	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	112	-	-	112
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	112	-	-	112

Movement for 2014/15**32.2 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015**

	Opening Balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
COMPUTER SOFTWARE	692	10 959	-	11 651
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	138	-	-	138
TOTAL INTANGIBLE CAPITAL ASSETS	830	10 959	-	11 789

33. Agent-principal arrangements**33.1 Department acting as the agent****33.1.1 Revenue received for agency activities**

National Skills Fund

2015/16 R'000	2014/15 R'000
-	-
-	-

The Department has been appointed by the National Skills Fund to project manage the TVET College Infrastructure Development funded by 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

33.1.2 Reconciliation of agency funds and disbursements - 2015/16

Name of principal entity	Total agency funds received R'000	Expenditure incurred against funds R'000	Amount remitted to the principal R'000	Variance between amounts received and amounts remitted R'000	Explanation of the variance
National Skills Fund	400 000	342 521	-	57 479	Amounts are claimed back from the NSF as claims recoverable.
Total	400 000	342 521	-	57 479	

33.1.3 Reconciliation of carrying amount of receivables and payables - 2015/16**Payables**

Name of entity	Opening balance R'000	Revenue principal is entitled to R'000	Less: write-off/settlement/waivers R'000	Cash received on behalf of principal R'000	Closing balance R'000
National Skills Fund	(7 358)	400 000	-	342 521	50 121
	(7 358)	400 000	-	342 521	50 121

The Department has been appointed by the National Skills Fund to project manage the infrastructure spend for the TVET colleges across 16 sites country wide. Currently, active sites are Thabazimbi Campus for Waterberg TVET College, Nkandla A Campus and Bhambanana Campus for Umfolozi TVET College. The following amounts have been incurred to date at the campus:

	R'000
Thabazimbi:	174 895 (Include accruals of R4.722 million)
Nkandla A:	138 558 (Include accruals of R9.911 million)
Bhambanana:	90 544 (Include accruals of R7.037 million)
Project management costs:	184 410 (Include accruals of R2.182 million)
Municipal services:	3 398

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

34. STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES

Name of province/ grant	GRANT ALLOCATION				TRANSFER			SPENT			2014/15
	Division of revenue act	Roll- overs	Adjust- ments	Total available	Actual transfer	Funds withheld	Re-alloca- tions by national treasury or nation- al depart- ment	Amount received by de- partment	Amount spent by depart- ment	% of avail- able funds spent by department	Division of revenue act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Summary by province											
Eastern Cape	-	-	-	-	-	-	-	-	-	0.0	319 517
Free State	-	-	-	-	-	-	-	-	-	0.0	185 111
Gauteng	-	-	-	-	-	-	-	-	-	0.0	725 809
KwaZulu-Natal	-	-	-	-	-	-	-	-	-	0.0	351 475
Limpopo	-	-	-	-	-	-	-	-	-	0.0	404 504
Mpumalanga	-	-	-	-	-	-	-	-	-	0.0	140 989
Northern Cape	-	-	-	-	-	-	-	-	-	0.0	43 652
North West	-	-	-	-	-	-	-	-	-	0.0	82 376
Western Cape	-	-	-	-	-	-	-	-	-	0.0	377 913
	-	-	-	-	-	-	-	-	-	-	2 631 346
Summary by grant											
Further Education and Training Colleges Grant	-	-	-	-	-	-	-	-	-	0.0	2 631 346
	-	-	-	-	-	-	-	-	-	-	2 631 346
Further Education and Training Colleges Grant											
Eastern Cape	-	-	-	-	-	-	-	-	-	0.0	319 517
Free State	-	-	-	-	-	-	-	-	-	0.0	185 111
Gauteng	-	-	-	-	-	-	-	-	-	0.0	725 809
KwaZulu-Natal	-	-	-	-	-	-	-	-	-	0.0	351 475

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

34. STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES (continued)

Name of province/ grant	GRANT ALLOCATION			TRANSFER			SPENT		2014/15		
	Division of revenue act	Roll- overs	Adjust- ments	Total available	Actual transfer	Funds withheld	Re-alloca- tions by national treasury or nation- al depart- ment	Amount received by de- partment	Amount spent by depart- ment	% of avail- able funds spent by department	Division of revenue act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Limpopo	-	-	-	-	-	-	-	-	-	0.0	404 504
Mpumalanga	-	-	-	-	-	-	-	-	-	0.0	140 989
Northern Cape	-	-	-	-	-	-	-	-	-	0.0	43 652
North West	-	-	-	-	-	-	-	-	-	0.0	82 376
Western Cape	-	-	-	-	-	-	-	-	-	0.0	377 913
	-	-	-	-	-	-	-	-	-	-	2 631 346

The Department did not transfer any funds to provincial education departments for conditional grants during 2015/16. The Department did not receive any conditional grant funds during the 2015/16 financial year. The total amount surrendered by Provincial Education Departments to the Department amounts to R8.023 million.

ANNEXURES
UNAUDITED SUPPLEMENTARY ANNEXURES

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

ANNEXURE 1A

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2014/15
	Adjusted appropriation act	Roll overs	Adjustments	Total available	Actual transfer	% Of available funds transferred	
	R'000	R'000	R'000	R'000	R'000	%	Appropriation act R'000
Education Training and Development Practices SETA	45 561	-	(22 468)	23 093	22 780	99.0	173
Council on Higher Education	40 819	-	-	40 819	40 819	100	42 689
National Student Financial Aid Scheme	6 448 551	-	-	6 448 551	6 448 551	100	6 138 832
South African Qualifications Authority	54 757	-	-	54 757	54 757	100	55 008
Direct Charge: Sector Education and Training Authority	12 640 707	-	-	12 640 707	12 125 894	96.0	11 071 024
Direct Charge: National Skills Fund	3 159 293	-	-	3 159 293	3 030 539	96.0	2 767 774
Claims against the State	313	-	47	360	359	100	1
Quality Council for Trades and Occupations	21 848	-	-	21 848	21 848	100	23 167
Total	22 411 849	-	(22 421)	22 389 428	21 745 547		20 098 668

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

ANNEXURE 1B

STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION				TRANSFER			2014/15
	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	%	
Cape Peninsula University of Technology	893 177	-	166 030	1 059 207	1 059 207	-	0.0	1 023 075
Central University of Technology, Free State								
Durban University of Technology	322 003	-	57 133	379 136	379 136	-	0.0	435 196
Mangosuthu University of Technology	669 387	-	131 068	800 455	800 455	-	0.0	834 386
Nelson Mandela Metropolitan University	243 521	-	87 678	331 199	331 199	-	0.0	336 101
North West University	738 613	-	215 764	954 377	954 377	-	0.0	846 906
Rhodes University	1 294 258	-	155 900	1 450 158	1 450 158	-	0.0	1 349 974
Tshwane University of Technology	323 966	-	152 654	476 620	476 620	-	0.0	386 770
University of Cape Town	1 361 127	-	194 645	1 555 772	1 555 772	-	0.0	1 624 084
University of Fort Hare	1 074 930	-	151 023	1 225 953	1 225 953	-	0.0	1 184 724
University of Free State	330 040	-	118 269	448 309	448 309	-	0.0	480 873
University of Johannesburg	913 229	-	181 700	1 094 929	1 094 929	-	0.0	1 060 682
University of KwaZulu-Natal	1 327 196	-	196 643	1 523 839	1 523 839	-	0.0	1 416 621
University of Mpumalanga	1 398 540	-	253 773	1 652 313	1 652 313	-	0.0	1 580 763
Sefako Makgatho Health Sciences University	-	-	242 903	242 903	242 903	-	0.0	206 695
Sol Plaatje University	244 408	-	276 921	521 329	521 329	-	0.0	255 257
University of Limpopo	-	-	159 773	159 773	159 773	-	0.0	77 969
University of Pretoria	569 839	-	111 234	681 073	681 073	-	0.0	916 638
University of South Africa	1 651 154	-	325 706	1 976 860	1 976 860	-	0.0	1 827 973
University of Stellenbosch	2 283 411	-	165 279	2 448 690	2 448 690	-	0.0	2 040 581
University of Venda	1 177 759	-	104 780	1 282 539	1 282 539	-	0.0	1 274 626
	357 560	-	96 276	453 836	453 836	-	0.0	462 596

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

ANNEXURE 1B (continued)

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION				TRANSFER			2014/15	
	Adjusted appropriation act	Roll overs	Adjustments	Total available	Actual transfer	Amount not transferred	% of available funds transferred	Appropriation	act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	
University of Western Cape	684 446	-	543 876	1 228 322	1 228 322	-	0.0	776 569	
Witwatersrand University	1 148 095	-	1 289 220	2 437 315	2 437 315	-	0.0	1 692 582	
University of Zululand	384 743	-	92 834	477 577	477 577	-	0.0	527 937	
Vaal University of Technology	526 475	-	67 173	593 648	593 648	-	0.0	626 730	
Walter Sisulu University	620 484	-	166 494	786 978	786 978	-	0.0	860 642	
Higher Education Institutions: Other Grants	1 794 119	-	(1 794 119)	-	-	-	-	-	-
Interest and redemption of private and government infrastructure loans	13 598	-	(13 481)	117	-	117	0.0	-	-
University infrastructure projects	2 301 200	-	(2 301 200)	-	-	-	-	-	-
Academic clinical training grants	429 635	-	(429 635)	-	-	-	-	-	-
New universities – Operations	166 314	-	(166 314)	-	-	-	-	-	-
New universities – building, maintenance and upgrading of infrastructure	1 000 000	-	(1 000 000)	-	-	-	-	-	-
National Institute for Higher Education: Mpumalanga	-	-	-	-	-	-	0.0	17 645	
National Institute for Higher Education: Northern Cape	-	-	-	-	-	-	0.0	30 498	
Total	26 243 227	-	-	26 243 227	26 243 110	117		24 155 093	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

ANNEXURE 1C

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANISATIONS

	TRANSFER ALLOCATION				EXPENDITURE		2014/15
	Adjusted appropriation act	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	
FOREIGN GOVERNMENTS / INTERNATIONAL ORGANISATION	R'000	R'000	R'000	R'000	R'000	%	Appropriation act R'000
Transfers							
Commonwealth of Learning	2 656	-	-	2 656	2 588	97.0	2 432
India-Brazil-South Africa Trilateral Commission	500	-	-	500	-	0.0	551
Total	3 156	-	-	3 156	2 588		2 983

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

ANNEXURE 1D

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2014/15
	Adjusted appropriation act	Roll overs	Adjustments	Total available	Actual transfer	% Of available funds transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Transfers							
Higher Education South Africa (HESA)	7 761	-	-	7 761	7 761	100	7 420
Community Education and Training Centres: Subsidies	92 470	-	-	92 470	91 758	99.0	-
<i>Further Education and Training Colleges: Subsidies</i>							
Buffalo City College	26 749	-	-	26 749	26 749	100	54 828
East Cape Midlands College	30 876	-	-	30 876	30 876	100	85 018
Ikhala College	18 863	-	-	18 863	18 863	100	54 147
Ingwe College	25 627	-	-	25 627	25 627	100	76 075
King Hintsa College	24 142	-	-	24 142	24 142	100	63 581
King Sabata College	28 678	-	-	28 678	28 678	100	84 296
Lovedale College	18 608	-	-	18 608	18 608	100	39 409
Port Elizabeth College	31 798	-	-	31 798	31 798	100	61 759
Flavius Mareka College	13 627	-	-	13 627	13 627	100	25 858
Gold Fields College	14 835	-	-	14 835	14 835	100	29 347
Maluti College	22 754	-	-	22 754	22 754	100	45 530
Motho College	34 383	-	-	34 383	34 383	100	103 578
Central Johannesburg College	31 441	-	-	31 441	31 441	100	42 761
Ekurhuleni East College	33 618	-	-	33 618	33 618	100	63 464
Ekurhuleni West College	42 519	-	-	42 519	42 519	100	76 917
Sedibeng College	33 986	-	-	33 986	33 986	100	100 130
South West College	43 312	-	-	43 312	43 312	100	132 759

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

ANNEXURE 1D (continued)

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2014/15
	Adjusted appropriation act	Roll overs	Adjustments	Total available	Actual transfer	% Of available funds transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Tshwane North College	40 214	-	-	40 214	40 214	100	78 989
Tshwane South College	37 079	-	-	37 079	37 079	100	46 566
Western College	26 008	-	-	26 008	26 008	100	92 680
Coastal College	29 454	-	-	29 454	29 454	100	85 271
Elangeni College	21 446	-	-	21 446	21 446	100	91 090
Esayidi College	17 067	-	-	17 067	17 067	100	70 349
Majuba College	35 330	-	-	35 330	35 330	100	159 089
Mnambithi College	9 525	-	-	9 525	9 525	100	58 018
Mthashana College	10 784	-	-	10 784	10 784	100	38 860
Thekwini College	11 371	-	-	11 371	11 371	100	40 559
Umfolozi College	24 447	-	-	24 447	24 447	100	106 184
Umgungundlovu College	10 448	-	-	10 448	10 448	100	30 299
Capricorn College	23 566	-	-	23 566	23 566	100	44 128
Lephalale College	5 331	-	-	5 331	5 331	100	9 771
Letaba College	9 126	-	-	9 126	9 126	100	21 997
Mopani College	19 801	-	-	19 801	19 801	100	42 328
Sekhukhune College	11 782	-	-	11 782	11 782	100	22 031
Vhembe College	27 883	-	-	27 883	27 883	100	94 582
Waterberg College	12 097	-	-	12 097	12 097	100	15 917
Ehlanzeni College	30 660	-	-	30 660	30 660	100	83 037
Gert Sibande College	30 026	-	-	30 026	30 026	100	120 792
Nkangala College	33 458	-	-	33 458	33 458	100	69 046
Rural College	7 082	-	-	7 082	7 082	100	25 830
Urban College	6 841	-	-	6 841	6 841	100	24 945

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

ANNEXURE 1D (continued)

	TRANSFER ALLOCATION				EXPENDITURE		2014/15
	Adjusted appropriation act	Roll overs	Adjustments	Total available	Actual transfer	% Of available funds transferred	
NON-PROFIT INSTITUTIONS	R'000	R'000	R'000	R'000	R'000	%	R'000
Orbit College	25 684	-	-	25 684	25 684	100	139 517
Taletso College	12 213	-	-	12 213	12 213	100	49 551
Vuselela College	14 068	-	25 000	39 068	39 068	100	42 965
Boland College	29 174	-	-	29 174	29 174	100	47 995
Cape Town College	36 352	-	-	36 352	36 352	100	31 047
False Bay College	30 445	-	-	30 445	30 445	100	51 680
Northlink College	45 039	-	-	45 039	45 039	100	77 794
South Cape College	24 496	-	-	24 496	24 496	100	41 876
West Coast College	30 627	-	-	30 627	30 627	100	91 587
Total	1 314 971	-	25 000	1 339 971	1 339 259		3 193 247

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

ANNEXURE 1D (continued)

	TRANSFER ALLOCATION			EXPENDITURE		2014/15	
	Adjusted appropriation act	Roll overs	Adjustments	Total avail-able	Actual transfer		% Of available funds transferred
	R'000	R'000	R'000	R'000	R'000		%
NON-PROFIT INSTITUTIONS							
Transfers							
Technical and Vocational Education and Training Colleges for Skills Development							
Buffalo City College	-	-	409	409	409	100	-
East Cape Midlands College	-	-	458	458	458	100	-
Ikhala College	-	-	288	288	288	100	-
Ingwe College	-	-	422	422	422	100	-
King Hintsa College	-	-	320	320	320	100	-
King Sabata College	-	-	454	454	454	100	-
Lovedale College	-	-	268	268	268	100	-
Port Elizabeth College	-	-	481	481	481	100	-
Flavius Mareka College	-	-	194	194	194	100	-
Gold Fields College	-	-	230	230	230	100	-
Maluti College	-	-	386	386	386	100	-
Motheo College	-	-	675	675	675	100	-
Central Johannesburg College	-	-	570	570	570	100	-
Ekurhuleni East College	-	-	590	590	590	100	-
Ekurhuleni West College	-	-	788	788	788	100	-
Sedibeng College	-	-	588	588	588	100	-
South West College	-	-	846	846	846	100	-
Tshwane North College	-	-	774	774	774	100	-
Tshwane South College	-	-	670	670	670	100	-
Western College	-	-	504	504	504	100	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

ANNEXURE 1D (continued)

	TRANSFER ALLOCATION				EXPENDITURE		2014/15
	Adjusted appropriation act	Roll overs	Adjustments	Total available	Actual transfer	% Of available funds transferred	
NON-PROFIT INSTITUTIONS	R'000	R'000	R'000	R'000	R'000	%	R'000
Coastal College	-	-	718	718	718	100	-
Elangeni College	-	-	525	525	525	100	-
Esayidi College	-	-	473	473	473	100	-
Majuba College	-	-	824	824	824	100	-
Mnambithi College	-	-	298	298	298	100	-
Mthashana College	-	-	265	265	265	100	-
Thekwini College	-	-	316	316	316	100	-
Umfolozo College	-	-	576	576	576	100	-
Umgungundlovu College	-	-	274	274	274	100	-
Capricorn College	-	-	635	635	635	100	-
Lephalale College	-	-	133	133	133	100	-
Letaba College	-	-	255	255	255	100	-
Mopani College	-	-	384	384	384	100	-
Sekhukhune College	-	-	271	271	271	100	-
Vhembe College	-	-	760	760	760	100	-
Waterberg College	-	-	271	271	271	100	-
Ehlanzeni College	-	-	475	475	475	100	-
Gert Sibande College	-	-	551	551	551	100	-
Nkangala College	-	-	562	562	562	100	-
Rural College	-	-	192	192	192	100	-
Urban College	-	-	200	200	200	100	-
Orbit College	-	-	645	645	645	100	-
Taletso College	-	-	310	310	310	100	-
Vuselela College	-	-	342	342	342	100	-
Boland College	-	-	372	372	372	100	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

ANNEXURE 1D (continued)

	TRANSFER ALLOCATION				EXPENDITURE		2014/15
	Adjusted appropriation act R'000	Roll overs R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	% Of available funds transferred %	
NON-PROFIT INSTITUTIONS							
Cape Town College	-	-	491	491	491	100	-
False Bay College	-	-	366	366	366	100	-
Northlink College	-	-	677	677	677	100	-
South Cape College	-	-	295	295	295	100	-
West Coast College	-	-	410	410	410	100	-
	-	-	22 781	22 781	22 781		-
Total	1 314 971	-	47 781	1 362 752	1 362 040		3 193 247

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

ANNEXURE 1E

STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2014/15 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 %	
HOUSEHOLDS							
Transfers							
Employee Social Benefits	397	-	5 103	5 500	5 315	97.0	236
Total	397	-	5 103	5 500	5 315		236

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

ANNEXURE 1F

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2015/16	2014/15
		R'000	R'000
Received in kind			
Germany	Attendance of GIZ SAGEN study tour to visit wind energy training centres in Germany	-	26
The Kresge Foundation in partnership with In-yathelo	Attendance of Access and Success into High Education in South Africa (ASHESA) Data Symposium in Cape Town	-	5
Switzerland	Attendance of the International congress on Vocational and Professions Education and Training in Switzerland	-	116
Mauritius	Attendance of the Commonwealth of Learning (COL) Focal Points meeting for the African and Mediterranean Regions in Mauritius	-	16
British Council	Attendance of second UK-South Africa Newtown Fund Task Force Meeting	-	22
Government of Netherlands	Attendance of the NUFFIC study tour visit to CINOP global for training related to the implementation of the NUFFIC supported NICHE/ZAF/022 project	57	-
Public Sector Education and Training (PSETA) and Western Cape Department of Economic Development and Tourism	Attendance of workshop on Research Methodologies to identify Occupations in High Demand on 5 June 2015	51	-
CTP Printers	Printing of Apply now! Booklet	11	-
SABC	SABC Education Learner Support	74 772	-
Department of Science and Technology	Attending Career Development Services project for the Ministerial Flagship project	45	-
Royal Bafokeng Holdings	Attending Career Development Services project for the Ministerial Flagship project	3	-
Nelson Mandela Metropolitan University	Attending the marine and Marine Partnership Development visit to Norway and Finland during June 2015	29	-
Kresge Foundation	Participate in the Annual Achieving the Dream Institute on student success conference in Atlanta, Georgia	19	-
European Union	Study tour of the European-South Africa Dialogue on Skills Planning	483	-
CATHSSETA and W&RSETA	Study tour of the European-South Africa Dialogue on Skills Planning	403	-
GIZ	Africa-Continent of the Opportunities: Bridging the Digital Divide conference in Berlin, Germany	2	-
TOTAL		75 875	185

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

ANNEXURE 1G

STATEMENT OF AID ASSISTANCE RECEIVED

Name of donor	Purpose	Opening balance R'000	Revenue R'000	Expenditure R'000	Closing balance R'000
Received in cash					
Received in the PMG Account					
EU Budget Support	Career Guidance Services	2 037	46 814	41 040	7 811
Total		2 037	46 814	41 040	7 811
Received in cash in the RDP Fund					
EU Budget Support	Career Guidance Services Project	63 778	54 600	41 040	77 338
EU Budget Support	Open Learning System for Post-School Education and Training	-	18 800	-	18 800
Total		63 778	73 400	41 040	96 138
Received in cash through the Department of Basic Education (Claims recoverable basis)					
European Union	EU Foundation Phase Project	(2 714)	15 520	20 464	(7 658)
Total		(2 714)	15 520	20 464	(7 658)
Received in kind					
Netherlands	Capacity building in Higher Education through Nuffic: Implementation of standardised Business Management System in 3 pilot TVET colleges			592	955
Netherlands	Strengthening the National Certificate (NC(V)) programmes in line with labour market demands			434	1 215
Danish Government	Support for Education and Skills Development III (SESDIII)			27 800	21 556
Total				28 826	23 726

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

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	2015/16	2014/15
	R'000	R'000
Made in kind		
Farewell Gifts to staff who went on pension	6	2
Gift bought for the Switzerland Minister of Education, Research and Innovation for bilateral discussion	1	-
Gift bought for the Romanian Minister of Education and Scientific Research	1	-
Gift bought for the Swiss delegation	1	-
Gift bought for the European Union organisation hosting a departmental team	1	-
Gift bought for the Cuban delegation	2	-
Farewell Gift	2	-
Total	14	2

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2016 – LOCAL

GUARANTOR INSTITUTION	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2015	Guarantees drawdowns during the year	Guaranteed repayments/cancelled/reduced/released during the year	Revaluations	Closing balance 31 March 2016	Guaranteed interest for year ended 31 March 2016	Realised losses not recoverable i.e. Claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Housing									
Employees	Housing	284	20	-	20	-	-	-	-
	Subtotal	284	20	-	20	-	-	-	-
Other									
University of Johannesburg	Tertiary Institutions	14 382	652	-	566	-	86	5	-
Witwatersrand University	Tertiary Institutions	4 075	317	-	262	-	55	-	-
	Subtotal	18 457	969	-	828	-	141	5	-
	Total	18 741	989	-	848	-	141	5	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

ANNEXURE 2B**STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2016**

NATURE OF LIABILITY	Opening balance 1 April 2015	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable	Closing balance 31 March 2016
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Damaged Cars	-	367	367	-	-
Pension fund liability for TVET lecturers	-	96 773	-	-	96 773
Johann Raath vs Minister of Higher Education and Training	100	1 800	-	-	1 900
Vital vs Vista University	4 000	-	-	-	4 000
Boss tables cc vs Minister of Higher Education and Training	800	-	-	-	800
N Taho vs Minister of Higher Education and Training	400	-	-	-	400
Hospital Association of SA vs Minister of Higher Education and Training	500	-	203	-	297
Business Unity SA vs Minister of Higher Education and Training	500	-	233	-	267
MP Ntshangase vs Minister of Higher Education and Training	200	-	-	-	200
LM Mapeka (Pilane) vs Department of Higher Education and Training	1 000	-	27	-	973
Solani Ramovha vs Department of Higher Education and Training	70	-	70	-	-
Moses Sithole and others vs Mzukisi Dondole and others	400	-	-	-	400
NA Mundalamo vs Minister of Higher Education and Training	200	-	200	-	-
SB Lukhozi vs Department of Higher Education and Training	500	-	500	-	-
J Sibanda vs Minister of Higher Education and Training	200	-	200	-	-
MM Masisi vs Minister of Higher Education and Training	742	200	742	-	200
Tiaan Brand vs Minister of Higher Education and Training	11	-	11	-	-
JJ Mbana vs Minister of Higher Education and Training	507	-	507	-	-
Jeppie college of commerce and computer studies (Pty) Ltd vs Minister of Higher Education and Training and others	180	-	-	-	180
Foodbev SETA vs Minister of Higher Education and Training	-	300	-	-	300
Mooqhaka Training and Employment cc vs Minister of Higher Education and Training and others	-	16	16	-	-
TOTAL	10 310	99 456	3 076	-	106 690

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

ANNEXURE 3**CLAIMS RECOVERABLE**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Department of Basic Education	-	-	5 083	2 721	5 083	2 721
Department of Health	-	-	6	6	6	6
Department of Justice and Constitutional Development	-	-	22 056	8	22 056	8
Department of Labour	-	-	18	160	18	160
South African Revenue Service	-	-	-	102	-	102
Gauteng Department of Education	-	-	25	51 367	25	51 367
Limpopo Department of Education	-	-	106	106	106	106
Government Printers	-	-	2	2	2	2
Mpumalanga Culture, Sport and Recreation	-	-	37	36	37	36
Gauteng Department of Correctional Services	-	-	11	5	11	5
National Treasury Pensions	-	-	1	145	1	145
North West Provincial Administration	-	-	22	22	22	22
Western Cape Provincial Administration	-	-	3	3	3	3
Department of Roads and Public Works	-	-	6	107	6	107
SA Military Ombudsman	-	-	-	24	-	24
Eastern Cape Department of Roads and Public Works	-	-	-	6	-	6
Telecommunication and Postal Services	-	-	8	8	8	8
The Presidency	-	-	5	29	5	29
KwaZulu-Natal Department of Social Development	-	-	-	3	-	3
Department of Transport	-	-	1	1	1	1
Department of Energy	-	-	1	-	1	-
Department of International Relations	-	-	27	-	27	-
	-	-	27 418	54 861	27 418	54 861

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

ANNEXURE 3 (continued)

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2016 R'000	31/03/2015 R'000	31/03/2016 R'000	31/03/2015 R'000	31/03/2016 R'000	31/03/2015 R'000
OTHER GOVERNMENT ENTITIES						
National Skills Fund	-	-	319 683	212 670	319 683	212 670
MERSETA	-	-	8	1	8	1
Services SETA	-	-	281	290	281	290
Quality Council for Trades and Occupations	-	-	-	326	-	326
SITA	-	-	31	31	31	31
Local Government SETA	-	-	-	92	-	92
ETDP SETA	-	-	-	517	-	517
Ingwe FET College (EC)	-	-	325	325	325	325
	-	-	320 328	214 252	320 328	214 252
Total	-	-	347 746	269 113	347 746	269 113

The difference between Note 12 and Annexure 3 is due to the fact that amounts included under Annexure 3 only refers to Government entities

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

ANNEXURE 4**INVENTORY**

	2015/16		2014/15	
	Quantity	R'000	Quantity	R'000
Inventory				
Opening balance	9 501	700	6 172	185
Add/(Less): Adjustments to prior year balances	-	-	-	(25)
Add: Additions/Purchases – Cash	395 646	19 755	362 299	14 549
Add: Additions – Non-cash	-	-	-	-
(Less): Disposal	-	-	-	-
(Less): Issues	(394 779)	(19 841)	(358 980)	(14 030)
Add/(Less): Adjustments	(2 839)	(130)	10	21
Closing balance	7 529	484	9 501	700

Additions include inventory bought through donor funds, NSF growth funds and NSF infrastructure funds.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

ANNEXURE 5A**INTER-ENTITY ADVANCES PAID (note 11)**

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Department of International Relations and Cooperation	-	-	11 283	3 714	11 283	3 714
Government Communications and Information System	-	-	4 653	1 713	4 653	1 713
Subtotal	-	-	15 936	5 427	15 936	5 427
PUBLIC ENTITIES						
National Skills Fund FET Infrastructure Grant	-	-	-	7 358	-	7 358
Subtotal	-	-	-	7 358	-	7 358
Total	-	-	15 936	12 785	15 936	12 785

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

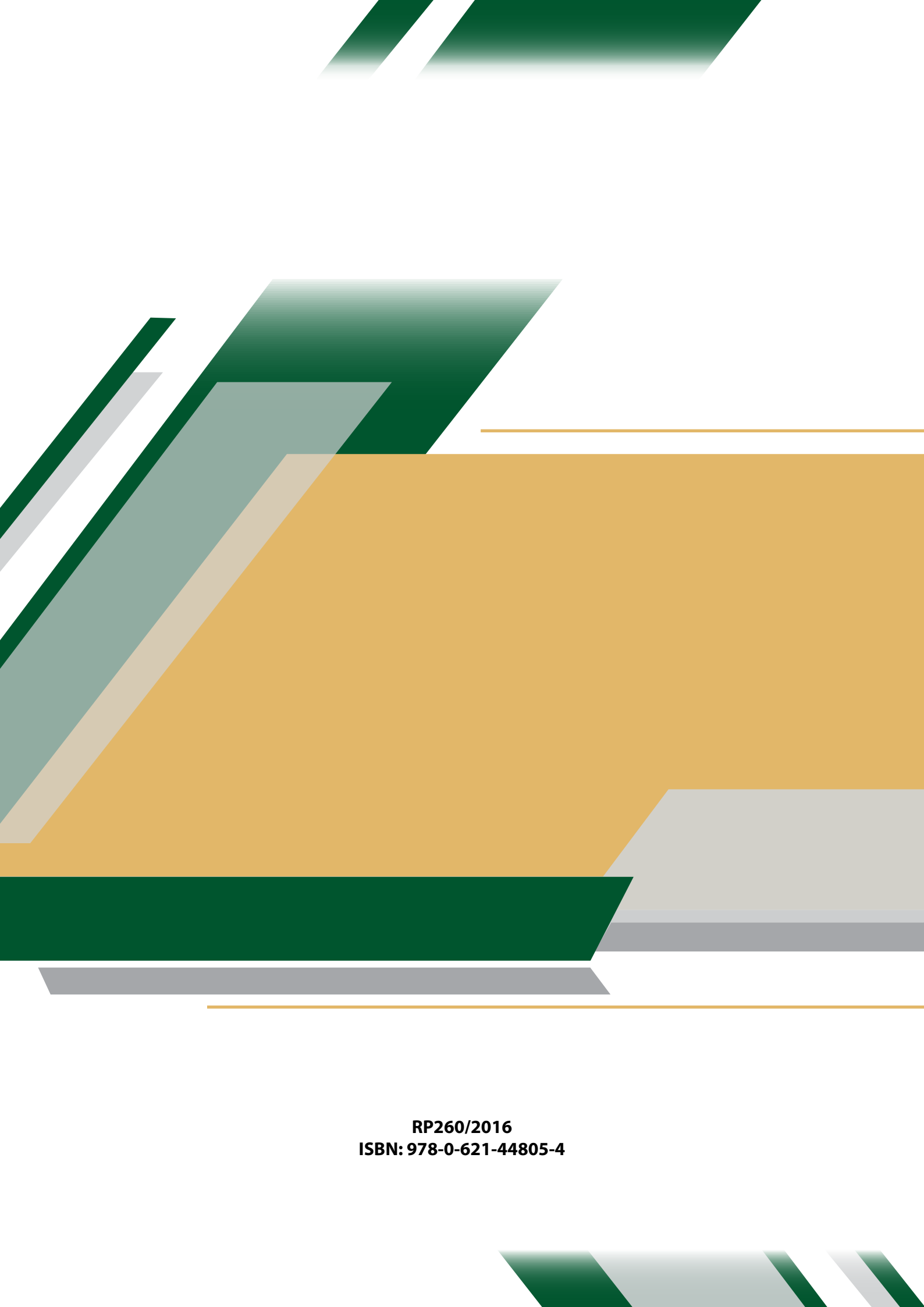
ANNEXURE 5B**INTER-ENTITY ADVANCES RECEIVED (note 17)**

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2016 R'000	31/03/2015 R'000	31/03/2016 R'000	31/03/2015 R'000	31/03/2016 R'000	31/03/2015 R'000
PUBLIC ENTITIES						
Current						
National Skills Fund International Scholarship Grant	-	-	7 172	1 963	7 172	1 963
National Skills Fund FET Infrastructure Grant	-	-	50 121	-	50 121	-
Subtotal	-	-	57 293	1 963	57 293	1 963
Total	-	-	57 293	1 963	57 293	1 963
Current	-	-	57 293	1 963	57 293	1 963
Non-current	-	-	-	-	-	-

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