



2017/18

ANNUAL REPORT



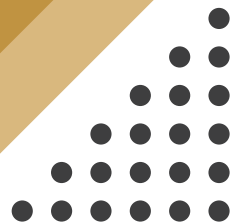
higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA





DEPARTMENT
OF HIGHER
EDUCATION AND
TRAINING



Annual Report
2017/18



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

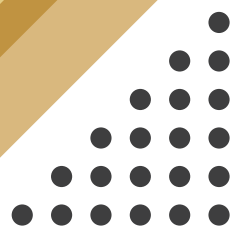


CONTENTS

PART A: GENERAL INFORMATION		3
1	Department's General Information	4
2	Regional Managers	5
3	List of Abbreviations/Acronyms	6
4	Foreword by the Minister	10
5	Accounting Officer's Overview	12
6	Statement of Responsibility and Confirmation of the Accuracy of the Annual Report	14
7	Strategic Overview	15
8	Legislative and other Mandates	16
9	High-Level Organisational Structure	21
10	Entities Reporting to the Minister	22
PART B: PERFORMANCE INFORMATION		25
1	Auditor-General's Report: Predetermined Objectives	26
2	Overview of Departmental Performance	26
3	Organisational Environment	48
4	Performance Information by Programme	58
5	Transfer Payments	109
6	Conditional Grants	115
7	Donor Funds	115
8	Capital Investment	116
PART C: GOVERNANCE		117
1	Introduction	118
2	Risk Management	118
3	Fraud and Corruption	118
4	Minimising Conflict of Interest	119
5	Code of Conduct	119
6	Health, Safety and Environmental Issues	119
7	Portfolio Committee	119
8	SCOPA Resolutions	120
9	Prior Modifications to Audit Reports	120
10	Internal Control Unit (Finance)	120
11	Internal Audit and Audit Committee	121
PART D: HUMAN RESOURCE MANAGEMENT		123
1	Introduction and Overview of Human Resources	124
2	Oversight Report	126
PART E: FINANCIAL INFORMATION		167



PART A
GENERAL
INFORMATION



"Education is the most powerful weapon which you can use to change the world."

Nelson Mandela



University of the Witwatersrand - Main Hall



PART A: GENERAL INFORMATION

1. DEPARTMENT'S GENERAL INFORMATION

The Department of Higher Education and Training

PRETORIA OFFICE

Postal Address:

Private Bag X174, Pretoria, 0001

Physical Address:

117 - 123 Francis Baard Street, Pretoria, 0002

Tel: 012 312 5911

Fax: 012 321 6770

CAPE TOWN OFFICE

Postal Address:

Private Bag X9192, Cape Town, 8000

Physical Address:

103 Plein Street, Cape Town, 8001

Tel: 021 469 5175

Fax: 021 461 4761

Call Centre Toll free: 0800 872 222

Website: www.dhet.gov.za

Career Advice Helpline: 086 999 0123

Career Advice Website: www.careerhelp.org.za

Fraud Hotline: 0800 701 701

2. REGIONAL MANAGERS

Provincial Clusters	Acting Regional Managers	E-mail Address	Contact Number	Physical Address
Eastern Cape	Ms N Teka	nombini.teka@edu.ecprov.gov.za	083 252 2979 040 608 4200	Eastern Cape Provincial Education Complex Steve Vukile Tshwete Street Zone 6 Zwelitsha Eastern Cape
KwaZulu-Natal	Dr SJ Nzimande	Nozaba1@gmail.com	082 775 6834 039 684 0110	Umgungundlovu TVET college Msunduzi Campus 114 Pietermaritz Street Pietermaritzburg
Limpopo	Ms SR Mantshiu	mantshiusr@edu.limpopo.gov.za	082 881 2237 015 290 7611	Limpopo Provincial Education Building Corner 113 Biccard and 24 Excelsior Street Polokwane
Gauteng and Free State	Mr M Mokaba	mokaba.mokgatl@ Gauteng.gov.za	083 310 2081 011 355 0000	Gauteng Provincial Education Building 111 Commissioner Street Johannesburg
Mpumalanga and North West	Dr E Pedro	pedro.e@dhet.gov.za	082 808 7351 018 388 2563 018 389 8150	Provincial Department of Education Building Dr Albert Luthuli Drive Mafikeng
Western Cape and Northern Cape	Mr Z Siyengo	zozo.siyengo@westerncape.gov.za	082 577 6550 021 467 2000 021 467 9278	Golden Acre Floor No 18 9 Adderley Street Cape Town

3. LIST OF ABBREVIATIONS/ACRONYMS

Abbreviations/Acronyms

AET	Adult Education and Training
OAG	Office of the Accountant-General
AGSA	Auditor-General South Africa
APP	Annual Performance Plan
BAC	Bid Adjudication Committee
BAS	Basic Accounting System
BEC	Bid Evaluation Committee
BRICS	Brazil, Russia, India, China, South Africa
BSC	Bid Specification Committee
CAS	Central Application Service
CDS	Career Development Services
CET	Community Education and Training
CETMIS	Community Education and Training Management Information System
CHE	Council on Higher Education
CIP	Compulsory Induction Programme
CPUT	Cape Peninsula University of Technology
DDG	Deputy Director-General
DIRCO	Department of International Relations and Cooperation
DPSA	Department of Public Service Administration
DST	Department of Science and Technology
EE	Employment Equity
GDP	Gross Domestic Product
GENFETQA	General and Further Education and Training Quality Assurance
GITO	Government Information Technology Officer
HDI	Historically Disadvantaged Individuals
HE	Higher Education
HEAIDS	Higher Education HIV/Aids Programme
HEI	Higher Education Institutions
HEMIS	Higher Education Management Information System

Abbreviations/Acronyms

HETMIS	Higher Education and Training Management Information System
HIV/Aids	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
HRD	Human Resource Development
HRDC	Human Resource Development Council
ICT	Information and Communication Technology
IEG	Infrastructure Efficiency Grant
INDLELA	Institute for the National Development of Learnerships, Employment Skills and Labour Assessments
IT	Information Technology
ITSC	Information Technology Steering Committee
MIF	Macro-Infrastructure Framework
MPAT	Management Performance Assessment Tool
MP	Member of Parliament
MRQ	Mutual Recognition of Qualifications
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NADS	National Artisan Development Strategy
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
nGAP	New Generation of Academics Programme
NOLS	National Open Learning System
NPPSET	National Plan for Post-School Education and Training
NQF	National Qualifications Framework
NRF	National Revenue Fund
NSA	National Skills Authority
NSDP	National Skills Development Plan
NSDS	National Skills Development Strategy

Abbreviations/Acronyms

NSF	National Skills Fund
NSFAS	National Student Financial Aid Scheme
OECD	Organisation for Economic Cooperation and Development
OIHD	Occupations in High Demand
OQSF	Occupational Qualifications Sub-Framework
OSD	Occupational Specific Dispensation
PERSAL	Personnel Salary System
PFMA	Public Finance Management Act
PHEI	Private Higher Education Institutions
PPN	Post Provision Norms
PSET	Post-School Education and Training
QCTO	Quality Council for Trades and Occupations
RDP	Research Development Programme
RPL	Recognition of Prior Learning
SABC	South African Broadcasting Corporation
SAIVCET	South African Institute for Vocational and Continuing Education and Training
SAQA	South African Qualifications Authority
SASCOC	South African Sports Confederation and Olympics Committee
SDL	Skills Development Levy
SETA	Sector Education and Training Authority
SITA	State Information Technology Agency
SMS	Senior Management Service
SPU	Sol Plaatje University
SRC	Student Representative Council
SSAUF	Staffing South Africa Universities Framework
TLDCIP	Teaching and Learning Development Capacity Improvement Programme
TVET	Technical and Vocational Education and Training
TVETMIS	Technical and Vocational Education and Training Management Information System

Abbreviations/Acronyms

UCDG	University Capacity Development Grant
UCDP	University Capacity Development Programme
UMP	University of Mpumalanga
UNESCO	United Nations Educational, Scientific and Cultural Organisation
USAf	Universities South Africa
UNISA	University of South Africa



Minister: Mrs GNM Pandor, MP and the Director-General



Deputy Minister: Mr B Manamela, MP

4. FOREWORD BY THE MINISTER

It is my pleasure to present the Annual Report of the Department of Higher Education and Training (the Department) for the 2017/18 financial year.

The Department continued to work towards an integrated education and training post-school system that combines universities, Technical and Vocational Education and Training (TVET) colleges, community colleges, and Sector Education and Training Authorities (SETAs) in new and progressive ways as indicated by the White Paper.

Our aim is to support the creation of institutions that will provide diverse opportunities for all those seeking post-school education and training.

We will expand TVET colleges to prepare students for jobs, including formal employment, self-employment and other forms of work. We are rationalising and re-envisioning the programme landscape of the TVET colleges to make it more attractive to students.

The progress in artisan training is exciting, especially considering their growth over the past few years amid challenging economic constraints within the public and private sectors. I appreciate the ongoing support from global and local partners aimed at implementing these critical programmes.

A very important aspect of realising our aim is to develop community colleges, a new institutional type that is in its infancy in the Department, to better provide for persons who have left school without completing.

There are complex relationships between education and the labour market. The Department is moving away from a focus on scarce and critical skills to a focus on occupations in high demand. This involves the integration of the skills sector into the Post-School Education and Training sector. This sector includes private training providers (including workplaces that also play the role of providers), those that enable workplace-based experience, as well as the labour market intermediaries (SETAs, the National Skills Fund (NSF) and National Skills Authority (NSA)).

The White Paper called for a simplification of current structures that have created multiple accountabilities, parallel strategies, and a complex reporting environment.

Consequently, the NSA now has a more focused role in monitoring and evaluating the SETAs and the NSF. The NSA has traditionally brought together a diverse group of stakeholders working in skills development and will continue to do so in support of its monitoring mandate.



Mrs GNM Pandor, MP
Minister of Higher Education and Training

Complimentary to this, the Human Resource Development Council (HRDC) provides high-level political support for the broad goals of the entire education system, guided by the core policies and implementation plans of the different sectors.

The White Paper calls for a stronger relationship between public and private provision in the post-school training sector. Public institutions are reliant on progressive relations with a range of private providers playing different and complementary roles.

New interventions continue to emerge and mature in support of integration in the post-school system. These include the Central Applications Service (CAS), the Career Development Services (CDS), and the South African Institute for Vocational and Continuing Education and Training (SAIVCET), which will provide support for curriculum development and staff professional development in the TVET and community college sub-systems.

Work has continued on developing a National Plan to implement the White Paper policy. The Plan promotes alignment between new proposals and programmes as well as interventions that are already being implemented in response to the White Paper.

The process of developing the Plan has drawn extensively on what is currently known about the post-school system and on research and data available to the system from a wide range of sources. This includes research produced by the HRDC, the Department itself, Ministerial Task Teams and research consortia (such as the Education Policy Consortium and the Labour Market Intelligence Project) and a range of other information sources.

The Department achieved an unqualified audit this year. Although more work is required in improving the usefulness and reliability of the Department's performance information, the audit report is an accurate reflection of the extensive number of actions undertaken and achieved during the reporting period.

Even though capacity constraints are experienced within the Department in managing its functional areas, measures have successfully been implemented and practical plans set in place to ensure effective administration and operational management throughout the Department, including Corporate Services and the Office of the Chief Financial Officer.

My thanks to my ministerial predecessors, the Director-General, his senior management team, the staff in my office and each official in the Department for ensuring that we realise our objectives for the benefit of our students and the country in general.

I greatly appreciate the Department's institutions, the students, employers and the labour force for their support as we provide diverse opportunities for all through our valuable Post-School Education and Training system.



Mrs GNM Pandor, MP
Minister of Higher Education and Training

“ Our aim is to support the creation of institutions that will provide diverse opportunities for all those seeking post-school education and training. ”



5. ACCOUNTING OFFICER'S OVERVIEW

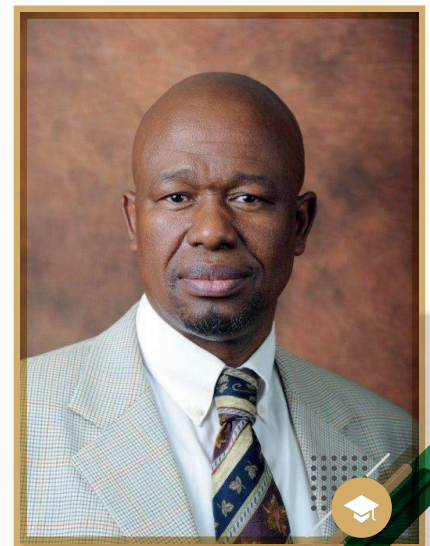
The year under review marks the eighth year since the advent of the Department of Higher Education and Training's activities. This Annual Report for the 2017/18 financial year reflects on the status of the Department's financial management, as well as the achievements on its predetermined objectives. The Department once again achieved an unqualified audit outcome in relation to financial reporting and compliance with legislation.

Although there has been some improvement in the performance information, more attention will be given to the presentation of the usefulness and reliability of such information. The Department did, however, continue to strive towards ensuring access to education and training of the highest quality for all South Africans. The year will certainly be remembered for the announcement of the President of South Africa to implement fully subsidised higher education and training for poor and working class South African students commencing with students in their first year of study during the 2018 academic year.

Within the university sector the Teaching Development and the Research Development Grants have been consolidated to create the University Capacity Development Grant. This Grant is directed towards the implementation of a programme that is focused on transforming teaching, learning, research and leadership within public higher education institutions. In addition, the Historically Disadvantaged Grant further assists historically disadvantaged institutions to improve their management and governance in the provision of quality learning.

Dedicated attention was given to the performance reporting, financial management and funding framework for TVET colleges. The Department established a Working Group on the functioning of Academic Boards in TVET colleges to strengthen governance oversight of programme and curriculum delivery. A draft Policy Framework for TVET College Qualification Offerings as well as Student Admissions were approved for public comment. The Department also developed a Student Support Services Plan for TVET colleges with the emphasis on strengthening the admissions process so that attention is focussed towards improving the academic success of students for the period of study.

During the period under review a Service Delivery Framework for Community Education and Training (CET) colleges was developed. The teaching and learning improvement plan was developed and implemented to assist in improving the performance of community education and training. Attention was given to the policy framework on Annual Reporting as well as a funding framework for community colleges. Induction sessions were convened with the CET College Council members with a view to improve governance and management of the CET colleges.



Mr GF Qonde
Director-General of
Higher Education and Training

A number of events that were linked to the operations of the Department took place during the 2017/18 financial year, including the Mandela Day Career Festival, various projects linked to Career Development Services, the National Open Learning System and the development of TVET College Lecturer Open Learning materials. A set of communication protocols were finalised and three TVET college Communication Forums were convened.

On the international front, the Department was represented in the Education Policy Committee meeting of the Organisation for Economic Cooperation and Development; the Commonwealth; and the European Union. The Department also participated in the Southern African Development Community technical committees on accreditation, teacher standards and the National Qualifications Framework. Scholarship opportunities have been identified and received from various countries including China, Russia, Mauritius, France and Sweden following on international engagements.

Various policies were developed and approved during the year, including the National Policy on Career Development Services across all spheres of Government, an Articulation Policy and the Policy Framework for the Realisation of Social inclusion. The Department also commenced with refinements to the integrated plan for the roll-out of the White Paper for Post-School Education and Training. The National Skills Development Plan was approved as a framework which will inform the review and integration of the skills development landscape.

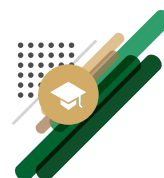
I wish to thank the Minister and Deputy Minister of Higher Education and Training for their leadership during the past year, as well as their staff for continued support in improving the facilitation of post-school education and training opportunities. My appreciation also goes to my senior management team and all staff in the Department for the achievements that required dedicated and hard work.

I hereby present the Annual Report for the 2017/18 financial year to the Minister of Higher Education and Training, Mrs GNM Pandor, MP and invite the Minister to table the report in Parliament.



Mr GF Qonde
Director-General

// The year will certainly be remembered for the announcement of the President of South Africa to implement fully subsidised higher education and training for poor and working class South African students commencing with students in their first year of study during the 2018 academic year. //



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

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

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

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2018.

Yours faithfully



Mr GF Qonde

Accounting Officer

Date: 31 May 2018



7. STRATEGIC OVERVIEW

7.1 Vision

Leading Post-School Education and Training for growth.

7.2 Mission

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

7.3 Value Statement

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

7.4 Strategic outcome-orientated goals

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

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



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

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

8. LEGISLATIVE AND OTHER MANDATES

Constitutional Mandates

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

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

Legislative and Other Mandates

LEGISLATION	PRINCIPAL MINISTER	RELEVANT TO THE MINISTER OF HIGHER EDUCATION AND TRAINING
<p>Continuing Education and Training Act, 2006 (Act No. 16 of 2006), (CET Act) previously known as Further Education and Training Act, 2006 (Act No. 16 of 2006) (FET Act)</p> <p>Provides for the governance and funding of both CET and TVET colleges and related matters in providing continuing education and training</p>	<p>Minister of Higher Education and Training</p>	<p>Entire Act</p>
<p>General and Further Education and Training Act, 2001 (Act No. 58 of 2001) (GENFETQA Act)</p> <p>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</p>	<p>Act primarily assigned to the Minister of Basic Education, except for those sections relevant to continuing education and training assigned to the Minister of Higher Education and Training</p>	<p>In as far as public CET and TVET colleges as well as private colleges offering continuing education, relevant sections: 2(b) and (c), 3, 16 to 21, 23, 26 and 28</p>
<p>Higher Education Act, 1997 (Act No. 101 of 1997), (HE Act)</p> <p>Provides for a unified and nationally planned system of higher education and for the statutory Council on Higher Education (CHE)</p>	<p>Minister of Higher Education and Training</p>	<p>Entire Act</p>
<p>National Qualifications Framework Act, 2008 (Act No. 67 of 2008) (NQF Act)</p> <p>Provides for the National Qualifications Framework (NQF), the South African Qualifications Authority (SAQA) and the Quality Councils (CHE, Quality Council for Trade and Occupation (QCTO) and Umalusi), for qualifications and quality assurance of qualifications required on the sub-frameworks of the NQF</p>	<p>Minister of Higher Education and Training</p>	<p>Entire Act</p>
<p>National Student Financial Aid Scheme Act, 1999 (Act No.56 of 1999) (NSFAS Act)</p> <p>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</p>	<p>Minister of Higher Education and Training</p>	<p>Entire Act</p>
<p>Skills Development Levies Act, 1999 (Act No. 9 of 1999) (SDL Act)</p> <p>Provides for the imposition of skills development levies and matters related thereto</p>	<p>Minister of Higher Education and Training</p>	<p>Entire Act</p>

LEGISLATION	PRINCIPAL MINISTER	RELEVANT TO THE MINISTER OF HIGHER EDUCATION AND TRAINING
<p>Skills Development Act, 1998 (Act No.97 of 1998) (SD Act)</p> <p>Provides for the National Skills Authority, the QCTO, regulates apprenticeships, learnerships and matters related to skills development</p>	<p>The Act primarily assigned to the Minister of Higher Education and Training, except those sections relevant to labour matters and assigned to the Minister of Labour</p>	<p>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)</p>

Within the context of higher education and training, key legislation and policies were developed and are accordingly 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 CHE which advises the Minister, while being responsible for quality assurance and promotion of the higher education system. The Higher Education Act and the Education White Paper 3: A Programme for the Transformation of Higher Education (1999) form 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 on 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 the administration of such loans and bursaries.
- 3) The Continuing Education and Training Colleges Act, 2006 (Act No. 16 of 2006 - CET Act) and formerly referred to as the Further Education and Training, 2006 (FET Act), provides for the regulation of continuing education and training, the establishment of appropriate governance structures and the funding of public TVET colleges and CET colleges, the registration of private colleges and the promotion of quality within the continuing education and training sector.
- 4) The National Qualifications Framework Act, 2008 (Act No. 67 of 2008 - NQF Act) provides for the NQF, SAQA and the Quality Councils. 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 administrative 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, with effect from 1 November 2009 by way of 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.

- 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 result in the recognition of occupational qualifications, the financing of skills development by means of a skills development levy and NSF.
- 8) The National Education Policy Act, 1996 (Act. No. 27 of 1996), in-so-far as the administration, powers and functions pertain to the determination of policy for public and private centres providing adult education and training, established as envisaged in terms of the Adult Education and Training Act, 2000 and public and private colleges providing technical and vocational education and training as envisaged in the CET Act, 2006, were subsequently 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 formalise the relations between national and provincial authorities. It laid the foundation for the establishment of the Council of Education Ministers, as well as the Heads of Education Departments Committee, as inter-governmental fora to collaborate in developing a new education system. As such, it is intended to provide for the formulation of national policies in general and further education and training for curriculum assessment and language policy, in conjunction with the oversight of quality assurance functions. The Act embodies the principle of co-operative governance, as espoused in Schedule 3 of the Constitution.
- 9) The Employment of Educators Act, 1998 (Act No. 76 of 1998) in-so-far as the administration, powers and functions pertain to adult education centres, the South African Council for Educators Act, 2000 (Act No. 31 of 2000) in-so-far as the administration, powers and functions pertain to the powers and functions of the South African Council for Educators in relation to adult learning centres, as well as the General and Further Education and Training Quality Assurance Act, 2001 (Act No. 58 of 2001 - GENFETQA Act) in-so-far as the administration, powers and functions pertain to the powers and functions entrusted to Umalusi in relation to public and private centres offering adult education and training as envisaged in the continuing Education and Training Act, 2006 and public and private TVET colleges, are, legislations that have partially been transferred to the Minister of Higher Education and Training.
- 10) The applicable provisions of the National Education Policy-, the Employment of Educators and the South African Council for Educators Acts were incorporated to ameliorate 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.

Recent Legislative Changes

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

The Higher Education Act, 1997 has *inter alia*, been amended to make provision for new institutional types, alongside the development of policy by the Minister in dealing with transformation within the higher education and training sector and related matters. The Higher Education Amendment Act came into effect on 22 September 2017 by way of a Notice published in the Government Gazette.

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

The NQF Act is in the process of being amended in order to provide for, among other:

- a) The verification of all qualifications or part-qualifications referred to SAQA;
- b) The formulation of evaluation criteria for foreign qualifications;
- c) The establishment of separate registers for professional bodies pertaining to misrepresented and fraudulent qualifications or part-qualifications;
- d) The improvement of cooperation between SAQA and Quality Councils on matters related to the provision of advice to the Minister; and
- e) The creation and endorsement of offences and penalties in relation to fraudulent qualifications.

The National Qualifications Framework Amendment Bill is scheduled to be introduced in Parliament during the 2018/19 financial year.

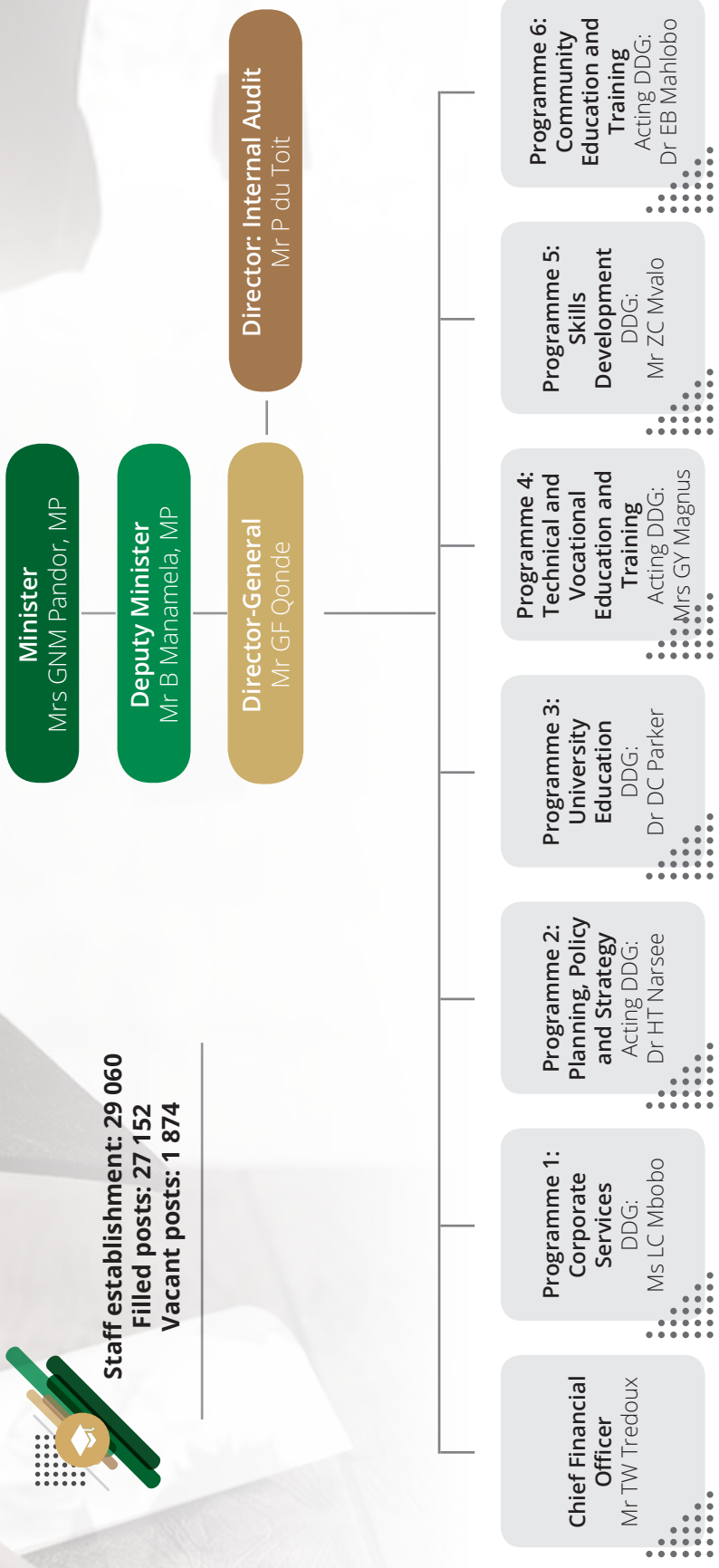
- **Central Application Service Bill, 2017**

The Department is in the process of developing the Central Application Service Bill, 2017 which is scheduled to be tabled before Parliament during 2019 and which is aimed at dealing with applications by prospective students to public higher education institutions and colleges. Consultations with internal stakeholders on the contents of the draft Bill have already taken place and has since been forwarded to the Chief State Law Adviser for a preliminary opinion regarding its constitutionality and will be published for public comment shortly as a precursor to the requisite Socio-Economic Impact Assessment System and related processes.

- **Litigation Management**

There are currently 44 pending litigation cases, including labour litigation matters, before the Labour Court.

9. HIGH-LEVEL ORGANISATIONAL STRUCTURE



Staff establishment: 29 060
Filled posts: 27 152
Vacant posts: 1 874

10. ENTITIES REPORTING TO THE MINISTER

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

Name of entity	Legislation	Financial Relationship	Nature of Operations
Agriculture Sector Education and Training Authority (AGRISETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in both primary and secondary agriculture sectors
Banking Sector Education and Training Authority (BANKSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the banking and micro-finance sector
Chemical Industries Education and Training Authority (CHIETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the chemical industries sector
Construction Sector Education and Training Authority (CETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the construction industry
Council on Higher Education (CHE)	Higher Education Act 101 of 1997	Transfer payments	Advises the Minister of Higher Education and Training on all higher education policy matters, implements the system of quality assurance for all higher education institutions, monitors the state of the higher education system and contributes to the development of higher education through intellectual engagement
Culture, Arts, Tourism Hospitality and Sports Sector Education and Training Authority (CATHSSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the tourism, hospitality and sport sector
Education, Training and Development Practices Sector Education and Training Authority (ETDP-SETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the education, training and development sector
Energy and Water Sector Education and Training Authority (EWSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the energy and water sector
Fibre, Processing and Manufacturing Sector Education and Training Authority (FP&M SETA)	Skills Development Act 97 of 1998	Transfer payments	Facilitate, coordinate and monitor the implementation of the National Skills Development Strategy (NSDS) in the fibre, processing and manufacturing sector
Financial Accounting Services Sector Education and Training Authority (FASSET)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the financial and accounting services sector
Food and Beverages Sector Education and Training Authority (FOODBEV-SETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the food and beverages sector

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

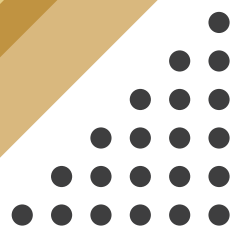
Name of entity	Legislation	Financial Relationship	Nature of Operations
Services Sector Education and Training Authority (SERVICES SETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the services sector
South African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



Minister: Mrs GNM Pandor, MP addressing the National Council of Provinces regarding implementation of the Department's Mandate



PART B
PERFORMANCE
INFORMATION



"It is the women who are on the street committees, educating the people to stand up and protect each other."

Albertina Sisulu





PART B: PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

2.1.1 Introduction

During the financial year ending 31 March 2018, the Department has made significant progress towards achieving its strategic goals as set out in the 2015/16 to 2019/20 Strategic Plan and 2017/18 Annual Performance Plan. The attainment of pre-determined objectives and targets identified for the year under review were realised through the Department's six programmes comprising of **Programme 1: Administration**; **Programme 2: Planning, Policy and Strategy**; **Programme 3: University Education**; **Programme 4: Technical and Vocational Education and Training**; **Programme 5: Skills Development** and **Programme 6: Community Education and Training**.

2.1.2 An overview of the context and environment within which the Department operated during the 2017/18 financial year

2.1.2.1 Policy Management and System Planning

Focus on monitoring and reporting pertaining to the Post-School Education and Training (PSET) system performance, has burgeoned internationally over the past few decades. The regular production of monitoring reports by international bodies such as the United Nations, the Organisation for Economic Cooperation and Development (OECD), the African Union and the World Bank has become the norm. Governments also often reference international monitoring reports in order to inform the development of policies to enhance social and economic student prospects, provide incentives for greater efficiency in education and training and assist in better mobilising resources to meet rising demands.

This underscores the significant role that performance monitoring reports can provide as a tool for evaluating trends in levels of economic, educational and social development, as well as assessing the impact of policy on the education system. The United Nations Educational, Scientific and Cultural Organisation (UNESCO) Global Monitoring Report and the OECD Indicators at a Glance among other, are examples of two highly rated performance monitoring reports focusing on education provision and are used internationally for planning and other decision-making processes.

In acknowledging the value of understanding key trends and the performance of the PSET system, the Department is committed to periodically producing reports that inform skills planning in the country, alongside guiding the Department's planning processes regarding to enrolment planning, resource allocation (funding), as well as career advice and qualifications development processes.

- **Investment Trends within the PSET in South Africa**

This report provides a broad overview and analysis of investment trends within the PSET system for the period spanning the 2010/11 to 2019/20 financial years (and with emphasis on the 2017 Medium-Term Strategic Framework). Finalisation of the report is opportune, particularly, in light of the recent *#FeesMustFall* protests, which drew attention to legitimate concerns about inequalities related to issues of access and success within the higher education system. The report on investment trends explores and assesses investment in the PSET system by comparing investment patterns and trends within the system, mapping the strides that this democratic dispensation has made in terms of dealing with the historical imbalances, reviewing the impact and implications of the *#FeesMustFall* protests, as well as emphasising the importance for the improvement of funding within the PSET system as a vital component in relation to the Government's social and economic policies. The report can be accessed on the departmental website at www.dhet.gov.za.

- **List of Occupations in High Demand (OIHD)**

In order for the Government and more specifically, the PSET system to respond effectively to the skills needs of the country, it is important to firstly understand the nature and extent of skills required and thereafter adopt specific interventions that will respond to and effectively address the skills challenges facing the country. The Department *inter alia*, needs to identify which occupations are currently in demand, alongside those that will be required in the future, principally with a view to support the implementation of Government's strategic plans, as well as support economic growth. Over the past five years, the Minister of Higher Education and Training, has gazetted three lists specifying occupations in high demand (during 2014, 2016 and 2018 respectively). By definition, these are occupations that are currently driven by strong employment growth; occupations that are expected to show strong employment expansion in future; occupations that have been identified by employers as significantly understaffed and new occupations that are expected to emerge as a result of innovation and technological advancements. An occupation is considered to be in short supply when employers find it difficult to identify/recruit people with appropriate skills, experience and qualifications. The 2018 OIHD list identifies roughly 369 occupations that are currently considered to be in high demand.

Many of the occupations require a higher level of skills proficiency and expertise garnered over a longer period of time and comprise of managers in a wide range of disciplines such as Information and Communication Technology (ICT) project, data management, application development and Information Technology (IT) managers, as well as Information Systems directors, among others. Some occupations fall within the ambit of professional categories, such as industrial, environmental, mechanical and chemical engineers, architects, as well as incumbents within the medical profession such as nursing professionals, pharmaceutical and medical specialists, among other. Occupations requiring intermediate skill levels and accordingly identified as being in high demand, among other, comprise of carpenters, plumbers and pipe fitters, welders and sheet metal workers. These OIHD lists are utilised to guide and inform career development services, alongside resource allocation and enrolment planning processes.

- **Statistics Report on PSET**

The Statistics Report on PSET in South Africa for 2016 was published on the departmental website on 14 March 2018. The report covers statistical information for public universities and private higher education institutions, public and private TVET colleges and CET colleges and provides financial and workplace-based learning data for the 2017/18 financial year obtained from the National Student Financial Aid Scheme (NSFAS), NSF and the SETAs.

For the first time the 2016 data for TVET colleges was collected by means of the Technical and Vocational Education and Training Management Information System (TVETMIS), which forms an integral component of the Higher Education and Training Management Information System (HETMIS). Another component of the HETMIS is the development of the Community Education and Training Management Information System (CETMIS) that will

be utilised for the collection and reporting of CET college data. This process was initiated during 2017/18 and culminated in the gazetting of the file specifications for data uploaded on CETMIS. Work on the development of the system will continue during 2018/19.

The statistical report also serves as an important resource for systemic planning, including the allocation of budget resources within the PSET system. It provides statistics for use in research, policy development and decision-making processes at the different levels of the system.

2.1.2.2 National Qualifications Framework/Recognition of Prior Learning and Articulation

The Minister of Higher Education and Training has overall executive responsibility in respect of the NQF, SAQA and the three Quality Councils, notwithstanding the oversight role of the Minister of Basic Education regarding UMALUSI. The Minister is also responsible for publishing policies and Ministerial guidelines annually and determine Government's strategies as well as priorities for the NQF and those of its implementing bodies.

During the 2017/18 financial year, work commenced in earnest on the implementation of the Minister's Articulation policy, which was published during the previous financial year. Capacity building workshops have been facilitated across a number of sectors as well as education and training institutions, in an effort to guide and support the implementation of the policy. The Department has also participated in the SAQA consultative workshop focused on the Baseline Articulation Study, which serves to provide empirical data and information for the pending departmental report on the Implementation of Articulation across the PSET by 31 March 2019.

A concept document for the establishment of an Articulation Appeals Committee which will be located in the Department, has been finalised. The Articulation Appeals Committee will provide members of the public with an opportunity to appeal cases related to unfair barriers in articulation and unnecessary exemptions for applicants to commence with their academic journeys and/or professional status. The Committee will comprise of senior departmental staff dealing with relevant appeals on a case-by-case basis.

Recognition of Prior Learning (RPL) policy implementation has progressed significantly during the financial year under review. Many capacity building workshops have been concluded, both for departments and institutions as well as professional bodies. A number of RPL projects have since been successfully implemented, such as the South African Sports Confederation and Olympics Committee (SASCOC) RPL project with various sports coaches, national and provincial coach education advisors and coach developers being awarded designations in terms of the SASCOC professional body designee list. A number of individuals have also been assisted in accessing further studies or have been promoted based on credible RPL assessment processes. The RPL Reference Group that is due to be appointed will drive the overarching RPL implementation process. The RPL Recognition Register has also been developed and RPL providers are currently submitting their information for recognition and recording on the register.

The Minister is required to ensure coherence and uphold public integrity and credibility in terms of the NQF and within the application parameters of the NQF Act. In response to this legislative requirement, the NQF Amendment Bill was presented to Cabinet on 28 February 2018 and has been recommended for tabling before Parliament. The NQF Amendment Bill strengthens all mechanisms in dealing with the misrepresentation of qualifications and requisite verification by SAQA in respect of qualifications of public servants and board members of Public Entities.

During the 2017/18 financial year, the Annual Monitoring and Evaluation report on the implementation of the statutory functions of SAQA and the three Quality Councils was compiled and subsequently approved by the Director-General of the Department. This report, together with the Ministerial Guidelines provide information to the Minister about the state of NQF-related activities across the NQF system. The Ministerial Guidelines have

accordingly been implemented by SAQA and three Quality Councils and SAQA has since provided a report on the implementation of the Ministerial Guidelines with emphasis on issues of curriculum decolonisation, enhancing articulation pathways across the post-school system and improving quality assurance and certification processes.

The final research report emanating from the evaluation into the implementation of the NQF Act spanning the period from 2008 to 2016, was submitted to the Department on 24 February 2018. The research report contains findings and nineteen recommendations relevant to the Department, SAQA, the three Quality Councils and to the Department of Basic Education. The Department also chaired the Steering Committee of the research project. The draft report was presented to a wide stake-holder group during a Research Colloquium hosted on 12 and 13 September 2017. The Director-General signed the Management Response to the report and the improvement plan which addresses the nineteen recommendations.

The substantial increase in implementation of the policies and processes related to NQF activities underscores the need for and credibility of the legislation and policies framing the NQF system, the functions performed within the Department and the bodies on behalf of which it performs the requisite monitoring, evaluation and oversight functions. This development is encouraging as the research report also highlights a general acceptance of the NQF as a system by the relevant role-players within the education and training landscape of South Africa.

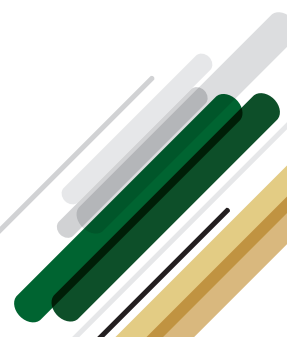
2.1.2.3 Career Development Services

Cabinet approved the National Policy for integrated Career Development Services system for South Africa and subsequently published by means of Government Gazette, No 40795, Vol 622 on 20 April 2017. The Policy provides an enabling environment for career development service provision to all citizens through the application of relevant policies, guidelines, protocols, mechanisms, structures, shared responsibilities and stakeholder collaboration. National coordination structures, such as the Inter-Departmental Career Development Committee, the National Career Development Government and SETA Career Development fora were also established during 2017/18.

The Career Development Services Coordinating Structure has been established to function as a project in the Department until March 2020. The structure coordinates and manages the operations of and provides shared services to the Career Development System and comprises of the following service portfolio, re: the Policy and National Coordination Mechanism, a Career Development Services Helpline, Information Services and Support, Training and Support, Communications and Advocacy as well as Systems Support services.

The Career Development Services Helpline offers free career information, guidance and advice services on an individual basis, provided by Career Development Practitioners through a multi-media platform which includes telephone, email, short message services or "Please call me" options, the departmental Facebook page and the Khetha Centre located at the Department (117-123 Francis Baard Street, Pretoria). During 2017 a total of 68 921 individuals were assisted on a one-to-one basis utilising the service.

The National Career Advice Portal is an online, self-help tool designed to assist clients in making informed career, study and work choices by providing easy access to information regarding 1 400 occupations (as listed on the Organising Framework for Occupations), requisite qualifications and particulars pertaining to PSET institutions. A total of 314 754 people accessed the portal during 2017.



The Career Advice Website is an online resource that provides users with comprehensive career, study and work related information. A total of 17 304 people accessed the site during 2017. Khetha radio programmes are weekly broadcasts during which career, study and work related information is provided to members of the public and are accordingly aired on thirteen SABC radio stations in all eleven official languages, as well as Khoi San. Khetha Radio Programmes currently have a weekly listenership of 3.5 million people.

Career Development Training and Support Services provides assistance and training to existing and new partner career development centres. The unit additionally conducts and participates in outreach events, career exhibitions and information sessions provided to learners among other, on subject choices, post-school study options, bursaries and application processes and disseminates career development information to Career Development Practitioners (teachers, student support officers and those involved in career development work within their respective communities). A total number of 166 862 learners and adolescents were assisted during these sessions.

The Annual Mandela Day Career Development Festival provides career information to learners from rural areas and under-serviced communities. During 2017 the event took place in partnership with the South African National Defence Force at the Kimberley Military Base in the Northern Cape Province. The event was attended by 4 335 people comprising of 3 260 learners and 880 adolescents.

The *Apply Now!* Campaign was launched during 2012 by the Deputy Minister of Higher Education and Training focussing on career choices, emphasising the importance of early applications and utilising the information provided on the variety of opportunities within the ambit of post-school education and training. Since its inception, the campaign has been implemented by means of utilising community outreach programmes and school visits led by the Deputy Minister and during which *Apply Now!* Booklets were distributed to schools and particulars thereof broadcast via the Khetha radio programmes. Over 1.5 million grade 11 and 12 learners throughout the country have successfully been engaged by this intervention.

2.1.2.4 Social inclusion in Education

The South African Government remains committed to the targets endorsed in the National Development Plan: Vision 2030 and the attainment of the two percent target for people with disabilities acquiring the right skill-sets and obtaining the relevant qualifications in order to enable employment opportunities. Currently pro-active steps to ensure that people with disabilities have access to post-school education and training opportunities are being undertaken on an ongoing basis alongside infrastructure and related facilities upgraded to ensure appropriate accessibility. People with disabilities are also provided with the financial support they require in order to pursue and complete respective fields of study, while a concerted effort is being made by the Department to comply with and improve the requisite equity targets. Addressing social inequality, including disability issues in all higher education and training institutions, is of paramount importance and will gradually normalise work environments for people with disabilities and create a better life for all.

Although much has been done with regard to the PSET system, the management of disability rights in respect of the sector remains fragmented and divergent from existing transformation and diversity programmes at institutional level. Previous commitments geared towards people with disability have varied considerably between institutions, as has the resources allocated in addressing disability-related issues.

During the year under review, the Department introduced a Strategic Policy Framework on Disability for the Post-School Education and Training system, which is necessary to drive the improvement of access to and success in post-school education and training (including private institutions) for people with disabilities. Through the implementation of the policy framework, transformation and redress with regard to full inclusion, integration and equality for persons with disabilities in the PSET system will therefore be accelerated.

2.1.2.5 Open Learning

The 2017/18 financial year was characterised by several policy clarification and support workshops. Concerted attention has been given to advocate for and communicate open learning towards PSET institutions.

The National Open Learning System (NOLS) has as a result been conceptualised and once fully operational, learners will be able to perform online self-assessments and receive achievement badges for the successful completion of module courses. NOLS will support and enhance the process of connecting learners with registered institutions, colleges and universities, while enabling them to migrate to formal assessments and continue their studies where possible, within in the formal system. During the 2017/18 reporting period, the development of self-directed online learning materials was initiated for the National Occupational Qualification (electrician), the National Senior Certificate for Adults (NASCA) and core modules for the Advanced Diploma in Technical and Vocational Teaching.

2.1.2.6 International Relations

During the period under review, the Department hosted various delegations from the Ministries of Higher Education of Mozambique, Finland, Turkey, Mauritania and Russia. These delegations led by their respective Ministers and Deputy Ministers included officials, private sector representatives and university heads. The Ministers in their bilateral meetings, focused on identifying mutual areas of collaboration within the higher education diaspora.

With regard to bilateral cooperation, an agreement between the Government of South Africa via the assistance of the Department and the Government of the People's Republic of China on cooperation within the field of higher education and training, was signed. Negotiations are still underway to finalise the Agreement on the Mutual Recognition of Qualifications (MRQ) between South Africa and China. The Department attended the South Africa-United States of America Annual Bilateral Forum meeting where feedback was provided on the implementation of the University Capacity Development programme which enables the Department to source training opportunities for potential young academics at selected American universities.

The Department also participated in several high-level commission meetings, including, the Angola Joint Commission for Cooperation, as well as the Mozambique and Botswana Bi-National Committees. The unit responsible for International Relations in the Department successfully hosted the Under-Secretary of the Ministry of Higher Education in Oman and his delegation for a working visit to South Africa during September 2017.

The Department participated in various global conferences and undertook working visits to Malawi, the United Kingdom, India, Portugal, Botswana, Equatorial Guinea and Venezuela to learn from and share best practices. There have been collaborative efforts within the Department in accessing scholarship opportunities from Columbia, Algeria, Korea, Canada, UNESCO and the United States of America.

The Department successfully hosted the South Africa-France seminar on Higher Education during September 2017. The outcomes of the seminar were aimed at deepening collaboration between South Africa and France within the field of higher education and training, scaling-up current initiatives and exploring and identifying new, innovative initiatives to strengthen industry partnerships. The seminar was immediately followed by a Bilateral Joint Working Group meeting.

The Department managed to secure various multilateral opportunities for collaborative educational projects. The Minister also addressed eighteen European Union Member States, Heads of Mission on the policy direction and priorities of the Department during which the Heads of Mission were provided with an update on South Africa's political landscape.

The Department coordinated the attendance of officials to participate in various training programmes facilitated by the International Labour Organisation in Italy and China under the auspices of the Public Administration Programme. The number of South African officials and technicians trained comprise a total of 624 participants. The Department also participated in technical UNESCO-hosted seminars and conferences and in addition, actively participated in the UNESCO General Conference activities hosted during October 2017 where discussions among other, focused on Sustainable Development Goal 4, the global coordinating mechanism, financing and UNESCO's monitoring role.

The Department hosted the South Africa-European Union Senior Officials Meeting and seminar during May 2017 and discussed priorities for 2017 to 2020 and follow-up actions for the 2017/18 financial year, South Africa's strategy on youth not in education, the funding framework for post-school education and training, as well as the Internationalisation Policy on higher education including mobility of academics, students and scholarship opportunities. Both the seminar and the Senior Officials Meeting were considered by all participants to be a major success.

Meetings were held with SAQA and various embassies to discuss, finalise and in some cases, re-negotiate new MRQ agreements. The countries with which the Department had meetings include Malaysia, China, India, France, Palestine, Singapore, Vietnam, Russia, Turkey, Cuba and Romania.

Several preparatory meetings were hosted by the Department of International Relations and Cooperation (DIRCO) in which the Department participated and provided status reports on existing and new collaboration projects with partner countries and entities, such as India, Germany, Poland, Switzerland, China, Ireland, Portugal, as well as the India, Brazil, South Africa Forum, the Indian Ocean Rim Association and the Brazil, Russia, India, China, South Africa (BRICS) collaboration.

Preparations for high-level engagements celebrating the South Africa-China, 20-year anniversary of diplomatic relations have commenced. Key projects being considered include the launch of an alumni association, the hosting of a high-level seminar between relevant institutions and the identification of students for exchange visits.

Several meetings were held with the National Treasury during October 2017, the Department of Home Affairs and DIRCO to discuss potential challenges with regard to the TVET Refurbishment project. The final report on the Feasibility Study of the TVET Refurbishment project and an exchange of letters that serve as the project agreement were submitted to the Chinese Embassy for finalisation and approval.

The Japanese cooperation programmes are being managed satisfactorily. The Department hosted a contingent of volunteers from the Japan International Cooperation Agency for the finalisation of a Mid-Term Report on activities undertaken at TVET colleges. The Department also sent officials from the TVET Branch to attend a training programme in Japan during November 2017. A high-level delegation participated in the South Africa-Japan University Forum during July 2017, with the objective of strengthening high-level research cooperation between the respective universities.

2.1.3 University Education

The higher education sector comprises the public higher education sector consisting of 26 universities and a National Institute for Higher Education, the private higher education sector consisting of registered private higher education institutions (PHEIs), as well as the CHE which implements a system of quality assurance for higher education, advises the Minister on aspects of higher education and undertakes research to inform the development of the system. The higher education service delivery environment covers both the public and the private sector, although the public sector is the larger of the two and has greater focus. The higher education sector, both public and private, is governed in terms of the Higher Education Act (No 101 of 1997, as amended). The 26 universities are further differentiated into eleven general academic universities, nine comprehensive universities, six universities of technology and one National Institute for Higher Education.

During the 2017/18 reporting period, the private higher education sector consisted of 122 registered PHEIs. The total number of PHEIs changes from time to time, depending on the economy, the accreditation status of programmes and compliance with relevant regulations. The Department monitors the system for compliance purposes on an ongoing basis and publishes a monthly updated Register of Registered Private Higher Education Institutions in conjunction with details of accredited programmes each may legally offer on the Department's website.

Public higher education context and environment

Three steering mechanisms underpin and support the development of the public university sector namely planning, funding and quality assurance processes. The Department steers the system through funding and planning oversight, while the CHE has the mandate to quality assure the system. The National Student Financial Aid Scheme (NSFAS) provides funding for financially needy, yet academically qualifying students in accessing university education.

The total audited student headcount enrolment at public higher education institutions (universities) verified during October 2017, was 975 837 during the 2016 academic year and includes both full and part-time enrolments for contact and distance studies. This represents a decline of 9 375 headcount enrolments (-0.96%) when compared to enrolments during the 2015 academic year.

The number of enrolments during the 2015 academic year had increased to 985 212 headcounts from 969 154 enrolments during the 2014 academic year. While this represents an increase of 16 058 student enrolments, it was the second time the university system had not expanded in line with the projected 2014/15 to 2019/20 Ministerial enrolment targets, which anticipated that the system would increase to 1 035 900 student enrolments by the 2016 academic year. The major reason for this decline in growth during the 2015 academic year has been attributed to a decline in headcount enrolments at the University of South Africa (UNISA), due to the implementation of their admissions criteria and in 2016 due to the implementation of a new on-line registration system. It is expected that this trend would continue for a few more years and therefore the national projected target for the 2016 academic year (as reported during 2017/18) was reduced to a more realistic total of 995 000 student enrolments in the Department's 2017/18 Annual Performance Plan (APP).

The trend continued into the 2016 academic year as predicted. The final audited headcount enrolments for the 2016 academic year (as reported during October 2017) were at 975 837 which was 19 163 below the target estimated in the 2017/18 APP.

The national aim is to increase the total headcount in higher education to 1.6 million by 2030, as envisaged by the National Development Plan (NDP) and the White Paper for PSET, 2013. The system has been fragile with sufficient funding for both institutions and students remaining a critical requirement and with a view to enable the growth as envisaged in the NDP. The substantial new funding announced for the system in 2018/19 will accordingly go a long way in supporting the national aim.

While the headcount enrolments did not increase as anticipated, the total number of university graduates produced per annum however, did escalate to 203 076 in the 2016 academic year and exceeded the anticipated target of 190 386 by 12 690 (6.7% above the target). The annual number of graduates increased from 180 823 students during the 2013 academic year, representing an overall growth of 12.3% between 2013 and 2016 and an average annual growth of 3.4%. This is a laudable achievement and signals that the system is improving its output. This statement is substantiated by the annual cohort study which confirms that the throughput rates of the system are indeed improving. The overall throughput rate for the 2013 cohort (after four years of study, including the 2016 audited data) across all programmes (including three-year, four-year and six-year programmes) was 40.6%, improving the four-year throughput rate of 27.4% for the 2001 cohort and 34.2% for the 2010 cohort, respectively.

The number of Research Masters and Doctoral graduates increased at a higher rate than the overall number of graduates, which is a critical development as it is on these graduates that the country depends for its future academics, researchers and other leaders within knowledge-intensive professions. The number of Research Masters' graduates increased from a total of 6 460 graduates during the 2013 academic year to 7 968 at the end of the 2016 academic year, representing a total growth of 23.3% and an average annual increase of 5.8%. The number of Doctoral graduates increased more steeply from 2 051 to 2 797, or by 36.4%, over the same period and an average annual growth of 9.1%.

In relation to scarce skills, the system produced 12 386 Engineering graduates, 10 087 Animal and Human Health graduates, 8 093 Life and Physical Science graduates and 22 123 Teacher Education graduates in 2016. The system targets as indicated in the 2017/18 APP of 13 000 graduates in engineering sciences, 10 400 in human and animal health and 8 300 in natural and physical sciences were not met, while the target of 20 800 in teacher education was exceeded.

To boost the expansion of the public higher education system and ensure enhanced access to university education in all provinces, Sol Plaatje University (SPU) and the University of Mpumalanga (UMP) were established during August 2014. SPU and UMP are both developing as anticipated and opened their doors to their fourth intake of students at the advent of the 2017 academic year. The rapid expansion is supported by an intensive infrastructure development programme currently being implemented at each institution. Both institutions have also developed their own capacities in managing their infrastructure programmes and the full handover of the function from the departmental project management team has been effected. During 2017/18, a further R978.482 million was allocated for infrastructure development at these universities and both university campuses are developing rapidly and in accordance with their long-term development plans. This pace of development will continue for the foreseeable future, with R1 billion to be allocated during the 2018/19 and R1.04 billion during the 2019/20 financial years.

The strengthening and expansion of the public higher education system is supported by the Department's Infrastructure and Efficiency Grant (IEG). During 2014/15, a decision was taken to strategically 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. The Department brought together a team of experts to analyse the plans and develop a macro-infrastructure planning 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 deferred maintenance of their infrastructure and focused on operations on the development of new infrastructure supported by the IEG. On the basis of the work done towards the development of the macro-planning framework, the Department made a decision to allocate the R7.265 billion IEG over the 2015/16 to 2017/18 financial years to support universities in addressing their backlog maintenance requirements, aimed at expanding student housing development, as well as selected priority projects, such as the development of the Ocean Sciences campus at Nelson Mandela University in support of Operation Phakisa for the blue economy.

The Macro-Infrastructure Framework (MIF) was completed during the 2017/18 financial year and will transform the way in which the Department manages the IEG. The MIF is a web-based platform that includes a number of resources for the management and oversight of university infrastructure development. All universities uploaded their proposed infrastructure projects for the 2018/19 to 2020/21 funding cycle onto the MIF during January 2018. Allocations for this funding cycle were recommended based on an analysis of the plans and past performance.

Higher education fees and the affordability of university education has been in the spotlight since 2015 with the *#FeesMustFall* campaign and the demand from students for free quality higher education. During January 2016 the President established a Commission of Inquiry on Higher Education and Training (the Fees Commission) to assess the feasibility of fee free higher education and training in South Africa. Initially the Commission was scheduled to submit its report at the end of November 2016, but requested an extension which was granted– and the Commission eventually submitted its report to the President on 31 August 2017.

The service delivery environment remained tense during 2017 with uncertainty around the outcome of the Fees Commission report. Some universities experienced severe challenges (for example CPU) including the destruction of property. However, the magnitude of violence and destruction of property that had been experienced during the 2015 and 2016 academic years was not repeated in 2017. Nevertheless, the challenging and volatile environment persisted, with continued threats to the relative calm throughout the year, especially connected to the challenges linked to the implementation of the NSFAS Central Applications Service. There were also many threats linked to the long period it was taking for the Fees Commission report to be released. The Department maintained strong communication with institutions, NSFAS and student leadership in an attempt to manage the situation and ensure that the core business of universities, namely effective teaching, learning, research and community engagement could continue.

All universities successfully completed their 2017 academic year with little disruption to the examinations.

The Fees Commission report was handed to the President on 31 August 2017, and this was followed by an intensive technical process which resulted in a Presidential announcement on 16 December 2017 of Government's response to the recommendations of the Commission. The outcome of the Fees Commission and Government's response to its report, is that a cost-sharing model for university funding will be maintained. However, there will be more effective and wide-spread support for poor and working class students to access universities, as well as better funding of institutions to ensure financial sustainability of the public sector.

The President announced that fully subsidised free higher education and training would be provided for poor and working class students from families with a gross income of up to R350 000 per annum in 2018, starting with first time entry students and phased in over five years. The Department worked closely with USAf and NSFAS to rapidly implement a new departmental Bursary Scheme for poor and working class students to effect the announcement. A set of frequently asked questions were produced to assist with the roll-out during 2018. There was close communication across the system, including the NSFAS, universities and students to ensure that the decision could be implemented at the advent of January 2018.

There are many policy implications linked to the roll-out of the new bursary scheme, including a need to develop a new student financial support policy and a regulatory fees framework. Collective efforts of all relevant role-players resulted in a relatively calm registration period for the 2018 academic year.

Following the announcement of the new scheme, NSFAS remains Government's key institution for supporting poor and working class students in accessing higher education. It is noted that during the 2016 academic year, NSFAS supported 225 950 students at 26 public universities via loans and bursaries. It is expected that with the new funding made available in 2017/18 and the introduction of the new bursary scheme in 2018/19, the number of



students supported will be increased to approximately 274 000 in 2018. Approximately 84 000 entrants will be first time-entry students into the university system who will be supported at actual, full cost of study.

NSFAS administers 25 funds which include the Department's General Loan Fund, now converted to the Department of Higher Education and Training Bursary Fund; the Department of Basic Education *Funza Lushaka* Bursary Scheme (aimed at funding new teachers); the NSF scarce skills bursaries; certain SETA bursaries and a number of national and provincial Government, departmental bursary funds.

During 2017 NSFAS rolled out their new student centred central applications model to all universities and TVET colleges. NSFAS indicated that this applications process would enable the organisation to build a direct relationship with students from the initial application phase up to the completion of their studies and would also increase the efficiency pertaining to the administration of loans and bursaries in general. However, at the advent of the 2017 academic year universities still had to manage many challenges related to the implementation of the new system. The Department, together with USAf had to work closely with NSFAS in an effort to mitigate risks associated with the implementation of the system during the academic year. Many poor and working class students were negatively affected by these challenges, while a significant number of complaints and individual cases were reported and as a result, required the Department to closely monitor the effective implementation of the new model during the 2017 academic year.

A joint task team was set up between NSFAS, the Department and USAf to examine the underlying issues with the aim to ensure that the system was more effectively implemented for the 2018 academic year. Despite these efforts during the 2018 registration period and over the fourth quarter of the 2017/18 financial year, it became clear that NSFAS systems were not able to effectively and efficiently manage the allocation of bursaries, with major data integration problems marring the implementation of the new bursary scheme. All stakeholders worked collaboratively to manage the crisis and there was a relatively stable start to the year. However, a major assessment of the NSFAS system will have to be undertaken during 2018 and it is likely that the model will have to be changed to integrate more effectively with institutions. Critical problems must be resolved before the system applications process opens for the 2019 academic year.

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

Since its registration during 2000, the private higher education sector has consolidated itself into the higher education and vocational space offering a range of programmes within diverse fields of study and comprising qualifications from the Higher Certificate to Doctoral studies through both distance and contact modes of delivery. The private higher education sector has an important role to play within the system, particularly in providing niche programmes in areas such as business development, commerce, IT and graphic design, all aligned to current industry needs.

Enrolment figures indicate that 167 408 students were enrolled across the 122 registered PHEIs during 2016, representing a significant increase from 147 210 enrolled at 120 institutions during 2015. This represents an increase of 13.7% in headcount enrolments. The private higher education sector is expanding at a much greater rate than the public sector and during 2016, accounted for approximately 14.6% of the 1 143 245 headcount enrolments in the higher education sector as a whole.

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 of the CHE, together with the work of the Department in registering institutions which enable each to legally offer accredited programmes. The CHE and the Department work closely together in ensuring the integrity of the system. A major challenge in this regard is the number of bogus colleges that continue to appear and operate, providing unaccredited programmes to unsuspecting students. Moreover, some registered PHEIs offer unaccredited and unregistered programmes. Close monitoring of the system by the Department has yielded results in that registered PHEIs appear to be complying with the regulations, with only two registered PHEIs purported to offer unregistered programmes during the 2017 academic year.

During 2017/18 the Department continued its campaign to raise public awareness on the importance of verifying the status of an institution prior to enrolment. For the second time during 2017, the Statement of National Senior Certificate results included an alert on bogus colleges and provided information on how to verify the credentials of a private post-school institution. The public awareness campaign includes publishing a list of bogus colleges identified through the Department's monitoring processes, alongside the Register of Registered Private Higher Education Institutions. These details are published and updated monthly on the Department's website. The Department also engages closely with schools, district offices and foreign embassies to ensure that the correct information is disseminated. Oversight of the system, including site visits to institutions reportedly operating illegally and visible monitoring in partnership with the South African Police Services, is being implemented. The Department has also created links with authorities in the United Kingdom and the United States of America and is working closely with them to combat bogus colleges and eliminate degree fraud linked to institutions operating in South Africa while located in those countries.

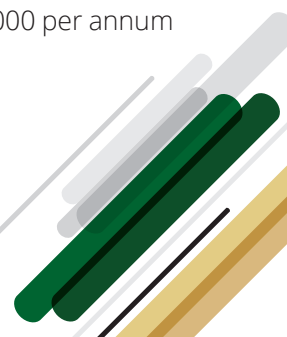
The Department identified 80 bogus colleges providing services during 2017/18. Some colleges, when confronted, have refunded students fees and requested that their names not be published on the list of bogus colleges.

The sector has remained fairly stable over the last few years with a steady growth in student numbers and programme offerings. This expansion, together with the Department's work to curb illegal and unregistered colleges and the CHE's quality assurance function, has culminated in improved integrity of the private higher education sector.

Significant achievements during the 2017/18 financial year

In December 2017 the President of South Africa announced the implementation of fully subsidised free higher education and training for poor and working class South African students, starting with students in their first year of study at public universities. During December and January, following on an announcement by the President, the Department worked closely with universities and the NSFAS to set in place the necessary agreements and mechanisms to enable the new funding regime introduced for the 2018 academic year. The result was the establishment of the Departmental Bursary Scheme for Poor and Working Class Students in universities. The main decisions and features of the new scheme are reflected in the Frequently Asked Questions document which was widely distributed in January 2018. These decisions will be consolidated into a policy on student funding during the 2018/19 financial year. The Minister of Higher Education and Training also engaged a number of stakeholders at this time, including student representatives to ensure that communication on these matters was as widely understood as possible. All these efforts resulted in a relatively calm and incident free registration period in 2018.

The Minister of Finance announced substantial new funding of R4.581 billion during February 2018 and R33.020 billion over the 2018 MTEF, to enable the new Departmental Bursary Scheme to be implemented. The funding will support approximately 84 000 First time Entry students from families earning up to R350 000 per annum, as well as ensure that all senior NSFAS qualifying students from families earning up to R122 000 per annum are supported through grants rather than loans.



In addition to bursary funding, the Minister of Finance announced new funding for university subsidies amounting to R2.445 billion in 2018/19 and R11.309 billion over the MTEF. This will increase the subsidies to the university system provided through the Department from 0.68% of Gross Domestic Product (GDP) to 1% of GDP by 2022/23. This funding will address under-funding of the university system in relation to enrolments and together with a fee regulatory framework which must be developed during the 2018/19 financial year, enabling the higher education system in strengthening its quality and becoming sustainable over the longer term. A fee regulatory framework is required to ensure that university fees are affordable going forward and fee increases do not outstrip inflation.

The significant allocation of funding to the university system for students and institutions will have to be carefully monitored to ensure that the funds are effectively utilised towards enabling sustainable and strengthened public higher education into the future.

In line with a recommendation made by the Ministerial Review on University Funding, the Teaching Development and Research Development grants were consolidated during 2017 to create the University Capacity Development grant (UCDG), which is directed towards the implementation of the University Capacity Development Programme (UCDP). The UCDP has been fully implemented from the advent of the 2018 academic year. This programme is aimed at transforming teaching, learning, research and leadership within public higher education and is the Department's key strategic intervention focused on strengthening and developing the university education sector over the next ten-year period.

A number of projects linked to the implementation of the UCDP and supported by the UCDG were designed and approved during the 2017/18 financial year for implementation:

- 26 three-year university capacity development plans approved for implementation having commenced at the advent of January 2018;
- Phase 4 of the New Generation of Academics Programme involving the recruitment of 111 new academics initiated during March 2018;
- The University Staff Doctoral Programme, developed as a departmental instrument to support existing university academics in achieving Doctoral degrees approved during the fourth quarter of 2017/18 and which will be implemented for the first time from March 2018, onwards. Approximately 144 university academics will participate in the programme to attain their Doctorate's through a collaborative partnership between South Africa and universities located in the United States;
- The Entrepreneurship Development in Higher Education Programme has been formalised into a three-year funded programme. This intervention was approved during the fourth quarter of the 2017/18 reporting period and was implemented during March 2018; and
- The Higher Education Leadership and Management Programme has been formalised into a three-year funded programme. This was approved for implementation during the fourth quarter of 2017/18 and Implementation commenced during March 2018.

A Task Team was established to review the professional development of teachers through distance education, with a specific focus on the Initial Teacher Education Programme at UNISA. The Task Team report will be finalised by the end of the 2018/19 financial year.

A Ministerial Task Team on the recruitment, retention and progression of black south African academics was established during the period under review and the Task Team aims to submit a final report with recommendations, to the Minister by 31 January 2019.

The Teaching and Learning Development Capacity Improvement Programme, supported by the European Union to strengthen teacher education for early childhood education, primary teacher education, inclusive and special needs education and TVET and CET college lecturer education, is being effectively implemented. A number of events linked to the TLDCIP took place during the 2017/18 financial year. These included:

- Four annual dialogues involving a broad spectrum of stakeholders focussing on teacher education for early childhood education, primary teacher education, TVET and CET college lecturer education and inclusive education;
- The launch of a new Journal for Vocational and Continuing Education and Training, on 28 November 2017. The Department, through the programme, has provided seed funding for the Journal's establishment; and
- A Round Table on Teaching Practice for Initial Teacher Education held in June 2017. Following the meeting a process towards developing an Inter-governmental Implementation Protocol for Teaching Practice has been initiated.

A national dialogue on strengthening university teaching, supported by the European Union-South Africa Dialogue Facility was held in May 2017. Its goal was to explore how to create structural and systemic means to improve the quality of university teaching in order to improve student success. The main outcome of the dialogue is the development of a Framework for Enhancing Academics as University Teachers. The plan is to finalise the framework by the end of July 2018.

An International Colloquium on a Framework for Interaction, Coordination and Collaboration in Post-School Education and Training, again supported by the European Union-South Africa Dialogue Facility, was convened on 18 and 19 May 2017. The goal of the Colloquium was to discuss the establishment of mechanisms enabling collaboration between the various stakeholders including Government departments, institutions, professional bodies, etc., for the improved education and development of more professional graduates. The Colloquium was attended by 250 delegates and the main outcomes were the finalisation of a Colloquium report, as well as a document titled "Towards the Development of a Framework for Inter-Departmental and Stakeholder Collaboration and Alignment, to Build a Skilled and Capable Workforce through Post-School Education and Training".

A national workshop on the Code of Good Governance for South African Universities was convened during June 2017. The workshop was aimed at consulting on the code and the self-assessment tool for councils that had been approved by the Director-General in March 2017. The workshop was attended by registrars, vice-chancellors and council members and feedback from the system was incorporated into the document to finalise the Guidelines of Good Governance Practice and Governance Indicators for South African Public Higher Education Institutions. These documents were approved by the Minister on 13 December 2017 and disseminated to all institutions. Every university will be required to implement the guidelines and submit a governance self-assessment by June 2018. This assessment together with other information, will provide a baseline for monitoring governance across the system into the future. A set of regulations providing additional functions as assigned by the Minister to NSFAS were also developed, finalised and published during the 2017/18 reporting period.

The Historically Disadvantaged Institutions Development Grant, amounting to a total value of R2.415 billion and aimed at supporting development programmes at eight Historically Disadvantaged Individuals (HDIs) will be implemented over a five-year period, having already commenced from 2016/17 and concluding during 2020/21 and was recently consolidated during the 2017/18 financial year.

Significant progress has been made towards the development of the CAS. The Policy for the Post-School Education and Training Central Application Service was published in the Government Gazette, Number 41226, Volume 629 of 2 November 2017. In addition, the Business Requirements Specifications and Functional Specifications for the Central Application Service were developed and finalised during the financial year under review. Extensive consultation

was undertaken to finalise these documents and ensure that the service design is effectively integrated into PSET institutions systems. The next phase of the project will be aimed at building, testing and operationalising the system to fully support the implementation of the CAS. The system is expected to be launched during 2019 in preparation for the 2020 cohort of first time study entrants.

The MIF was developed during the 2017/18 financial year. The MIF will support the planning, budgeting, management and monitoring of the university infrastructure programme and funding allocations, from 2018/19 onwards. The MIF is a web-based ICT platform that is housed on Microsoft SharePoint, accessible to the Department and all universities and includes good practice guidelines for the proper management of infrastructure programmes at the university level. A national consultative workshop on the MIF was convened on 19 and 20 October 2017 after which the framework, based on recommendations made during the event, was further refined and improved. The Department also hosted a series of four regional workshops during November and December 2017 to share information on the MIF and its implementation. All universities were required to submit their IEG funding applications online for the 2018/19 to 2020/21 funding cycle via the MIF, ICT platform during January 2018. The MIF is currently being tested and fine-tuned through this process, where required.

The Joint Task Team on the function-shift of agricultural colleges from a provincial to a national competence and established between the Department of Higher Education and Training and the Department of Agriculture, Forestry and Fisheries, completed its report in November 2017. The report makes recommendations to the two Ministers in terms of a function-shift of colleges from a provincial to a national competence, the mechanism that should ideally be set in place to enable this process and how the future governance and management of the colleges should be arranged.

The International Scholarships Programme was strengthened with the introduction of 100 scholarships to Hungary. The Department also convened a national meeting on 16 November 2017 with key national and provincial departments in an effort to explore alignment between international scholarships programmes implemented by national, provincial and local Government departments. The result has been an agreement for the establishment of an Inter-governmental International Scholarships Forum and the development of a framework to better collaborate and coordinate scholarship opportunities across various national and provincial Government departments. This work will be undertaken during the 2018/19 financial year.

A draft National Plan for Post-School Education and Training (NPPSET) was finalised for public consultation during November 2017 and has provided the basis for a range of stakeholder consultations with key university stakeholders were held on 9, 13 and 14 February 2018, as well as on 1 March 2018. The final NPPSET will be completed during the 2018/19 financial year.

Two student leadership capacity development workshops were convened, with the first focusing on coastal and other inland institutions. This programme was developed as a partnership between the Centre for Education Policy Development and the Department in an effort to support the induction and capacity building of student leadership in identified positions within Student Representative Councils. Unfortunately, due to the closure of the Centre for Education Policy Development, this partnership has since had to be discontinued.

The 2017 BRICS Think Tank Council meeting, BRICS Academic Forum, BRICS Network University Conference and BRICS Education Ministers' meeting, were respectively successfully hosted in China during 2017. The Universities Branch participated during all these events and a report on the partnerships was finalised and approved by the Director-General during March 2018. South Africa will chair BRICS during 2018 and the Department will be responsible for ensuring the success of arranging and managing all higher education engagements.

Significant developments that impacted on the work of the programme

The most significant external development to the Department and impacting on the work of the programme was the process around activities of the Fees Commission. This had major implications for the 2018 academic year and resulted in additional unplanned work linked to the implementation of the decisions made by Government after the Fees Commission report was received.

The substantial, additional funding also has major policy implications and a robust student funding policy needs to be developed to formalise all the decisions taken and processes endorsed for implementation. In addition, a fees regulatory framework must be developed to ensure that university fees are affordable and that the system is sustainable.

The finalisation of the NPPSET was affected by a number of external processes. A draft of the NPPSET was developed by the end of October 2017 and distributed widely to a range of stakeholders for comment and engagement. It was not possible to finalise the plan during the 2017/18 financial year due to a number of external factors.:

- Firstly, the plan had to be approved and supported by the Minister as it sets out the key strategic direction for the post-school system to 2030. While the plan was consulted in its draft form, there were two changes proposed by the Minister that resulted in delays, as the decisions could not be rushed.
- Secondly, the plan is also dependent on a number of parallel processes, including the new approach for funding of students and institutions and the finalisation of the National Skills Development Plan (NSDP).



Competitors showcasing their skills during the 2017 "Decade of the Artisan" event

2.1.4 Technical and Vocational Education and Training

During the 2015/16 financial year TVET colleges migrated to the Department of Higher Education and Training and over this period approximately 18 000 staff members located at the colleges migrated to the staff establishment of the Department. This process has since been satisfactorily concluded but not without numerous challenges, as can be expected with staffing relocation processes of this magnitude.

More importantly, this process has provided the Department with an opportunity to standardise processes across all provinces, while retaining the management and implementation of identified functions and processes at a national level. However, this level of control has in turn necessitated improved monitoring and enhancement of the system, placing the Department under greater pressure to formalise a set of uniform processes and procedures, all of which previously resided within the provinces.

In addition, previously shared provincial resources were split between the Department and the Department of Basic Education leaving Regional Offices with numerous post vacancies and has as a consequence, significantly impacted on the ability of the Department to efficiently execute requisite regionally-based monitoring functions. The Department has set relevant processes and measures in place to effectively address the challenges. The majority of the Branch targets are focused and endorsed, while oversight in respect which of processes have been developed in better managing the system.

Programmes and qualifications

The Department has monitored the implementation of both Student Support Services plans together with Teaching and Learning plans pertaining to the 50 TVET colleges. Extensive sample monitoring was undertaken by officials located at Head and Regional Offices, with a view to ascertain the success and efficiency with which the fore-mentioned plans at campus level were being implemented.

Systems planning and institutional support

Policies have been developed and adopted in an effort to steer the TVET sector towards greater efficiency. The process to ensure the quality and integrity of data pertaining to the TVET sector has continuously been improved with a view to ensuring that the correct information is at all times available to those who require it. Efforts to maintain fully constituted TVET college governance councils has also continued unhindered and a culture informed and driven by strategic planning processes, has been inculcated and entrenched within the broader TVET college sector. This context has created a suitable environment for the Department to implement and achieve its strategic and annual performance goals.

National examination and assessment

There are currently seven TVET college examination cycles, which include the April (Engineering Studies N1 to N6), June (Business Studies N4 to N6), August (Engineering Studies N1 to N6) and November (Engineering, Business Studies and NC(V)) examination cycles. Together these constitute the most extensive examination process in the country, particularly regarding the number of external examinations required for the effective oversight and timeous conclusion of these examination processes throughout the year. Ideally, each examination session is synchronised with the prescribed examination cycle. This comprises the setting of question papers; registration of examination centres and candidates oversight; finalisation of requisite printing requirements and processes; the packing and distribution of question papers; the writing of exams; followed by prescribed marking, standardisation, resulting and certification functions. These activities are all monitored under the auspices of Umalusi and the QCTO and therefore cannot in any way be compromised.

The training of examiners and moderators in respect of the NC(V) L2 to L4, NATED (Business Studies N4 to N6 and Engineering N1 to N6) and Adult Education and Training (AET) courses was successfully concluded during the 2017/18 financial year. This action has ensured that question papers have been produced and approved by Umalusi between six to twelve months prior to the confirmation of examination dates during the 2017/18 reporting period.

During preparations for the November 2017 examination cycle, 1 294 (English and Afrikaans) question papers for four programmes were produced, while 41 Engineering question papers and 144 NC(V) papers were moderated externally and subsequently approved by Umalusi. In total, the Department produced 5 600 papers (English and Afrikaans) for all examinations.

The marking for the examination papers during the course of the year is usually conducted in nine marking centres, as opposed to the marking process during November which is coordinated across 21 marking centres located in eight provinces. These marking centres were monitored by the Department and Umalusi officials on an ongoing basis. The total number of markers for the April and August Engineering Studies cycle comprised 1 610 markers while the November 2017 Engineering Studies cycle comprised of 1 687 markers. The June 2017 Business Studies cycle had a complement of 3 213 markers whilst the November Business Studies cycle 3 213 comprised of 3 213 and 973 for NC(V) L4.

TVET college throughput rate

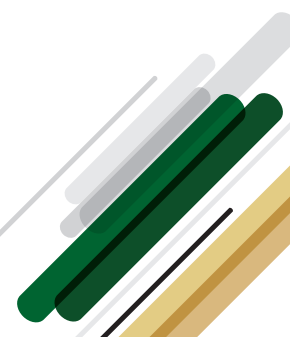
With regard to the NC(V) L4, the Department has been able to establish a baseline throughput rate of 33.47% for students qualifying within the minimum time-frame. This is viewed as a breakthrough as it has in the past been challenging to establish a baseline in turn making it difficult for the Department to plan properly. This baseline will enable more accurate future projections and planning by the Department in relation to throughput within the TVET college sector.

The total head count enrolment for the year under review was set at 710 535. This total target comprised of three sub-targets, namely headcount enrolments funded by the State (429 638), by colleges (235 110) and funded from other sources (45 787). Validity and completeness tests on the student headcount enrolment was also concluded during 2017 and batches of 120 student records were retrieved at each TVET college for random validation and completeness testing, bringing the total sample size to 6 000 records tested at public TVET colleges.

Significant achievements during the 2017/18 financial year

The following achievements were apparent during the 2017/18 financial year:

- a) The development and implementation of the Policy on the Audit and Verification of TVET College Enrolment and Student Registration processes;
- b) The verification of 2015 and 2016 student enrolment data and compilation of quality reports in respect thereof, undertaken and completed;
- c) The formulation of a Policy on Performance Reporting for Technical and Vocational Education and Training colleges implemented by TVET colleges with effect from the advent of the 2017 Annual Reporting cycle in conjunction with the submission of requisite Annual Reports;
- d) Conducting Strategic Planning sessions with colleges culminating in the timely submission of 50 TVET colleges, 2018 strategic plans for review to the Department and approval by the Minister;



- e) Taking decisive action to finalise a review and proposed action aimed at the repair of the TVETMIS in tandem with an overhaul of the whole value chain pertaining to the collection, quality assurance and provision of TVET college data and management of concomitant processes;
- f) The coordination of student registration and enrolment management processes accordingly conducted by the Regional Offices, where respective colleges are located;
- g) The coordination and oversight of fully constituted TVET College Councils across all 50 colleges;
- h) The implementation of the Pre-vocational Learning Programme in 8 of the 9 identified colleges as part of the pilot phase and preceding comprehensive roll-out of the initiative at all 50 TVET colleges during 2019;
- i) The institutionalisation, in accordance with the objectives determined for teaching and learning processes, of the requisite teaching and learning as well as student support plans;
- j) The finalisation of a strategy and plan for lecturer development for lecturers located in TVET colleges; and
- k) The ongoing development of the new Integrated Information System for Examinations by the National Examinations and Assessment unit which is being designed to replace the existing SITA system.

Significant developments that impacted on the work of the programme

The Presidential announcement on Fee Free Higher Education for students from families earning less than R350 000 per annum, has had a significant impact on the sector. Although the real effects of this announcement will only become apparent during the next financial year, it has already during the first quarter of the academic year, required revised systems and processes to be set in place with a view to improve the funding allocations related to the 2018 enrolments. This has been a very positive development for the sector.

2.1.5 Skills Development

The 2017/18 financial year was an eventful period for skills development with many significant milestones having been achieved. One such milestone was the approval of the NSDP subsequent to the hosting of a series of comprehensive and broad consultations with relevant stakeholders within the PSET sector.

The approval of the NSDP paves the way for possible institutional and legislative changes, regulations and all other relevant guidelines in ensuring that the Department is able to phase-in the implementation of the plan by 1 April 2020.

SETA accounting authorities, as well as their respective chairpersons' terms of office, came to an end on 31 March 2018. Subsequent to a lengthy and thorough consulting process, the Minister appointed new SETA accounting authorities and chairpersons to oversee and provide strategic direction to these institutions performing the crucial function of ensuring that the country achieves a skilled and capable workforce to support an inclusive growth path. The Department has continued to place artisan development as an issue of high importance on its agenda, as it remains central to meeting the needs of the country's economy in tandem with accelerating growth and reducing unemployment. This notion is also reinforced by research conducted in collaboration with the Human Sciences Research Council and referred to as the 2012 Manufacturing, Engineering Sector Education and Training Authority Learnership and Apprenticeship Impact Survey. The research indicates that 70% of all apprenticeship participants having completed the programmes, experienced a smooth transition directly into employment.

During the last three years of the Medium-Term Expenditure Framework (MTEF) (2015, 2016 and 2017) audited national artisan production numbers have steadily increased from 14 389 to 21 188 artisans. This artisan growth has occurred amid challenging economic constraints within the public and private sectors. Should this trajectory indeed be sustained, the country will be able to meet the National Development Plan (NDP) target of producing 30 000 artisans per annum by 2030.

2.1.6 Community Education and Training

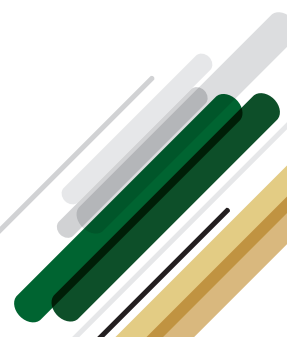
The Department has overseen and coordinated its mandated function portfolio in accordance with the injunctions of the NDP, in terms of which Government has committed to increase youth and adult participation within the CET sector to one million by 2030. The growth and expansion of institutions within the CET college sector is a strategic priority for the Department and the CET programme is focused on improving social cohesion and lives of both the adolescents and adults. The context of the CET programme is founded on a set of principles as articulated in the national policy on community colleges. These principles are indicated as follows:

- a) Social justice;
- b) Community determination, access, participation, success and development;
- c) Partnerships, employer and work organisational involvement;
- d) Local community developmental agenda determination;
- e) Inter-departmental cooperation;
- f) Agency for the State's developmental agenda; and
- g) Research, monitoring and evaluation.

There is a need for the system to become differentiated and responsive to geographic, sectoral needs and challenges. New legislation has been introduced for the CET college system in order to regulate the system on a standardised basis. This has resulted in the establishment of new nomenclature within the system. **Programme 6** (Community Education and Training) inherited different practices from Public Education Departments as part of its new mandate, subsequent to the shifting of the function of the erstwhile AET. Therefore, this programme, while forging ahead with the new mandate of CET, was still also required to manage the aftermath of the function-shift and prominence of the labour instability resulting from varied Conditions of Service affecting the CET lecturers.

Once the function had successfully been shifted to the Department, it was evident that the PEDs individually used different resourcing and funding practices. Therefore, the Department prioritised the development of a new uniform funding framework for efficient and equitable distribution of the fiscal allocation to the CET college sector.

The functional branch responsible for CET delivered its mandate with limited capacity for the greater part of the 2017/18 financial year. The posts for five senior managers (two Chief Directors and three Directors) were filled at the end of the third quarter during 2017 and prior to the filling of these posts, the Branch relied on only two senior managers and a total staff compliment of twelve officials to perform requisite functions across the targets as set out in the Strategic Plan and the Annual Performance plans of the CET programme.



2.1.7 Service Delivery Improvement Plan

Main services and standards

MAIN SERVICES	BENEFICIARIES	CURRENT/ACTUAL STANDARD OF SERVICE	DESIRED STANDARD OF SERVICE	ACTUAL ACHIEVEMENT
Dealing with queries and complaints lodged through the hotline/toll-free number	General public, students and departmental staff members, TVET and CET colleges, Universities and entities	<ul style="list-style-type: none"> ▪ 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: <ul style="list-style-type: none"> – 1 day – 2 days – 5 weeks 	Answer all calls (100%)	Toll free: 11 285 queries and complaints received, resolved and finalised (100%)
Dealing with queries and complaints lodged through the website	General public, students and departmental staff members, TVET and CET colleges, universities and entities	<ul style="list-style-type: none"> ▪ Address lists ▪ Lists of institutions ▪ Updated content 	All website queries resolved via website (100%)	6 465 queries and complaints received, resolved 6 352 (98.3%)



Officials assisting students during one of the Department's scheduled "Bogus Colleges" Information-sharing events

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

CURRENT/ACTUAL ARRANGEMENTS	DESIRED ARRANGEMENTS	ACTUAL ACHIEVEMENTS
Ministerial Izimbizo's	Stakeholder engagement fora through Izimbizo's as determined by the Presidency	Minister visited eMbalenhle, Secunda and Mpumalanga on 18 July 2017 to handover scholarships to destitute students The Minister participated during the opening of Shingwedzi campus under Vhembe TVET college, in Limpopo
Minister's meeting with stakeholders	General public students and departmental staff members, TVET colleges and entities	On 26 January 2018, the Minister hosted one engagement session with the national leadership of the South African Students Congress, the South African Union of Students, the Progressive Youth Alliance and NSFAS ahead of the start the 2018 academic year In February 2018 the Minister held a consultation session with students and SRCs, as well as the institutions multi-party students' formations on fee free higher education policy, under the theme "Fee free higher Education for the Poor" at the University of Cape Town, Western Cape In March 2018 the Minister hosted leaders of big business during a meeting, where she introduced the Department's major training initiatives to boost the Youth Employment Service
Two Communication Fora quarterly	TVET colleges	Two TVET Communicators Fora took place in 2017/18. TVET College Communications Protocols were drafted and finalised
Website	Update the content regularly. 100% access to website users and accuracy of information.	The website content is regularly updated The revitalised website's users increased from 242 087 in the first year (2013) to an accumulative number of 4 412 976 users in the fifth year (2018) The number of pages accessed increased from 809 168 to 900 000
Facebook page	Queries and complaints addressed through Facebook	The number of followers increased from 41 400 in 2016/17 to 71 000 in 2017/18 Regular posting of content has played a significant role in encouraging stakeholder engagement, as well as addressing key issues and queries from users
Twitter	Queries and complaints addressed through the Departmental twitter account	The Departmental twitter account is used for disseminating information and updating the public on departmental activities The number of followers increased from 4 000 to 8 371 in 2017/18

Complaints Mechanism

CURRENT/ACTUAL COMPLAINTS MECHANISM	DESIRED COMPLAINTS MECHANISM	ACTUAL ACHIEVEMENTS
Walk-ins/visits to the Department	All clients visiting the walk-in centre receive assistance	133 complaints, enquiries and queries received and all resolved (100%)
Usage of toll-free services	90% resolution of queries and complaints reported on the departmental and Presidential hotlines	11 285 queries, enquiries and complaints received and all 11 285 were resolved and finalised (100%)

3. ORGANISATIONAL ENVIRONMENT

The 2017/18 financial year represents the third year since the conclusion of the staff migration process which culminated in an increase of the overall departmental staff establishment from 1 200 to 29 000 employees. Human resource capacity however, remains a challenge subsequent to the conclusion of the migration process. This is mainly apparent in respect of the lack of adequate capacity within the Regional Offices and accordingly key human resource functions have remained centralised at Head Office, while colleges have been grappling with how best to develop and coordinate the implementation of requisite policies and resolutions. In particular, the Department remains obliged to oversee and manage the large numbers of disputes, grievances, misconduct cases and appeals emanating from the institutions over which it presides and with colleagues to obtain the requisite skills in dealing with labour matters in the absence of adequate staffing capacity at Regional Offices to do so.

There has been significant progress towards the finalisation of the organisational structure, which has been under review for alignment, in conjunction with the approval of the requisite budget for Compensation of Employees over the Medium-Term Expenditure Framework (MTEF). This development will assist in obtaining final approval of the structure and expedite subsequent concurrence by the Minister of Public Service and Administration. On consideration of the Department's approved post establishment, the current vacancy rate stands at 5.21% with 94.8% of funded positions in the Department having been filled. This figure exceeds the 90% target determined by Outcome 12 of the Programme of Action. The low vacancy rate however, does not suggest that the Department is operating at full capacity, as the structure ideally aligned with the Strategic Plan cannot be implemented due to financial constraints.

Even though the policy environment has been challenging, progress has still been made with 23 policies having been finalised and subsequent implementation pending as they had to be aligned to the Public Service Regulations, 2016. The policies will bring about standardisation of functions across the Department, including colleges. Various strategies such as the MTEF Human Resource, Employment Equity and Workplace Skills Plans have been approved for implementation. The task team that is driving the Post Provision Norms (PPN) development process and a distribution model for TVET colleges is in the process of concluding outstanding work. Delays are being experienced regarding the PPN for CET colleges. This intervention will ensure adequate and relevant deployment of lecturing and support staff to colleges. It will also ensure the improved planning of human resources, alongside the identification and allocation of requisite resources. The CET, PPN processes have been delayed due to challenges related to student data verification processes and the quality of student data remains a concern.

Organisational challenges and successes during the year under review

The Department is still experiencing capacity challenges as a direct consequence of the finalised staff migration process and ongoing delays in the approval of the revised organisational structure. Currently most functions are still centralised at Head Office and the limited staff establishment and available resources also have been harnessed to deal with historical service backlogs in conjunction with the designated day-to-day functions of the Department. In an effort to better manage these challenges, the Department has established a Human Resource Forum, to address key human resource challenges and explore best practices to augment service delivery across the board.

The appointment of Labour Relations officers at Regional Offices has been initiated in an effort to improve the general turn-around time to resolve misconduct cases as overseen and managed by the Labour Relations Directorate.

Even though the Department has exceeded the 90% target of funded positions successfully filled by a margin of 4.8%, it still takes more than 180 days (the actual number is 188 days) to fill vacancies. This situation is largely the result of human resources capacity shortages at the Head Office in timeously and efficiently managing recruitment processes. The high volumes of applications received by the Department continues to present a challenge and in order to mitigate it's effect, the Department is focused on developing and implementing an e-recruitment system that is expected to become fully operational during the last quarter of the 2018/19 reporting cycle.

The Department is not adequately meeting the prescribed Employment Equity (EE) targets in relation to disability and there is a need for dedicated advocacy initiatives aimed at addressing employment equity within the Department and in particular, in so far as it pertains to disabled persons and female employees at senior management level. The employment of people with disabilities has remained relatively stable during the 2017/18 financial year, the Department has been unable to meet the target of 2%. The Department currently has 40.3% of women at a senior management level and is working towards significant improvements aimed at reaching a target of 50% during the 2018/19 financial year.

The Department's Performance Management Development system has been aligned with the specifications outlined in the relevant framework administered by the Department of Public Service and Administration's (DPSA) and has since been reviewed subsequent to the transfer of lecturing staff to the Department. Non-compliance with policy directives, particularly by colleges, remains a challenge and as a consequence, hindering the Department from attaining a better score in terms of the Management Performance Assessment Tool (MPAT) and concomitant evaluation processes. With a view to adequately address this challenge, an e-Performance Management Development System is currently being developed and will be implemented during the third reporting quarter of the 2018/19 reporting cycle.

The Department managed to extend the financial disclosures by employees of the Department to include salary remuneration levels of 11 and above, inclusive of those staff members appointed at Occupational Specific Dispensation (OSD) levels and all senior managers during this period under review have subsequently disclosed their financial interests. All colleges have also since been trained on the new directive pertaining to performance management and development processes in order to standardise the relevant procedures across the board.

With regard to Human Resource Development (HRD), the Department continues to manage the induction of new employees processes, while offering bursaries to employees within the Department and in particular, those wishing to complete under-graduate studies. During the 2017/18 financial year, the Department inducted 181 new Head Office staff and 135 officials were awarded bursaries during November 2017 for the commencement of study at the advent of the 2018 academic year. The Training unit has successfully implemented the Compulsory Induction Programme (CIP) and trained 135 officials at Levels 6 to 12 on Modules 1 and 3, as well as 55 officials at level 1 on Modules 3 and 4 during the 2017/18 financial year. Thirty-five mentors also received mentoring and coaching training during the 2017/18 financial year as part of an initiative to support the professional development of interns. One hundred and seven officials received diversity management training during the same financial period in an effort to prepare them to effectively manage and promote issues of diversity within the workplace.

The HRD training centre, which accommodates up to 60 employees, has been established. The initiative has assisted significantly in reducing generic conference costs and CIP backlogs in the Department. The training staff on elementary and intermediate computer proficiency programmes in collaboration with the Government Information Technology Officer (GITO) has been successfully conducted with staff completing the courses being issued with requisite certificates of attendance.

The Department launched the Pension Case Management system during the period under review aimed at expediting pension claim turn-around times and subsequent processing of pension claim time periods reduced from six months to three weeks.

The ICT Procurement Plan which outlines the Department's ongoing investment in ICT projects was approved during the period under review. GITO finalised the ICT Strategic Plan that was subsequently approved by the Director-General. The implementation of the South African National Research Education Network represents one of the Departments key strategic and flagship projects as derived from the ICT Strategic Plan. A Memorandum of Agreement was duly signed between the Department and the South African Broadband Education Network, a non-profit organisation that performs its mandate under the auspices of the Department of Science and Technology. The Department has taken a decision to implement a TVET Connectivity Project via the South African National Research Education Network in an effort to ensure that all 50 TVET colleges operate utilising the same network environment as universities. Through this coordinated and centrally driven process, efficiency gains by means of the bulk purchasing of data lines should eventually become apparent and realised.

Furthermore, GITO has commenced with a project that seeks to automate business processes that originates from the ICT Strategic Plan of the Department. The modules that are implemented in terms of this project form part of the broader Enterprise Content Management strategy as incorporated and approved as part of the 2016/17 ICT Procurement Plan.

GITO continues to provide ICT related services within the Department in respect of desktop, laptop and local area network support. Furthermore, the corporate governance section of the ICT Policy Framework was reviewed, alongside activities/functions such as Information Security, the "Bring Your Own Device" initiative, the Internet and Electronic Policies accordingly being approved.

The Government's announcement of fee free higher education for poor and working class students late during December 2017 and particularly, with the significant additional financial allocation to the Department during the current budget cycle for the poor and working classes. It has to a large extent calmed the negative media narrative. The subsequent Government portfolio realignment has provided discussions pertaining to the sector with a renewed focus and fresh impetus.

Therefore, public perceptions have as a result, shifted significantly towards a positive narrative. Despite the removal of the most significant sector topic, the *#FeesMustFall* protests, a number of themes continue to drive the communications agenda, such as:

- NSFAS business processes including applications and student allowance issues;
- Student accommodation;
- Transformation agendas related to among other, race and language issues; and
- Institutional challenges, including maladministration, corruption and gender based violence, protests in some institutions such as the Cape Peninsula University of Technology (CPUT), the University of KwaZulu-Natal, Rhodes University and the Durban University of Technology.

On the whole, visibility and credibility of the Department has increased exponentially over the past financial years as a result of its strong relationships with both mainstream and community media. The public profiles of the political principals, particularly regarding their reputations, have been carefully managed through media profiling, outreach programmes and stakeholder fora. There has been a significant improvement in positive media coverage pertaining to the Department, with the Minister when compared to her peers, receiving the highest media coverage.

Career guidance exhibitions have increased in number and in tandem with the dissemination of improved quantitative and quality information made available to learners and stakeholders. The Minister's Programme of *Izimbizo* covered four provinces and ensured that different communities, particularly those in rural areas, have easy access to the Department's programmes. The Department has continued to mobilise the media increasing cover and spreading information on programmes whenever the Minister or Deputy Minister have important matters to relay to the public. The Department convened the Universities and TVET College Forum to engender a much closer working relationship aimed at tackling head-on issues of common interest.

The Department's Call Centre and Client Services toll-free line received 11 285 enquiries and complaints to which it responded satisfactory during the period under review and all matters were successfully resolved and finalised. A total of 3 439 reception enquiries were received and all were finalised. Out of 6 465 website enquiries received, 6 352 were resolved and 133 complaints are pending. The walk-in centre received and resolved 133 queries and the Presidential hotline reported 99.72% of cases as finalised. The call centre received an overall number of 21 322 of which 21 209 were resolved and 113 cases are still pending resolution (99.6% resolved and 0.4% pending). During the Public Service month (September 2017), the Call Centre staff attended and supported events at three *Thusong* Centres in Pretoria and surrounds and 197 enquiries and complaints were received and all were accordingly addressed and successfully concluded (100%).

Regional Offices are fully functional and office space had to be secured to accommodate additional staff. As an interim measure, there are currently six Regional Offices with acting Regional Managers. The procurement processes related to the capacitation of the Western Cape and North West Regional Offices were finalised with the assistance of Department of Public Works. The KwaZulu-Natal Regional Office moved to new offices that were upgraded via a partnership with the Umgungundlovu TVET college and the Construction SETA. The safety of employees remains a key concern for the Department and in order to improve employee safety, an additional 110 parking bays have been secured for staff. In total, the Department has allocated 521 parking bays to staff members.

From a financial perspective, the Department maintained an efficient and effective system of financial, supply chain and asset management processes. In addition, strong emphasis was placed on areas of governance, compliance and controls within the Department and in relation to the reporting requirements, including those of its Public Entities.



During the year under review, the Department continued to operate within the six budget programme structures. A large number of journals still had to be processed to correct inaccurate PERSAL interfaces. The matter was successfully resolved via the correction of journal entries during the financial year-end processes. The delayed appointment of staff due to a large volume of applications received during the 2016/17 financial year impacted on various activities such as the timeous clearing of suspense accounts; debt management processes; rejected payment transactions; the timeous finalisation of planned projects; the management of invoices to ensure that payments are processed within the required 30-day period; as well as the efficiency with which services are provided to clients, especially within the areas of finance and supply chain management. The latter delays invariably placed strain on various sections in more effectively managing the situation during the 2017/18 financial year.

Although significant progress has been made in reducing apparent backlogs, the situation remains an ongoing challenge. The management and payment of significant volumes of travel and subsistence claims, as well as the remuneration of examiners and moderators throughout the financial year and within limited time-frames, has placed an additional burden on staff within the Financial Administration Directorate. Suitable office and storage space across all units, especially regarding financial records, remains an ongoing challenge.

The implementation of the new BAS system having commenced on 1 April 2017, was carefully managed to ensure that all requisite preparatory activities were effectively performed, including the migration of entity details from the old to the new BAS system. The successful transfer of data and the linking of transaction codes also ensured that the implementation of the new system commenced without delay.

The Department managed to comply with all reporting requirements and successfully finalised, as well as timeously submitted its Annual and Interim Financial Statements, monthly reports including In-Year-Monitoring reports, Cash Flow reports, the certificates on payments within 30-days, bank and revenue reconciliations, payroll management processes and the quarterly and annual procurement plan processes. The oversight and control of demand and acquisition processes were augmented and there was an improvement in the compliance environment regarding broader supply chain management. The Department complied with the required asset verification processes and ensured that all the assets of the Department are accordingly accounted for.

The Compliance Unit of the Department that functions within the Office of the Chief Financial Officer oversees compliance of the Department with requisite Legislation, as well as the effective management of responses pertaining to the Department's Audit Action Plan. The Compliance Unit is also presently beset with a lack of capacity, a situation that has been further exacerbated by the processes related to the belated advertisement, screening and filling of relevant vacant posts. The latter staff shortages have a severe impact on the ability of the unit to properly perform its requisite functions, such as the conclusion of all verification procedures related to audit actions, as well as assistance to minimise limitations of scope during requisite departmental audit processes.

The Project Coordination Unit coordinates the management and oversight of designated departmental projects funded through the NSF and is located and functioning under the auspices of the Office of the Chief Financial Officer. The unit is also experiencing staff shortages alongside a lack of requisite financial and project management skills. Processes have been put in place to resolve these matters during the new financial year. A review of the policy and concomitant guidelines governing the projects funded through the NSF has been receiving attention during the reporting period under review and should be finalised during the 2018/19 financial year. A project review has also since commenced with a view to reduce the reliance of the Department on projects funded through the NSF.

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

Due to a lack of understanding of the EE Plan and processes from some of the colleges and the delays in the submission of Colleges EE Plans, the Human Resource Management Unit addressed this challenge by successfully coordinating EE workshops in the Regional Offices and colleges.

In an effort to improve the turn-around time regarding the filling of vacancies, the Delegations of Authority were decreased to minimum levels in accordance with the directive from the DPSA. The appointment of senior managers at levels 13 and 14 was delegated to the Director-General while levels 12 and below were lowered to the Deputy Director-General for Corporate Services and Principals of colleges.

In order to improve business processes and efficiency within the Department, the Director-General approved the implementation of the SmartGov system with the following modules: Performance Management, Submissions and workflow management, as well as Invoice Tracking and Leave management.

With a view to address the capacity challenges in Human Resource Management, the Labour Relations Directorate has been elevated to a Chief Directorate. The appointment of the four labour relation officers at regional level has already seen an improvement in dealing with misconduct cases and providing support to colleges.

SITA has completed the procurement of services for the replacement of old network infrastructure at 117 to 123 Francis Baard Building in an effort to effectively address the performance and availability of IT services.

In an effort to better manage compliance matters and address backlogs regarding the processing of certain transactions, the following key measures were taken:

- Within the Directorate: Financial Administration staff performed voluntary overtime during lunch breaks and after hours. Approved overtime was arranged in cases where transaction volumes required additional working hours for longer periods.
- The Chief Directorate: Supply Chain Management alerted project managers on an ongoing basis to the importance of timeously submitting relevant documents for bidding processes. Bid Adjudication Committee Meetings were scheduled twice-a-month in an attempt to prevent delays. The verification of invoices that were handed to project managers for services rendered were regularly followed-up to ensure that invoices were submitted and processed for payment on time. Planning also commenced to replace the existing manual process pertaining to the tracking of invoices with an automated invoice tracking system.
- Although inadequate staff capacity related to work output was circumvented by allowing officials to work overtime, dedicated staff appointments took place where the requisite recruitment process allowed for it. The filling of funded vacant positions received ongoing attention. In addition, the efficient utilisation of Interns, while exposing them to work processes has provided additional assistance in better managing large volumes of work.



Strategic outcome-oriented goals

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

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

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

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

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

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

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

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

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

These include:

- The Higher Education AIDS Programme;
- The financial health of universities;
- The Foundation Provision Grant;
- The Teaching and Learning Development Capacity Improvement Programme;
- Research outputs of universities;
- Infrastructure and efficiency grants for 24 universities;
- The new universities earmarked grant;
- Institutional governance within universities;
- Report on Institutional Governance Universities;

- Staffing South Africa's Universities Framework (SSAUF) Programme;
- Private Higher Education Institutions' with the regulations;
- The Student Leadership Capacity Development Programme;
- 2017 BRICS partnerships;
- Teaching and learning in TVET colleges; and
- The implementation of the National Skills Development Strategy by SETAs.

During the 2017/18 financial year, the Department strengthened its oversight of the TVET and CET college sectors and progress reports related to the following areas have been finalised:

- The conduct of public TVET college examination centres during national examinations and assessments for the 2016 academic year;
- Certification backlog eradication;
- The performance of students in colleges;
- Governance within TVET colleges and SETAs; and
- Implementation of a teaching and learning support framework in CET colleges.

Furthermore, the Department also monitored the performance of the system against set targets in relation to universities, TVET and CET colleges, as well as SETAs to ensure realisation of the NDP and the sub-outcomes of Outcome 5 mentioned above. The table below indicates the extent of progress made by the PSET system against the targets of Outcome 5 of the Medium-Term Strategic Framework:



Departmental staff celebrating Africa Day in traditional attire

TABLE 1: Progress status on MTSF outcome/impact indicators

Performance Indicator	Baseline 2014/15	Performance 2015/16	Performance 2016/17	Performance 2017/18	5 year target	Percentage progress
1. Number of students enrolled in public higher education studies	983 698	969 154	985 212	975 837*	1 070 000	91%
2. Number of graduates in Engineering Sciences from universities	11 441	12 058	12 470	12 386* (36 914 cumulative)	57 000**	65%
3. Number of graduates in Human Health and Animal Health from universities	8 627	8 982	9 851	10 087* (28 920 cumulative)	45 000**	64,2%
4. Number of graduates in Natural and Physical Sciences from universities	6 698	7 259	7 917	8 093* (23 269 cumulative)	36 000**	65%
5. Number of graduates in Initial Teacher Education from universities	16 594	19 124	20 698	22 123* (61 945 cumulative)	99 000**	63%
6. Number of Doctoral graduates from universities	2 051	2 258	2 530	2 797* (7 585 cumulative)	12 000**	63,2%
7. Number of Research Masters graduates	6 460	7 229	7 317	7 968* (22 414 cumulative)	34 000**	66%
8. Success rates at universities	74%	77%	78%	78%*	78%	100%
9. Higher education undergraduate success rate (contact)	81%	82%	83%	83%*	81%	102%
10. Higher education undergraduate success rate (distance)	60%	68%	68%	68%*	71%	96%
11. Number of universities offering accredited TVET college lecturer qualifications	-	1 (offering)	1 (accredited universities)	3.4	10**	30%
12. Percentage of university academic staff with PhDs	41%	43%	44%	45%*	46%	98%
13. Number of additional first time entrants (black and women) to the academic workforce in addition to normal replacement and plans	-	102	90	549	100	110%
14. Number of students in foundation programmes	17 960	19 212	17 977	20 685*	36 000	57%

Performance Indicator	Baseline 2014/15	Performance 2015/16	Performance 2016/17	Performance 2017/18	5 year target	Percentage progress
15. Number of eligible university students obtaining financial aid (NSFAS)	186 150	178 961	255 950	225 950***	205 000	110%
16. Number headcount enrolments in TVET colleges	709 535	710 535	741 542	703 705*	710 535	99%
17. Number of headcount enrolments in CET colleges	300 000	283 602	273 431	273 431*	340 000	77%
18. Certification rates in TVET qualifications NC(V) L4	34.4%	23.3%	32.6%	42%*	40%	105%
19. Certification rates in TVET qualifications N3	55.4%	51.0%	64.9%	65.8%*	65%	101%
20. Certification rates in TVET qualifications N6	47.2%	34.3%	61.0%	66.1 %*	50%	132%
21. Certification rates in CET formal qualification	-	39.8%	35.9%	35.9%*	45%	79%
22. Number of months to issue certificates to qualifying candidates	> 12 months	> 12 months	> 9 months	3.4 months	3 months	100%
23. Percentage of public TVET college examination centres conducting national examinations and assessments in compliance with national policy	70%	87%	100%	100%*	100%	0%
24. Number of qualifying TVET students obtaining NSFAS financial assistance per annum	220 978	298 457	255 557	225 557*	(200 000 pa) 1 000 000**	113%
25. Percentage of TVET institutions evaluated on implementation of proposed best practice, policies and guidelines issued by the Department of Higher Education and Training	-	33%	56%	56%	100%	56%
26. Enrolment of TVET students in foundation programmes	100	-	-	417	5 000	8%
27. Number of work based learning opportunities	40 399	118 582	148 517	162 659	140 000	116%
28. Number of new artisan learners registered nationally per annum	28 301	28 640	30 814	32 330	30 000	108%
29. Number of new artisan learners qualified per annum	14 389	16 114	21 188	21 151	24 000	88%
30. Percentage of national artisan learners trade test pass rate (including INDLELA)	52%	54%	52%	50%	65%	77%
31. Percentage of national artisan learners employed or self-employed	-	40%	79%	60%	80%	75%
32. Proportion of SETAs meeting standards of good governance	-	-	71%	60%	65%	100%

Note:

* 2016 academic year, verified by October 2017

** For universities cumulative from 2014 academic year (2015/16) academic year (2016/17) financial year

*** 2016/17 NSFAS Annual Report

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 PROGRAMME 1: Administration

4.1.1 Purpose

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

There are six budget sub-programmes:

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

4.1.2 Strategic Objectives

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

4.1.3 Summary of significant achievements during 2017/18 financial year

Programme 1 had planned to achieve 12 targets for the financial year ending March 2018. Nine (75%) of the targets were achieved as follows:

- Approved funded positions filled are at 94.8%;
- Revised Human Resource Plan was developed and approved by the Director-General on 28 June 2017;
- A plan to improve Human Resource recruitment and selection processes was approved by the Director-General on 29 September 2017;
- A plan to reduce the number of days to resolve disciplinary cases was developed and approved by the Director-General on 29 September 2017;
- 100% implementation of ICT improvement initiatives; and
- The system for tracking invoices received was developed and approved by the Director-General on 29 August 2017.

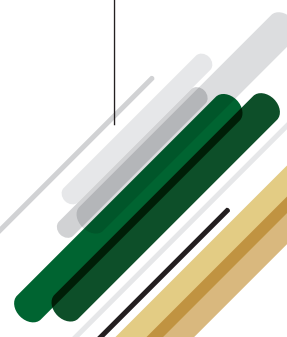
4.1.4 Programme performance: Strategic objectives, performance indicators, planned targets and actual achievements

Strategic Objective	Performance Indicators	Actual Achievement 2016/17	Planned Target for 2017/18		Actual Achievement 2017/18	Deviation from planned targets to Actual Achievement 2017/18	Comment on deviation: Both over and under achievement
			Target	Target Description			
PROGRAMME 1: ADMINISTRATION							
(4.1.1.1) To ensure effective human resource management within the Department through sound human resource management practices, including staffing, human resource development, performance management, labour relations and human resource administrative systems	Approved funded positions filled (%)	92.3%	90%	90% of approved funded positions filled	94.8%	Target achieved	Actual performance is 4.8% more than targeted
	Disciplinary cases resolved within 90 days (%)	22.2%	100%	100% of disciplinary cases resolved within 90 days	97%	Target not achieved Although there has been an improvement from previous years	The Department has a shortage of trained chairpersons. To mitigate this challenge, the Department will be conducting training on initiating, investigation and chairing, during 2018/19 financial year
	Average number of days to fill an advertised post (days)	186 days	180 days	180 days number of days to fill an advertised post	188 days	Target not achieved	Actual average is more by 8 days than the target. The Department received a high volume of applications that delayed the process of filling the post



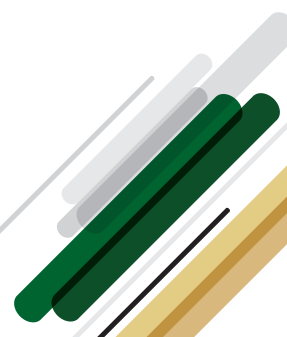
Strategic Objective	Performance Indicators	Actual Achievement 2016/17	Planned Target for 2017/18		Actual Achievement 2017/18	Deviation from planned targets to Actual Achievement 2017/18	Comment on deviation: Both over and under achievement
			Target	Target Description			
PROGRAMME 1: ADMINISTRATION							
	A reviewed Human Resource Plan approved (n)	New indicator	1	Revised Human Resource Plan developed and approved by the Director-General by 30 June 2017	Revised Human Resource Plan was developed and approved by the Director-General on 28 June 2017	Target achieved	
	A plan to improve Human Resource recruitment and selection processes approved (n)	New indicator	1	A plan to improve Human Resource recruitment selection processes approved by the Director-General by 30 September 2017	A plan to improve Human Resource recruitment and selection processes was approved by the Director-General on 29 September 2017	Target achieved	
	Approved plan to reduce the number of days to resolve disciplinary cases approved (n)	New indicator	1	A plan to reduce the number of days to resolve disciplinary cases developed and approved by the Director-General by 31 December 2017	A plan to reduce the number of days to resolve disciplinary cases was developed and approved by the Director-General on 29 September 2017	Target achieved	

Strategic Objective	Performance Indicators	Actual Achievement 2016/17	Planned Target for 2017/18		Actual Achievement 2017/18	Deviation from planned targets to Actual Achievement 2017/18	Comment on deviation: Both over and under achievement
			Target	Target Description			
PROGRAMME 1: ADMINISTRATION							
(4.1.1.2) To ensure effective financial management practices through the application of good financial management systems, including management accounting, financial accounting and supply chain management in line with the requirements of the PFMA	Invoices received from creditors paid within 30 days (%)	Valid invoices were settled within 29.79 days	100%	Invoices received from creditors paid within 30 days (%)	97.96%	Target not achieved	A key delay is the processing of invoices that are eventually rejected due to wrong banking details. These must then first be corrected through the system before the payments could again be processed
	A system for invoice tracking received approved	New indicator	1	A system for tracking invoices received, developed and approved by the Director-General by 30 June 2017	A system for tracking invoices received was developed and approved by the Director-General on 29 August 2017	Target achieved (Outside of the planned time-frame)	System for tracking invoices received was developed and approved by the Director-General on 29 August 2017
	Unqualified audit opinion	New indicator	Unqualified audit opinion	Unqualified audit opinion from the Auditor-General	Unqualified audit opinion	Target achieved	
	Approved remedial plan on audit findings in the previous financial year (n)	New indicator	1	Remedial plan on audit findings in the previous financial year developed and approved by the Director-General by 30 September 2017	Remedial plan on audit findings in the previous financial year developed and approved by the Director-General on 27 September 2017	Target achieved	
	Audit issues received versus attended to (%)	New indicator	100%	Audit issues attended to as a percentage of the total number of issues received from the Auditor-General	100%	Target achieved	



Strategic Objective	Performance Indicators	Actual Achievement 2016/17	Planned Target for 2017/18		Actual Achievement 2017/18	Deviation from planned targets to Actual Achievement 2017/18	Comment on deviation: Both over and under achievement
			Target	Target Description			
PROGRAMME 1: ADMINISTRATION							
(4.1.1.3) To improve ICT services in relation to procurement, management and maintenance of hardware, software and networks	ICT implementation (%)	ICT procurement plan was developed and approved	100% implementation of ICT improvement initiatives	Implementation of five ICT improvement initiatives measured through development and approval of the following: 1. ICT support improvement plan 2. ICT strategy and system implementation 3. Data centre infrastructure established 4. Implementation of an ICT governance framework 5. ICT procurement plan	100% Implementation of ICT improvement initiatives: 1. ICT support improvement plan was approved by the DDG:CS on 29 June 2017 2. ICT strategy and system implementation was developed and approved by the Director-General on 11 January 2018 3. Data centre infrastructure was established and approved by DDG:CS on 29 November 2017	Target achieved	

Strategic Objective	Performance Indicators	Actual Achievement 2016/17	Planned Target for 2017/18		Actual Achievement 2017/18	Deviation from planned targets to Actual Achievement 2017/18	Comment on deviation: Both over and under achievement
			Target	Target Description			
PROGRAMME 1: ADMINISTRATION							
					<p>4. Implementation of an ICT governance framework was developed and approved by the Director-General on 6 October 2017</p> <p>5. ICT procurement plan was developed and approved by the Deputy Director-General on 21 February 2018</p>		



4.1.5 Strategy to deal with underperformance

Targets not achieved.

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

In order to improve the turn-around time in terms of filling funded positions, the Human Resources unit has an approved plan linked to posts occupied by incumbents who are close to retirement, and enhanced recruitment process.

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

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

To mitigate this challenge during the 2018/19 financial year, the Chief Directorate will conduct training on initiating, investigating and chairing disciplinary cases. Regarding delays in finalising disciplinary cases, the Department has appointed additional staff at Head Office and at Regional Offices to increase capacity.

Colleges will be encouraged to create labour relations positions that will assist in ensuring that cases are finalised within the time-frame.

A plan to reduce disciplinary cases was developed and approved during the 2017/18 financial year.

4.1.6 Changes to planned targets during the year

None

4.1.7 Linking programme performance with budgets

SUB-PROGRAMME	2017/18			2016/17		
	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	39 308	39 060	248	39 884	39 558	326
Department Management	45 042	44 666	376	56 815	56 308	507
Corporate Services	155 165	153 514	1 651	144 528	143 098	1 430
Office of the Chief Financial Officer	75 685	75 376	309	70 375	66 443	3 932
Internal Audit	9 896	9 143	753	9 745	9 025	720
Office Accommodation	71 362	71 353	9	58 277	58 281	(4)
Total	396 458	393 112	3 346	379 624	372 713	6 911

4.2 PROGRAMME 2: Planning, Policy and Strategy

4.2.1 Purpose

The purpose of the programme is to provide strategic direction in the development, implementation and monitoring of departmental policies in the Human Resource Development Strategy for South Africa.

There are six budget sub-programmes:

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

4.2.2 Strategic Objectives

- To ensure a sound PSET system through the development of appropriate steering mechanisms by end March 2020;
- To ensure effective oversight of the PSET system by implementing oversight instruments by end March 2020;
- To develop and implement teaching and learning support plans aimed at improving access to quality teaching and learning in the PSET system by end March 2020;
- To provide student support services in order to promote the success of students within the PSET system by end March 2020; and
- To annually provide management with information and statistics on PSET performance.

4.2.3 Summary of significant achievements during 2017/18 financial year

Programme 2 had planned to achieve 12 targets for the financial year ending March 2018. All targets (100%) were achieved:

- A list of occupations in high demand was developed and approved by the Director-General on 28 February 2018;
- A Policy Framework on Disability was developed and approved by the Minister on 8 March 2018;
- A draft NQF Amendment Bill was developed and approved by the Minister on 28 October 2016 for public comments. The final NQF Amendment Bill was prepared and approved by Cabinet for submission to Parliament on 28 February 2018;
- An Annual Report on the implementation of social inclusion in PSET was developed and approved by the Director-General on 11 December 2017;
- An Annual Report on the implementation of open learning in PSET was developed and approved by the Director-General on 15 February 2018;

- An Annual Report on the implementation of career development services was developed and approved by the Director-General on 8 February 2018;
- A status report on the International Relations Implementation Plan was developed and approved by the Director-General on 21 March 2018;
- A report on investment trends in post-school education and training was developed and approved by the Director-General on 15 February 2018;
- A communication strategy for student support services was developed and approved by the Director-General on 19 February 2018;
- A management information system for public community colleges was designed and approved by the Director-General on 11 December 2017;
- Annual statistics on the post-school education and training report was approved by the Director-General on 28 February 2018; and
- A Career Development Institutional and Implementation report, was developed and approved by the Director-General on 29 March 2018.



Mr G Jeppie, Chief Director participating in the SA-EU Policy Seminar in Stellenbosch

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

Strategic Objective	Performance Indicators	Actual Achievement 2016/17	Planned Target for 2017/18		Actual Achievement 2017/18	Deviation from planned targets to Actual Achievement 2017/18	Comment on deviation: Both over and under achievement
			Target	Target Description			
PROGRAMME 2: PLANNING, POLICY AND STRATEGY							
(4.2.1.1) To ensure a sound PSET system through the development of appropriate steering mechanisms by 31 March 2020	New steering mechanisms approved (n)	New indicator	2	A list of occupations in high demand developed and approved by the Director-General by 31 March 2018	1. A list of occupations in high demand was developed and approved by the Director-General on 28 February 2018	Target achieved	
				Policy Framework on Disability developed and approved by the Minister by 31 March 2018	2. Policy Framework on Disability developed and approved by the Minister on 8 March 2018		
	Reviewed steering mechanisms approved (n)	New indicator	1	Draft NQF Bill developed and approved by the Minister by 31 March 2018 for submission to Cabinet for promulgation	3. Draft NQF Amendment Bill was developed and approved by the Minister on 28 October 2016 for public comments. The Final NQF Amendment Bill was prepared and approved by Cabinet for submission to Parliament on 28 February 2018	Target achieved	



Strategic Objective	Performance Indicators	Actual Achievement 2016/17	Planned Target for 2017/18		Actual Achievement 2017/18	Deviation from planned targets to Actual Achievement 2017/18	Comment on deviation: Both over and under achievement
			Target	Target Description			
PROGRAMME 2: PLANNING, POLICY AND STRATEGY							
(4.2.1.2) To ensure effective oversight of the PSET system by implementing oversight instruments by 31 March 2020	Monitoring and evaluation reports approved (n)	2	5	Annual Report on the implementation of social inclusion in PSET developed and approved by the Director-General by 31 March 2018	1. Annual Report on the implementation of social inclusion in PSET was developed and approved by the Director-General on 11 December 2017	Target achieved	
				Annual Report on the implementation of open learning in PSET developed and approved by the Director-General by 31 March 2018	2. Annual Report on the implementation of open learning in PSET was developed and approved by the Director-General on 15 February 2018	Target achieved	
				Annual Report on the implementation of career development services developed and approved by the Director-General by 31 March 2018	3. Annual Report on the implementation of career development services was developed and approved by the Director-General on 8 February 2018	Target achieved	

Strategic Objective	Performance Indicators	Actual Achievement 2016/17	Planned Target for 2017/18		Actual Achievement 2017/18	Deviation from planned targets to Actual Achievement 2017/18	Comment on deviation: Both over and under achievement
			Target	Target Description			
PROGRAMME 2: PLANNING, POLICY AND STRATEGY							
(4.2.1.4) To provide student support services in order to promote the success of students within the PSET system by 31 March 2020	Student support services plans approved (n)			Status report on international relations implementation plan developed and approved by the Director-General by 31 March 2018	4. Status report on international relations implementation plan was developed and approved by the Director-General on 15 February 2018	Target achieved	
				Report on investment trends in post-school education and training developed by the Director-General by 31 March 2018	5. Report on investment trends in post-school education and training developed by the Director-General on 27 February 2018	Target achieved	
			2	Career development institutional and implementation report developed and approved by the Director-General by 31 March 2018	1. Career development has been institutionalised and implementation report was developed and approved by the Director-General on 29 March 2018	Target achieved	
				A communication strategy for student support services developed and approved by the Director-General by 31 March 2018	2. A communication strategy for student support services was developed and approved by the Director-General on 19 February 2018	Target achieved	



Strategic Objective	Performance Indicators	Actual Achievement 2016/17	Planned Target for 2017/18		Actual Achievement 2017/18	Deviation from planned targets to Actual Achievement 2017/18	Comment on deviation: Both over and under achievement
			Target	Target Description			
PROGRAMME 2: PLANNING, POLICY AND STRATEGY							
(4.2.1.5) To annually provide management with information and statistics on PSET performance	Management information systems developed (n)	New indicator	1	Management Information System for public community colleges designed and approved by the Director-General by 31 March 2018	Management Information System for public community colleges has been designed and approved by the Director-General on 11 December 2017	Target achieved	
	Statistical reports on PSET published (n)	1	1	Annual Statistics on post-school education and training report approved by the Director-General and published by 31 March 2018	Annual Statistics on post-school education and training report was approved by the Director-General on 28 February 2018	Target achieved	

4.2.5 Strategy to deal with underperformance

None

4.2.6 Changes to planned targets during the year

None

4.2.7 Linking programme performance with budgets

SUB-PROGRAMME	2017/18			2016/17		
	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	2 695	2 661	34	3 283	2 189	1 094
Human Resource Development, Strategic Planning and Coordination	17 329	17 117	212	17 127	15 770	1 357
Planning, Information, Monitoring and Evaluation Coordination	13 139	12 809	330	17 676	9 871	7 805
International Relations	13 587	13 270	317	13 434	11 961	1 473
Legal and Legislative Services	15 388	15 155	233	14 466	11 945	2 521
Social inclusion in Education	6 160	5 963	197	5 598	5 080	518
Total	68 298	66 975	1 323	71 584	56 816	14 768

4.3 PROGRAMME 3: University Education

4.3.1 Purpose

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

There are six budget sub-programmes:

- Programme Management;
- University - Academic Planning and Management Support;
- University - Financial Planning and Information Systems;
- University - Policy and Development;
- Teacher Education; and
- University Subsidies.

4.3.2 Strategic Objectives

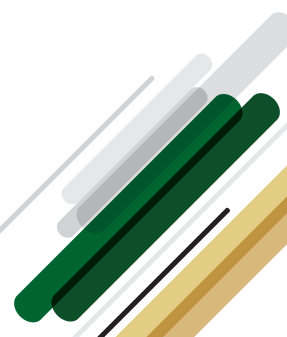
- To ensure a sound PSET system through the development of appropriate steering mechanisms for university education by 31 March 2020;
- To ensure integrated planning in support of improved collaboration within the PSET sub-systems by 31 March 2020;
- To implement oversight instruments on higher education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

4.3.3 Summary of significant achievements during the 2017/18 the financial year

The Programme had 20 targets in the 2017/18 financial year ending March 2018. Eighteen (90%) of the planned targets were achieved.

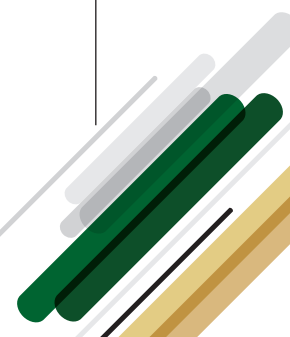
4.3.4 Programme performance: Strategic objectives, performance indicators, planned targets and actual achievements

Strategic Objective	Performance Indicators	Actual Achievement 2016/17	Planned Target for 2017/18		Actual Achievement 2017/18	Deviation from planned targets to Actual Achievement 2017/18	Comment on deviation: Both over and under achievement
			Target	Target Description			
PROGRAMME 3: UNIVERSITY EDUCATION							
(4.3.1.1) To ensure a sound PSET system through the development of approved steering mechanisms for university education by 31 March 2020	New steering mechanisms approved (n)		2	Central Applications Service policy developed and approved by the Minister by 30 September 2017	1. Central Applications Service Policy was developed and approved by the Minister on 23 May 2017	Target achieved	
				Policy framework on collaboration between professional bodies; Government departments and Quality Councils developed and approved by the Minister on 31 March 2018	2. A draft policy framework on collaboration between professional bodies, Government departments and Quality Councils was not developed and finalised nor approved by the Minister as planned	Target not achieved	The Chief Director responsible for developing the policy framework resigned in June 2017. This resulted in project management challenges and the new manager given the responsibility, was not able to adhere to the time-lines and project plan to ensure completion by the end of March 2018. Corrective Action: The Draft Framework has been completed and will be published for public comment



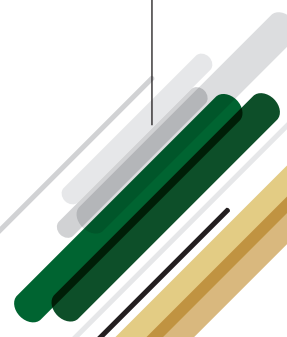
Strategic Objective	Performance Indicators	Actual Achievement 2016/17	Planned Target for 2017/18		Actual Achievement 2017/18	Deviation from planned targets to Actual Achievement 2017/18	Comment on deviation: Both over and under achievement
			Target	Target Description			
PROGRAMME 3: UNIVERSITY EDUCATION							
	Reviewed steering mechanisms approved (n)		1	An amended NSFAS Act developed and approved by the Minister by 31 March 2018 for submission to Cabinet	The NSFAS Act and the National Student Financial Aid Scheme (Act No. 56 of 1999) was reviewed. Regulations on the additional functions of the National Student Financial Aid Scheme, was approved by the Minister on 27 March 2018 for publication in the Government Gazette. The Regulations were published in Government Gazette No. 41554 on 3 April 2018	Target achieved	The work undertaken for the review revealed that the NSFAS Act itself would not have to be amended. Rather, a set of regulations needed to be developed and published. This was done and approved by the Minister within the planned time-frame

Strategic Objective	Performance Indicators	Actual Achievement 2016/17	Planned Target for 2017/18		Actual Achievement 2017/18	Deviation from planned targets to Actual Achievement 2017/18	Comment on deviation: Both over and under achievement
			Target	Target Description			
PROGRAMME 3: UNIVERSITY EDUCATION							
(4.3.1.2) To ensure integrated planning in support of an improved collaboration within the PSET sub-systems by 31 March 2020	Integrated plans approved (n)	1	1	National Plan for PSET developed and approved by the Minister by 31 March 2018	A consultative draft of the National Plan for PSET was developed, however it was not finalised and approved by the Minister as planned	Target not achieved	The key challenge in managing the process towards the finalisation of the NPPSET was as a result of the delay in the production of the Presidential report on fee free higher education and training (Fees Commission). This was only submitted to the President at the end of August 2017 and released to the public in November 2017. The process for developing Government's response to the report was only complete in early December 2017 and announced on the 16 December 2017 by the President. The outcome of the Fees Commission was a central element in enabling targets to be identified for the NPPSET



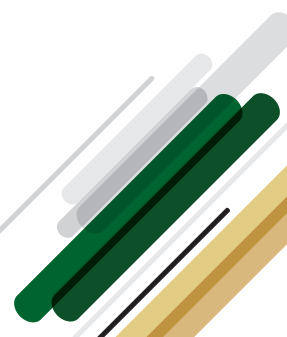
Strategic Objective	Performance Indicators	Actual Achievement 2016/17	Planned Target for 2017/18		Actual Achievement 2017/18	Deviation from planned targets to Actual Achievement 2017/18	Comment on deviation: Both over and under achievement
			Target	Target Description			
PROGRAMME 3: UNIVERSITY EDUCATION							
							<p>The delay also resulted in an open consultation process being delayed substantially. In addition, changes in the Ministerial portfolio have delayed the process further as Ministerial engagement with the draft and policy direction on the outstanding matters is necessary, before the final document can be produced for approval</p> <p>Corrective Action: An engagement with the Minister is planned for the first quarter of the 2018/19 financial year. Key policy decisions still to be made will be discussed and on the basis of the engagement, a further draft of the plan will be produced for final consultation and approval by the Minister</p>

Strategic Objective	Performance Indicators	Actual Achievement 2016/17	Planned Target for 2017/18		Actual Achievement 2017/18	Deviation from planned targets to Actual Achievement 2017/18	Comment on deviation: Both over and under achievement
			Target	Target Description			
PROGRAMME 3: UNIVERSITY EDUCATION							
(4.3.1.3) To implement oversight instruments in higher education institutions to ensure an effective monitoring and evaluation of the university education sector by 31 March 2020	Monitoring and evaluation reports approved (n)	15	15 monitoring and evaluation reports developed and approved by the Director-General as follows: Q2: 1 report Q3: 3 reports Q4: 11 reports	1. A report on the HEADS Programme for the 2016/17 financial year was developed and approved by the Director-General on 30 September 2017 2. A report on the financial health of universities in the 2016 academic year, developed and approved by the Director-General by 31 December 2017 3. A close-out report on the effective use of the Research Development Grant for the period 2014/15 to 2016/17, developed and approved by the Director-General by 31 March 2018 4. A report on the effective use of the 2016/17 Foundation Provision Grant developed and approved by the Director-General by 31 December 2017	1. A report on the HEADS Programme for the 2016/17 financial year was developed and approved by the Director-General on 27 September 2017 2. A report on the financial health of universities in the 2016 academic year was developed and approved by the Director-General on 15 December 2017 3. A close-out report on the effective use of the Research Development Grant for the period 2014/15 to 2016/17 was developed and approved by the Director-General on 27 March 2018 4. A report on the effective use of the 2016/17 Foundation Provision Grant was developed and approved by the Director-General on 5 December 2017	Target achieved Target achieved Target achieved Target achieved	



Strategic Objective	Performance Indicators	Actual Achievement 2016/17	Planned Target for 2017/18		Actual Achievement 2017/18	Deviation from planned targets to Actual Achievement 2017/18	Comment on deviation: Both over and under achievement
			Target	Target Description			
PROGRAMME 3: UNIVERSITY EDUCATION							
			5. A close-out report on the effective use of the Teaching Development Grant for the period 2014/15 to 2016/17, developed and approved by the Director-General by 31 March 2018	5. A close-out report on the effective use of the Teaching Development Grant for the period 2014/15 to 2016/17 was developed and approved by the Director-General on 21 March 2018		Target achieved	
			6. An implementation report on the Teaching and Learning Development Capacity Improvement Programme developed and approved by the Director-General by 31 December 2017	6. An implementation report on the Teaching and Learning Development Capacity Improvement Programme was developed and approved by the Director-General on 11 December 2017		Target achieved	

Strategic Objective	Performance Indicators	Actual Achievement 2016/17	Planned Target for 2017/18		Actual Achievement 2017/18	Deviation from planned targets to Actual Achievement 2017/18	Comment on deviation: Both over and under achievement
			Target	Target Description			
PROGRAMME 3: UNIVERSITY EDUCATION							
			7. A report on the 2016 research outputs of universities developed and approved by the Director-General by 31 March 2018	7. A report on the 2016 research outputs of universities was developed and approved by the Director-General on 28 March 2018		Target achieved	
			8. An Annual Report on the effective use of the Infrastructure and Efficiency Grants for 24 universities developed and approved by the Director-General by 31 March 2018	8. An Annual Report on the effective use of the Infrastructure and Efficiency Grants for 24 universities was developed and approved by the Director-General on 18 March 2018		Target achieved	
			9. An Annual Report on the effective use of new universities earmarked grant developed and approved by the Director-General by 31 March 2018	9. An Annual Report on the effective use of new universities earmarked grant was developed and approved by the Director-General on 28 March 2018		Target achieved	



Strategic Objective	Performance Indicators	Actual Achievement 2016/17	Planned Target for 2017/18		Actual Achievement 2017/18	Deviation from planned targets to Actual Achievement 2017/18	Comment on deviation: Both over and under achievement
			Target	Target Description			
PROGRAMME 3: UNIVERSITY EDUCATION							
				10. An Annual Report on the achievement of Ministerial enrolment targets developed and approved by the Director-General by 31 March 2018	10. An Annual Report on the achievement of Ministerial enrolment targets was developed and approved by the Director-General on 29 March 2018	Target achieved	
				11. Report on Institutional governance developed and approved by the Director-General by 31 March 2018	11. Report on Institutional governance was developed and approved by the Director-General on 28 March 2018	Target achieved	
				12. An Annual Report on the implementation of the SSAUF Programme developed and approved by the Director-General by 31 March 2018	12. An Annual Report on the implementation of the SSAUF Programme was developed and approved by the Director-General by 27 March 2018	Target achieved	

Strategic Objective	Performance Indicators	Actual Achievement 2016/17	Planned Target for 2017/18		Actual Achievement 2017/18	Deviation from planned targets to Actual Achievement 2017/18	Comment on deviation: Both over and under achievement		
			Target	Target Description					
PROGRAMME 3: UNIVERSITY EDUCATION									
(4.3.1.6) To annually provide management and statistics on the performance of higher education institutions	Cohort study reports on higher education approved (n)	1	13. An Annual Report on PHEI compliance with the regulations developed and approved by the Director-General by 31 March 2018	13. An Annual Report on PHEI compliance with the regulations was developed and approved by the Director-General on 18 March 2018	Target achieved				
			14. A report on Student Leadership Capacity Programme developed and approved by the Director-General by 31 March 2018	14. A report on Student Leadership Capacity Programme was developed and approved by the Director-General by 28 March 2018				Target achieved	
			15. A report on the 2017 BRICS partnerships developed and approved by the Director-General by 31 March 2018	15. A report on the 2017 BRICS partnerships was developed and approved by the Director-General on 18 March 2018					
	An updated cohort study report including the 2016 audited data was developed and approved by the Director-General by 31 March 2018	An updated cohort study report including the 2016 audited data was developed and approved by the Director-General on 21 March 2018	Target achieved						



4.3.5 Strategy to deal with underperformance

There were 20 targets in the 2017/18 APP. Of these, eighteen (90%) were achieved and two (10%) not achieved. The policy framework on collaboration between professional bodies, Government departments and Quality Councils was not finalised and approved by the Minister as planned. A draft framework has been developed and will be published for public comment during the first quarter of 2018/19. After comments are received and analysed, a final draft will be produced. A socio-economic impact analysis will be undertaken and the CHE will be requested to provide advice on the final draft. Once these aspects are in place the final framework will be submitted to the Minister for approval to publish in the Government Gazette. It is envisaged that this will be done by the end of the 2018/19 financial year.

The National Plan for PSET was not finalised and approved by the Minister by 31 March 2018. A consultative draft was developed and consulted on with a wide range of stakeholders. The process to finalise the NPPSET has been agreed on comprising of a workshop with the Minister providing direction in terms of all outstanding policy decisions to be made; targets and time-lines to be agreed on and a costing exercise undertaken to ensure that these are realistic and achievable. A new draft of the NPPSET, based on these decisions will be developed and consulted on, with a wide range of stakeholders. The NPPSET will then be submitted to the Minister for approval. It is envisaged that this process will be completed by the end of the 2018/19 financial year and that the NPPSET will be implemented during the 2019/20 financial year.

4.3.6 Changes to planned targets during the year

None

4.3.7 Linking programme performance with budgets

SUB-PROGRAMME	2017/18			2016/17		
	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	4 908	4 871	37	4 890	4 320	570
University Academic Planning and Management	10 268 425	10 268 255	170	11 507 340	11 504 146	3 194
University Financial Planning and Information Systems	9 590	9 425	165	11 980	8 843	3 137
University Policy and Development	26 443	26 219	224	28 287	23 838	4 449
Teacher Education	13 854	13 697	157	14 372	10 012	4 360
University Subsidies	31 606 841	31 606 625	216	27 964 818	27 964 559	259
Total	41 930 061	41 929 092	969	39 531 687	39 515 718	15 969

4.3.8 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 in respect to 16 performance indicators:

No	Result/Outcome Indicator	Actual Achievement: 2016/17	Planned target: 2017/18	Actual Achievement: 2017/18	Comment on deviation
1	Students enrolled in public higher education studies at universities (n)*	985 212	995 000	975 837	The major reason for the system not growing as originally targeted is attributed to the decline in enrolments at UNISA due to the implementation of their admissions criteria and a new on-line registration system
2	Graduates in Engineering Sciences from universities (n)*	12 470	13 000	12 386	In the 2016 academic year, the system produced 614 fewer Engineering Graduates than targeted. This is a deviation of 4.7%. Institutions are reporting that they are not meeting their enrolment targets due to fewer students entering universities from basic education with the requisite mathematics results
3	Graduates in Human Health and Animal Health from universities (n)*	9 851	10 400	10 087	In the 2016 academic year, the system produced 313 fewer human and Animal Health Graduates than targeted. This is a deviation of 3%. The Department will engage with institutions to identify what the blockages are
4	Graduates in Natural and Physical Sciences from universities (n)*	7 917	8 300	8 093	In the 2016 academic year, the system produced 207 fewer Natural and Physical Sciences Graduates than targeted. This is a deviation of 2.5%. The Department will engage with institutions to identify what the blockages are
5	Graduates in initial Teacher Education from universities (n)*	20 698	20 800	22 123	In the 2016 academic year, the system produced 1 323 more Teacher Graduates than targeted. This is a deviation of 6.4%. Initial Teacher Education has been a focus area for the Department over the last ten years and significant resources have been allocated to universities in order to rapidly increase the new teacher graduate output to meet system needs

No	Result/Outcome Indicator	Actual Achievement: 2016/17	Planned target: 2017/18	Actual Achievement: 2017/18	Comment on deviation
6	Doctoral graduates from universities (n)*	2 530	2 700	2 797	The system has produced 97 more Doctoral graduates than targeted. It is clearly responding positively to Government's research development priorities set out in the NDP and various interventions to support research by the DST and Department, including the research development grant funding
7	Proportion of universities meeting standards of good governance (%)	Good governance indicators approved	Baseline %** established	The baseline will be established in July 2018	The governance indicators were developed and approved by the Director-General in March 2017. A further engagement was held with university stakeholders in July 2017 and the indicators were further refined and submitted to the Minister for approval and implementation. However, a change in Minister meant that the approved document was only forwarded to university councils for implementation in January 2018. The assessment reports could therefore not be submitted to the Department before the end of the financial year. The reports will be submitted in June 2018 and on the basis of their reports, the 2017 Annual Reports and other information made available to the Department, the baseline will be established
8	Research Masters graduates (n)*	7 317	7 600	7 968	The system has produced 368 more research Masters graduates than targeted. It is clearly responding positively to Government's research development priorities set out in the NDP and the various interventions by the DST and the Department, including the Research Development Grant funding
9	Success rates at universities (%)*	78%	78%	78%	
10	Higher education undergraduate success rates (contact) (%)*	83%	83%	83%	
11	Higher education undergraduate success rates (distance) (%)*	68%	68%	68%	

No	Result/Outcome Indicator	Actual Achievement: 2016/17	Planned target: 2017/18	Actual Achievement: 2017/18	Comment on deviation
12	Universities offering accredited TVET college lecturer qualifications (n)	1	1	1	
13	University academic staff with PhDs (%)*	44%	45%	45%	
14	Additional first time entrants (black and women) to academic workforce in addition to normal replacement and plans (n)	90	100	549	The key aspect of the target is related to the need to transform the staff of universities. The implementation of the nGAP programme was one mechanism for reaching the target, but the numbers of new staff that could be supported through this initiative, is limited by the funding made available. In 2017/18 it had been decided that reports from institutions, signed off by Vice-Chancellors, indicating new staff (women and black) appointed through development transformation programmes would also be reported. While the target was initially set as 100 per annum, universities reported much higher numbers, indicating their responsiveness to the transformation imperative. Therefore there were 549 additional first time entrants (black and women) to the academic workforce, 449 more than targeted
15	First year students in foundation programmes (n)	17 977	18 500	20 685	The target was exceeded by 2 185 or 11.8%. This was a result of some universities responding positively to the Department's request that they increase their enrolments in foundation provisioning programmes to at least 30% of their first time entry enrolments. UFS and VUT in particular, have increased their enrolments significantly
16	Eligible university students obtaining financial aid*	225 950	205 000	225 950	The increase above the target is due to the additional funding provided in 2016/17 by Government to cover continuing students who were unfunded in the 2015 and 2016 academic years

Note:

* 2016 academic year, reported and verified by October 2017

** The target in the 2017/18 was to establish baseline

4.4 PROGRAMME 4: Technical and Vocational Education and Training

4.4.1 Purpose

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

There are five budget sub-programmes:

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

4.4.2 Strategic Objectives

- To develop and review TVET steering mechanisms in support of a sound PSET system by 31 March 2020;
- To implement oversight instruments of TVET colleges to ensure effective monitoring and evaluation of the TVET sector by 31 March 2020;
- To provide TVET teaching and learning support plans aimed at improving access to quality teaching and learning in TVET colleges by 31 March 2020;
- To provide student support services for TVET colleges in support of an improved PSET system by 31 March 2020;
- To develop infrastructure for TVET colleges to ensure optimal geographic spread by 31 March 2020; and
- To ensure a strong TVET stakeholder network in support of effective collaboration of stakeholders in the PSET system by 31 March 2020.

4.4.3 Summary of significant achievements during the 2017/18 financial year

Programme 4 had planned to deliver 28 targets for the financial year ending 31 March 2018. All targets (100%) were achieved as planned. The following are significant achievements during the 2017/18 financial year:

- Development and implementation of the Policy on the Audit and Verification of TVET College Enrolment and Student Registration;
- Undertaking and completion of verification of 2015 and 2016 student enrolment data and compilation of quality reports thereon;
- Formulation of Policy on Performance Reporting for Technical and Vocational Education and Training colleges, to be implemented by the TVET colleges with effect from the 2017 Annual Reporting and subsequent Annual Reports;
- Conducting strategic planning sessions with colleges which culminated in the timely submission of 50 TVET college strategic plans to the Department for approval by the Minister for 2018 implementation by colleges;

- Decisive action to undertake the review and repair of the TVETMIS and the whole value chain of collection, quality assurance and provision of TVET college data;
- Coordination of student registration and enrolment management conducted by the Regional Offices where colleges are located;
- Maintenance of fully constituted TVET College Councils across 50 colleges;
- As far as the objectives in the teaching and learning area is concerned, the Branch is confident that the teaching and learning plans and student support plans are now institutionalised; and
- Develop a strategy and plan for lecturer development and have commenced with work in the development of a Continuing Professional Development system for lecturers in TVET colleges.



Mrs G Magnus Acting Deputy Director-General for the Branch: Technical and Vocational Education and Training

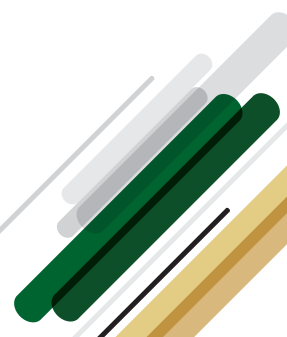


Northern Cape Rural TVET College (Kathu Campus)

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

Strategic Objective	Performance Indicators	Actual Achievement 2016/17	Planned Target for 2017/18		Actual Achievement 2017/18	Deviation from planned targets to Actual Achievement 2017/18	Comment on deviation: Both over and under achievement
			Target	Target Description			
PROGRAMME 4: TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING							
(4.4.1.1) To develop and review TVET steering mechanisms in support of a sound PSET system by 31 March 2020	New TVET steering mechanisms approved (n)	4		Performance reporting policy for TVET colleges approved by the Director-General by 31 December 2017	1. Performance reporting policy for TVET colleges was approved by the Director-General on 11 December 2017	Target achieved	
					2. Policy for TVET college finance management developed and approved by the Director-General on 19 February 2018	Target achieved	
					3. Policy on SAIVCET was developed and approved by the Director-General by 15 March 2018	Target achieved	
					4. Policy on TVET college finance management developed and approved by the Director-General by 31 March 2018	Target achieved	

Strategic Objective	Performance Indicators	Actual Achievement 2016/17	Planned Target for 2017/18		Actual Achievement 2017/18	Deviation from planned targets to Actual Achievement 2017/18	Comment on deviation: Both over and under achievement
			Target	Target Description			
PROGRAMME 4: TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING							
				Policy for administration/ management of student admission for TVET colleges developed and approved by the Director-General by 31 March 2018	4. Policy for administration/ management of student admission for TVET colleges was developed and approved by the Director-General on 26 March 2018. The submission was additionally signed off by the Minister on 26 March 2018 for public comment	Target achieved	
	Reviewed steering mechanism (n)	1	2	Reviewed funding framework for TVET colleges developed and approved by the Director-General by 30 September 2017	1. Reviewed funding framework for TVET colleges was developed and approved by the Director-General by 26 September 2017	Target achieved	
				Reviewed departmental policy framework on TVET qualifications developed and approved by the Director-General by 31 March 2018	2. Reviewed departmental policy framework on TVET qualifications was developed and approved by the Director-General on 12 March 2018	Target achieved	



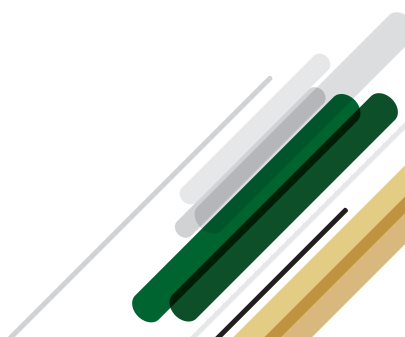
Strategic Objective	Performance Indicators	Actual Achievement 2016/17	Planned Target for 2017/18		Actual Achievement 2017/18	Deviation from planned targets to Actual Achievement 2017/18	Comment on deviation: Both over and under achievement
			Target	Target Description			
PROGRAMME 4: TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING							
(4.4.1.2) To implement oversight instruments of TVET Colleges to ensure effective monitoring and evaluation of the TVET sector by 31 March 2020	Monitoring and evaluation reports approved per annum (n)	2	16	16 monitoring and evaluation reports developed and approved by the Director-General as follows: Q1: 3 reports Q2: 3 reports Q3: 2 reports Q4: 8 reports	16 Monitoring and evaluation reports were developed and approved by the Director-General as follows: 1. Two reports on the monitoring and evaluation of TVET colleges was developed and approved by the Director-General in Q2 and Q4 2. A report on the implementation of Student Support Services plans in TVET colleges for the previous academic year was developed and approved by the Director-General on 8 March 2018	Target achieved	

Strategic Objective	Performance Indicators	Actual Achievement 2016/17	Planned Target for 2017/18		Actual Achievement 2017/18	Deviation from planned targets to Actual Achievement 2017/18	Comment on deviation: Both over and under achievement
			Target	Target Description			
PROGRAMME 4: TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING							
					<p>3. Four reports on the conduct of public TVET college examination centres during national examinations and assessments were developed and approved by the Director-General in Q1, 2, 3 and 4</p> <p>4. A report on the implementation of teaching and learning support plans in TVET colleges for the previous academic year was developed and approved by the Director-General on 14 December 2017</p>		



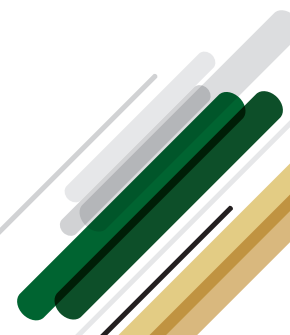
Strategic Objective	Performance Indicators	Actual Achievement 2016/17	Planned Target for 2017/18		Actual Achievement 2017/18	Deviation from planned targets to Actual Achievement 2017/18	Comment on deviation: Both over and under achievement
			Target	Target Description			
PROGRAMME 4: TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING							
					<p>5 A report on sampled TVET colleges for the previous academic year 2016, evaluated for compliance to recommended governance standards was developed and approved by the Director-General on 11 December 2017</p> <p>6. A report on the performance of students in colleges for the previous academic year was developed and approved by the Director-General on 10 March 2018</p>		

Strategic Objective	Performance Indicators	Actual Achievement 2016/17	Planned Target for 2017/18		Actual Achievement 2017/18	Deviation from planned targets to Actual Achievement 2017/18	Comment on deviation: Both over and under achievement
			Target	Target Description			
PROGRAMME 4: TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING							
					<p>7. A report on the implementation of strategic partnerships with key stakeholders was developed and approved by the Director-General on 15 February 2018</p> <p>8. Four reports on certification backlog eradication were reported by the Director-General in Q1, 2, 3 and 4</p> <p>9. A report on the implementation of the IT examination service system was developed and approved by the Director-General on 6 July 2017</p>		



Strategic Objective	Performance Indicators	Actual Achievement 2016/17	Planned Target for 2017/18		Actual Achievement 2017/18	Deviation from planned targets to Actual Achievement 2017/18	Comment on deviation: Both over and under achievement
			Target	Target Description			
PROGRAMME 4: TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING							
(4.4.1.3) To provide TVET teaching and learning support plans aimed at improving access to quality teaching and learning in TVET colleges by 31 March 2020	Teaching and learning support plans approved (n)	1	2	A revised plan for review of curricula within the TVET system for the 2018 academic year developed and approved by the Deputy Director-General by 30 June 2017	1. A revised plan for the review of curricula within TVET system for the 2018 academic year was approved by Deputy Director-General on 29 June 2017	Target achieved	
				A plan for TVET college lecturer development, developed and approved by the Deputy Director-General by 31 March 2018	2. A plan for TVET college lecturer development was developed and approved by the Deputy Director-General on 5 March 2018		

Strategic Objective	Performance Indicators	Actual Achievement 2016/17	Planned Target for 2017/18		Actual Achievement 2017/18	Deviation from planned targets to Actual Achievement 2017/18	Comment on deviation: Both over and under achievement
			Target	Target Description			
PROGRAMME 4: TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING							
(4.4.1.5) To develop infrastructure for TVET colleges to ensure optimal geographic spread by 31 March 2020	Roll-out plan for the construction of nine TVET college campuses approved (n)	A report on TVET colleges infrastructure maintenance approved by the Director-General on 31 March 2017	Roll-out plan for the construction of nine TVET college campuses developed and approved	Roll-out plan for the construction of nine TVET college campuses developed and approved by the Director-General by 31 March 2018	Roll-out plan for the construction of nine TVET college campuses was developed and approved by the Director-General on 7 March 2018	Target achieved	
	Infrastructure funding mode for TVET college sector approved (n)		Infrastructure funding model for the TVET college sector developed and approved	Infrastructure funding model for the TVET college sector developed and approved by the Director-General by 31 March 2018	Infrastructure funding model for the TVET college sector was developed and approved by the Director-General on 26 February 2018	Target achieved	
	Infrastructure maintenance plan for TVET college sector approved (n)		Infrastructure maintenance plan for the TVET college sector developed and approved	Infrastructure maintenance plan for the TVET college sector developed and approved by the Director-General by 31 March 2018	Infrastructure maintenance plan for the TVET college sector was developed and approved by the Director-General on 26 February 2018	Target achieved	
	Develop a national infrastructure asset management system for TVET colleges (n)		A National Infrastructure Asset Management system for the TVET colleges developed and approved	A National Infrastructure Asset Management system for the TVET colleges developed and approved by the Director-General by 31 March 2018	A National Infrastructure Asset Management system for the TVET colleges was developed and approved by the Director-General on 26 February 2018	Target achieved	



4.4.5 Strategy to deal with underperformance

None

4.4.6 Changes to planned targets during the year

None

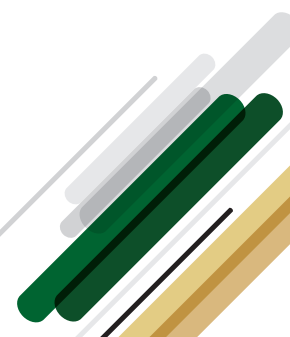
4.4.7 Linking programme performance with budgets

SUB-PROGRAMME	2017/18			2016/17		
	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	5 032	4 996	36	4 605	4 569	36
Technical and Vocational Education and Training System Planning and Institutional Support	7 083 680	7 083 490	190	6 572 972	6 572 115	857
Programmes and Qualifications	11 488	11 303	185	11 053	10 860	193
National Examinations and Assessment	413 932	413 832	100	437 821	437 516	305
Financial Planning	7 504	7 399	105	5 171	4 927	244
Total	7 521 636	7 521 020	616	7 031 622	7 029 987	1 635

4.4.8 System Performance: Technical and Vocational Education and Training

Further to the above, the implementation of Sub-outcome 2 of Outcome 5, namely “increase access and success in programmes leading to intermediate and high-level learning” was monitored to track the performance of the Vocational and Technical Education and Training system during the year under review mainly for the 2016 academic year through 10 specific performance indicators:

No	Outcome indicator	2017/18 Target		Actual Achievement 2017/18		Comment on deviation
1	Headcount enrolments in TVET colleges (n) State funded	710 535	429 638	429 638	703 705*	Target achieved
	Headcount enrolments in TVET colleges (n) College funded		235 110	238 127		Target exceeded. The TVET colleges enrolled slightly more students in Ministerial approved programmes than anticipated
	Headcount enrolments in TVET colleges (n) Funded from other sources		45 787	35 940		Target not achieved. Variation due to fewer enrolments by TVET colleges in occupationally directed programmes than anticipated
2	NC(V) L4 certification rates (%)	30%		41.7%*		Target exceeded. College teaching and learning plans monitored and the worst performing subjects per campus identified for remedial intervention and support by the Regional Office
3	N3 certification rates (%)	55%		65.8%*		Target exceeded college teaching and learning plans monitored and the worst performing subjects per campus identified for remedial intervention and support by the Regional Office
4	N6 certification rates (%)	40%		66.1%*		Target exceeded. This is an indication that the students are performing better than expected which may be attributed to the improved teaching and learning plans developed and implemented
5	Certificates issued to qualifying candidates within 3 months of publication (number of months)	3 months		3.4 months		Target not achieved. The delays in issuing certificates within a 3-month time-frame is predominantly due to TVET colleges failing to submit ICASS and ISAT marks on time, as well as inaccurate submissions by TVET colleges. This directly impacts the resulting process which delays the issuing of certificates. This is also coupled with examination irregularities that need to be investigated, as well as the re-marking process that needs to be administered within these set time-frames



No	Outcome indicator	2017/18 Target	Actual Achievement 2017/18	Comment on deviation
6	Percentage of public TVET college examination centres evaluated in conducting national examinations and assessments in compliance with national policy (%)	100%	100%*	Target achieved (All TVET college examination centres were assessed and approved by the Director-General on 26 February 2018)
7	Report on TVET throughput rate (n)	Establish baseline	33.47%	The Branch worked towards establishing a throughput rate for NC(V) L4 as a baseline. Currently this is estimated at 33.47%
8	Qualifying TVET students obtaining financial assistance (n)	200 000	225 557*	Target exceeded. More qualifying students signed the schedule of particulars than initially planned. Thus more bursaries were awarded to TVET students
9	Funded NC(V) L4 students obtaining qualifications within stipulated time (%)	Establish baseline for 2012 to 2014 cohort	33.47%	The TVET Branch worked towards establishing a throughput rate for NC(V) L4 as a baseline. Currently this estimated at 33.47%
10	Percentage of TVET institutions evaluated on the implementation of proposed best practice policies and guidelines issued by the Department of Higher Education and Training (%)	100%	56%	Target not achieved. Majority of TVET colleges experienced cash-flow challenges due to a delay in NSFAS payments. This affected compliance ratings to the approved governance standards. Financial policy implementation by TVET colleges also slower than expected. Audit opinions for first time Auditor-General audits also have regressed from the previous year, which was expected

Notes

* 2016 academic year



President, Mr MC Ramaphosa and Minister, Mrs GNM Pandor, MP attending a Human Resource Development Council meeting

4.5 PROGRAMME 5: Skills Development

4.5.1 Purpose

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

There are four budget sub-programmes:

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

4.5.2 Strategic Objectives

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

4.5.3 Summary of significant achievements during the 2017/18 financial year including APP targets

Programme 5 had planned to deliver eight targets for the financial year ending March 2018. All targets (100%) were achieved. The following are significant achievements during the 2017/18 financial year.

- The approval of the National Skills Development Plan as a framework that will inform the review and integration of the skills development landscape as part of the broader Post-School Education and Training system.
- Development and implementation of the SETA Governance Standard, so as to inform the monitoring and evaluation of SETA performance in terms of governance. The monitoring of the governance standards started with certain governance standards that could be validated with the view of adding some standards in the following financial years.
- The approval of the National Artisan Development Strategy (NADS) by the Minister for public comment. The NADS is meant to give effect to the National Development Plan target related to the production of 30 000 artisans per year by 2030.
- The launch of the Artisan Recognition of Prior Learning Implementation guidelines which were approved by the Minister. These guidelines seek to direct the practice of recognition of prior learning by providers in assisting aspiring artisans towards a formal artisan qualification.
- The Branch sought to address the omission of two workplace based learning programmes in the funding regime of SETAs. These are internships and candidacy. To this end, regulations were published and comments received and are in the process of being finalised for implementation.

- The participation of 20 South African competitors in the World-Skills International Competition held at Abu Dhabi from 14 to 19 October 2017. South Africa participated with 57 countries in various trades. Of the 57 countries which participated, South Africa achieved position 30, based on the total number of points obtained.



Mr ZC Mvalo, Deputy Director-General for the Branch: Skills Development



Participants during the 2017 World Skills Competition



Students applying their brick laying skills during the 2017 "Decade of the Artisan" event

4.5.4 Programme performance: Strategic objectives, performance indicators, planned targets and actual achievements(update)

Strategic Objective	Performance Indicators	Actual Achievement 2016/17	Planned Target for 2017/18		Actual Achievement 2017/18	Deviation from planned targets to Actual Achievement 2017/18	Comment on deviation: Both over and under achievement
			Target	Target Description			
PROGRAMME 5: SKILLS DEVELOPMENT							
(4.5.1.1) To develop and review steering mechanisms for artisan development in support of a sound PSET system by 31 March 2020	Reviewed steering mechanisms approved (n)	Work-place-based learning programme regulations were approved by the Minister on 14 March 2017	1	Review of the National Skills Development Plan developed and approved by the Director-General by 31 March 2018	Review of the National Skills Development Plan was developed and approved by the Director-General on 28 March 2018	Target achieved	
(4.5.1.2) To implement oversight instruments on skills development to ensure effective monitoring and evaluation of artisan development by 31 March 2020	Monitoring and evaluation reports approved per annum (n)	Four SETA monitoring reports on skills development approved by the Director-General during 2016/17	5	Five monitoring and evaluation reports developed and approved by the Director-General in 2017/18 as follows: Q1: 1 report Q2: 1 report Q3: 2 reports Q4: 1 report	1. A total of four reports on the implementation of the National Skills Development Strategy by SETAs was developed and approved by the Director-General in quarter 1, 2, 3 and 4 2. One report on the implementation of good governance standards by SETAs was developed and approved by the Director-General on 5 December 2017	Target achieved	



Strategic Objective	Performance Indicators	Actual Achievement 2016/17	Planned Target for 2017/18		Actual Achievement 2017/18	Deviation from planned targets to Actual Achievement 2017/18	Comment on deviation: Both over and under achievement
			Target	Target Description			
PROGRAMME 5: SKILLS DEVELOPMENT							
(4.5.1.3) To ensure effective artisan development assessment services in support of an improved PSET system by 31 March 2020	Average lead-time from trade test application received until trade test conducted (days)	Average of 120 days from trade test application received until trade test conducted at INDLELA	100 days	100 days	Average lead-time is 69 days	Target achieved	The improvement is a result of filling assessor posts, expansion of the assessor/candidate trade test ratio from 1:4 to 1:6 and the removal of the weekends and public holidays from the lead-time calculating formula
(4.5.1.4) To develop infrastructure/ facilities in order to improve artisan development by 31 March 2020	Report on the infrastructure facilities for artisans developed as planned (n)	New indicator	1	Report on the Implementation of the Security Infrastructure Development Plan at INDLELA developed and approved by the Director-General by 31 March 2018	Report on the Implementation of the Security Infrastructure Development plan at INDLELA was developed and approved by the Director-General by 28 February 2018	Target achieved	

4.5.5 Strategy to deal with underperformance

None

4.5.6 Changes to planned targets during the year

None.

4.5.7 Linking programme performance with budgets

SUB-PROGRAMME	2017/18			2016/17		
	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	2 663	2 493	170	1 929	1 601	328
SETA Coordination	204 044	203 731	313	148 263	147 961	302
National Skills Development Services	9 704	9 354	350	8 113	7 935	178
Quality Development and Promotion	26 930	26 930	0	23 138	23 138	0
Total	243 341	242 508	833	181 443	180 635	808



Mr MT Makhafola receiving a certificate for the successful completion of his internship programme

4.5.8 System Performance: Skills Development

As part of its oversight, the Skills Development Branch monitored the implementation of Sub-outcome 4 of Outcome 5, namely “increase access to occupationally directed programmes in needed areas and thereby expand the availability of intermediate level skills with a focus on artisan skills”. Five of the six targets have been achieved by the system (83%).

No	Outcome indicator target	Actual Achievement 2016/17	Planned target for 2017/18	Actual Achievement 2017/18	Comment on deviation
1	Work based learning opportunities (n)	148 517	130 000	162 659	The Department encourages and stresses the need for SETAs to increase investing in work-place-based learning
2	New artisans qualified per annum (n)	21 188	21 110	21 151	The expanded quality assurance by NAMB at trade test centres, improvement of operational requirements at INDLELA in terms of the employment of more assessors and increase in trade testing ratio and the close monitoring of SETAs on artisan targets delivery
3	New artisan learners registered nationally per annum (n)	30 814	27 750	32 330	
4	National artisan learners trade test pass rate (including INDLELA)		58%	54%	INDLELA still tests a lot of self-funding candidates who broadly do not have sufficient workplace training experience as compared to those who go through formal SETAs or Industry artisan training programmes
5	National artisan learners employed or self-employed (%)	79%	60%	60% (54% are employed and 6% are self-employed. Approximately 8 453 artisans were sampled for the survey)	
6	Proportion of SETAs meeting standards of good governance (%)	71%	60%	100%	This is based on selected governance standards that could be validated. More standards will be added incrementally in the following financial years

4.6 PROGRAMME 6: Community Education and Training

4.6.1 Purpose

Plan, develop, implement, monitor, maintain and evaluate national policy, programme assessment practices and systems for community education and training.

There are four budget sub-programmes:

- Programme Management: Community Education and Training;
- Community Education and Training Colleges Systems Planning, Institutional Development and Support;
- Financial Planning; and
- Education and Training and Development Support.

4.6.2 Strategic Objectives

- To develop and review CET steering mechanisms in support of a sound PSET system by 31 March 2020;
- To implement oversight instruments on CET colleges to ensure effective monitoring and evaluation of the CET sector by 31 March 2020;
- To provide CET Teaching and Learning Support plans aimed at improving access to quality teaching and learning in CET colleges (beginning 2017) by 31 March 2020; and
- To develop infrastructure for CET colleges to ensure optimal geographic spread by 31 March 2020.

4.6.3 Summary of significant achievements during the 2017/18 financial year

Programme 6 managed to achieve all six Annual Performance Plan targets. The targets were as follows:

- Development of a Service Delivery Framework for CET colleges
- Two reports on the Implementation of the Teaching and Learning Improvement plan
- Report on the CET system performance
- Annual Reporting policy for CET colleges
- Funding Framework for CET colleges

Beyond the set targets the Branch started to deliver on the 2018 MTEF priority of strengthening governance and management by conducting the induction of all Council members in the fourth quarter of the 2017/18 financial year.

During the financial year under review, lecturer policy mediation roadshows were conducted focusing on the distinction between AET and CET policies, that regulate this progressive innovation. The curriculum development of the NASCA and General Education and Training Certificate for Adults was concluded through collaboration with the Independent Examination Board.

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

Strategic Objective	Performance Indicators	Actual Achievement 2016/17	Planned Target for 2017/18		Actual Achievement 2017/18	Deviation from planned targets to Actual Achievement 2017/18	Comment on deviation: Both over and under achievement
			Target	Target Description			
PROGRAMME 6: COMMUNITY EDUCATION AND TRAINING							
(4.6.1.1) To develop and review CET steering mechanisms in support of a sound PSET system by 31 March 2020	New steering mechanisms approved (n)	A monitoring and evaluation policy for community colleges was approved by the Minister on 28 September 2016	2	CET service delivery model developed and approved by the Director-General by 30 September 2017	1. CET service delivery model was developed and approved by the Director-General on 24 September 2017	Target achieved	
				Reporting policy for CET colleges developed and approved by the Minister by 31 March 2018	2. Reporting policy for CET colleges was developed and approved by the Minister on 13 March 2018	Target achieved	
	Reviewed steering mechanisms approved (n)		1	Reviewed funding framework for CET colleges developed and approved by the Minister by 30 September 2017	1. Reviewed funding framework for CET colleges developed and approved by the Minister by 3 November 2017	Target achieved	

Strategic Objective	Performance Indicators	Actual Achievement 2016/17	Planned Target for 2017/18		Actual Achievement 2017/18	Deviation from planned targets to Actual Achievement 2017/18	Comment on deviation: Both over and under achievement
			Target	Target Description			
PROGRAMME 6: COMMUNITY EDUCATION AND TRAINING							
(4.6.1.2) To implement oversight instruments on CET colleges to ensure effective monitoring and evaluation of the CET sector by 31 March 2020	Monitoring and evaluation reports approved per annum (n)		3	Three monitoring and evaluation reports on CET colleges developed by the Director-General by 31 March 2018	1. Two reports on the implementation of teaching and learning support framework developed and approved by the Director-General on 24 September 2017 and 11 January 2018, respectively 2. One monitoring and evaluation report on the CET college system performance approved by the Director-General on 9 February 2018	Target achieved	



4.6.5 Strategy to deal with underperformance

None.

4.6.6 Changes to planned targets during the year

None.

4.6.7 Linking programme performance with budgets

SUB-PROGRAMME	2017/18			2016/17		
	Final Appropriation	Actual Expenditure	Over/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Management	1 563	1 496	67	1 651	1 477	174
Community Education and Training Colleges Systems Planning, Institutional Development and Support						
Financial Planning	1 994 182	1 991 417	2 765	1 855 110	1 849 687	5 623
Education and Training and Development Support	2 023	1 393	630	5 771	1 763	4 008
Total	2 147 845	2 143 154	4 691	1 992 319	1 981 693	10 626

5.6.8 System Performance: Community Education and Training

As part of its oversight, the Community Education and Training Branch monitored the performance of the CET colleges in relation to the following outcome indicators. The table indicates that there were 273 431 headcount enrolments in CET colleges for the 2016 academic year. The certification rate in formal CET qualifications was 36%.

No	Outcome indicator target	Actual Achievement 2016/17(a)	Planned target for 2017/18	Actual Achievement 2017/18	Comment on deviation
1	Headcount enrolments in all CET colleges (n)	273 431	310 000	273 431	Poor advocacy and learner recruitment strategy
2	Certification rate in formal CET qualifications (%)	35.9%	38%	35.9%	Insufficient learning and teaching support materials due to lack of funding. The current system of procurement through TVET colleges was not responsive to the sector

(a) At the stage of publishing the 2016/17 Annual Report, the data was not yet available and was reflected as Nil.

5. TRANSFER PAYMENTS

5.1 Transfer Payments to Public Entities

Name of Public Entity	Services rendered by the Public Entity	Amount Transferred to the Public Entity	Amount Transferred to the Public Entity
		2016/17	2017/18
		R'000	R'000
Agriculture Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in both primary and secondary agriculture sectors	342 116	401 747
Banking Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the banking sector	689 201	753 015
Chemical Industry Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the chemical industries sector	489 515	559 048
Construction Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the construction industry	596 626	538 990
Council on Higher Education	Advises the Minister of Higher Education and Training on all higher education policy matters, implements the system of quality assurance for all Higher Education Institutions (HEIs), monitors the state of the higher education system and contributes to the development of higher education through intellectual engagement	40 928	47 946
Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the culture, arts, tourism, hospitality and sport sector	328 130	346 559
Education, Training and Development Practices Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the education, training and development sector	444 378	499 602
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	283 749	286 280
Fibre, Processing and Manufacturing	Provision of relevant, quality and accessible education, training and development in the fabric processing and manufacturing sector	328 263	347 422

Name of Public Entity	Services rendered by the Public Entity	Amount Transferred to the Public Entity	Amount Transferred to the Public Entity
		2016/17	2017/18
		R'000	R'000
Financial and Accounting Services Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the financial and accounting services sector	470 616	512 546
Food and Beverages Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the food and beverages sector	351 603	343 349
Health and Welfare Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the health and welfare sector	402 939	446 486
Insurance Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the insurance sector	443 919	465 898
Local Government Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the local Government sector	560 136	608 159
Manufacturing, Engineering and Related Services Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the manufacturing, engineering and related services sector	1 237 803	1 429 521
Media, Information and Communication Technologies Sector Education and Training	Provision of relevant, quality and accessible education, training and development in the information system, electronics and telecommunications technologies sector	766 711	841 821
Mining Qualifications Authority	Provision of relevant, quality and accessible education, training and development in the mining and minerals sector	1 082 126	1 042 979
National Student Financial Aid Scheme	Responsible for administering loans and bursaries and allocating these to eligible students, developing criteria and conditions for the granting of loans and bursaries to eligible students in consultation with the Minister of Higher Education and Training, raising funds, recovering loans, maintaining and analysing a database, undertaking research for the better utilisation of financial resources and advising the Minister on matters relating to student financial aid	11 392 674	10 143 091

Name of Public Entity	Services rendered by the Public Entity	Amount Transferred to the Public Entity	Amount Transferred to the Public Entity
		2016/17	2017/18
		R'000	R'000
National Skills Fund	To fund national skills development priority projects as identified in the National Skills Development strategy and projects related to achieving the purpose of the Act as determined by the Accounting Authority	3 033 145	3 198 980
Public Service Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the public service sector	60 756	111 247
Quality Council for Trades and Occupations	To develop and quality assure occupational qualifications that are responsive to labour market and developmental state initiatives	23 138	26 920
Safety and Security Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the safety and security sector	266 837	297 202
Services Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the services sector	1 492 309	1 557 070
South African Qualifications Authority	SAQA focuses on the further development and implementation of the National Qualifications Framework (NQF), which includes upholding the principles and objectives of the National Qualifications Framework, ensuring access, quality, redress and development for all learners, through and integrated national framework of learning achievements	56 895	64 940
Transport Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the transport sector	661 656	723 447
Wholesale and Retail Sector Education and Training Authority	Provision of relevant, quality and accessible education, training and development in the wholesale and retail sector	972 388	1 101 111

The Department received written assurance in terms of section 38(1)(j) certificates from all public entities that the entities implemented effective, efficient and transparent financial management and internal control systems during the 2017/18 financial year.

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

5.2 Transfer Payments to all Organisations other than Public Entities

The following table reflects the transfer payments made for the period 1 April 2017 to 31 March 2018:

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the Department comply with section 38(1)(j) of the PFMA	Amount transferred
				2017/18 R'000
UNIVERSITIES				
Cape Peninsula University of Technology	Higher Education Institution	Subsidy	Yes	1 261 058
Central University of Technology, Free State	Higher Education Institution	Subsidy	Yes	599 942
Durban University of Technology	Higher Education Institution	Subsidy	Yes	941 585
Mangosuthu University of Technology	Higher Education Institution	Subsidy	Yes	518 110
Nelson Mandela University	Higher Education Institution	Subsidy	Yes	1 038 645
North West University	Higher Education Institution	Subsidy	Yes	1 770 743
Rhodes University	Higher Education Institution	Subsidy	Yes	476 456
Tshwane University of Technology	Higher Education Institution	Subsidy	Yes	1 801 539
University of Cape Town	Higher Education Institution	Subsidy	Yes	1 435 635
University of Fort Hare	Higher Education Institution	Subsidy	Yes	730 064
University of Free State	Higher Education Institution	Subsidy	Yes	1 255 684
University of Johannesburg	Higher Education Institution	Subsidy	Yes	1 880 776
University of KwaZulu-Natal	Higher Education Institution	Subsidy	Yes	1 977 664
University of Mpumalanga	Higher Education Institution	Subsidy	Yes	841 128
Sefako Makgatho Health Sciences University	Higher Education Institution	Subsidy	Yes	686 371
Sol Plaatje University	Higher Education Institution	Subsidy	Yes	511 727
University of Limpopo	Higher Education Institution	Subsidy	Yes	839 460
University of Pretoria	Higher Education Institution	Subsidy	Yes	2 415 378
University of South Africa	Higher Education Institution	Subsidy	Yes	3 331 068
University of Stellenbosch	Higher Education Institution	Subsidy	Yes	1 514 777
University of Venda	Higher Education Institution	Subsidy	Yes	653 534
University of Western Cape	Higher Education Institution	Subsidy	Yes	1 006 997
University of the Witwatersrand	Higher Education Institution	Subsidy	Yes	1 646 129
University of Zululand	Higher Education Institution	Subsidy	Yes	668 785
Vaal University of Technology	Higher Education Institution	Subsidy	Yes	707 240
Walter Sisulu University	Higher Education Institution	Subsidy	Yes	1 069 807

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the Department comply with section 38(1)(j) of the PFMA	Amount transferred 2017/18 R'000
NON-PROFIT INSTITUTIONS				
Universities South Africa	Other Educational Institution	Earmarked Funds for HEAIDS project	Yes	8 581
National Institute for Humanities and Social Sciences	Higher Education Institute	Subsidy	Yes	26 323
TVET COLLEGES				
Buffalo City College	TVET college	Subsidy	Yes	35 999
East Cape Midlands College	TVET college	Subsidy	Yes	36 902
Ikhala College	TVET college	Subsidy	Yes	25 902
Ingwe College	TVET college	Subsidy	Yes	42 149
King Hintsa College	TVET college	Subsidy	Yes	22 714
King Sabata College	TVET college	Subsidy	Yes	35 838
Lovedale College	TVET college	Subsidy	Yes	22 226
Port Elizabeth College	TVET college	Subsidy	Yes	40 154
Flavius Mareka College	TVET college	Subsidy	Yes	16 591
Gold Fields College	TVET college	Subsidy	Yes	17 754
Maluti College	TVET college	Subsidy	Yes	27 525
Motheo College	TVET college	Subsidy	Yes	50 705
Central Johannesburg College	TVET college	Subsidy	Yes	32 394
Ekhurhuleni East College	TVET college	Subsidy	Yes	43 291
Ekhurhuleni West College	TVET college	Subsidy	Yes	65 200
Sedibeng College	TVET college	Subsidy	Yes	37 357
South West College	TVET college	Subsidy	Yes	64 220
Tshwane North College	TVET college	Subsidy	Yes	51 926
Tshwane South College	TVET college	Subsidy	Yes	52 343
Western College	TVET college	Subsidy	Yes	36 527
Coastal College	TVET college	Subsidy	Yes	29 814
Elangeni College	TVET college	Subsidy	Yes	23 271
Esayidi College	TVET college	Subsidy	Yes	14 358
Majuba College	TVET college	Subsidy	Yes	56 351
Mnambithi College	TVET college	Subsidy	Yes	9 039
Mthashana College	TVET college	Subsidy	Yes	8 151
Thekwini College	TVET college	Subsidy	Yes	15 301
Umfolozi College	TVET college	Subsidy	Yes	35 604

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the Department comply with section 38(1) (j) of the PFMA	Amount transferred
				2017/18 R'000
Umgungundlovu College	TVET college	Subsidy	Yes	7 314
Capricorn College	TVET college	Subsidy	Yes	33 683
Lephalale College	TVET college	Subsidy	Yes	5 679
Letaba College	TVET college	Subsidy	Yes	16 463
Mopani College	TVET college	Subsidy	Yes	29 028
Sekhukhune College	TVET college	Subsidy	Yes	15 146
Vhembe College	TVET college	Subsidy	Yes	42 117
Waterberg College	TVET college	Subsidy	Yes	15 245
Ehlanzeni College	TVET college	Subsidy	Yes	44 462
Gert Sibande College	TVET college	Subsidy	Yes	48 904
Nkangala College	TVET college	Subsidy	Yes	51 657
Rural College	TVET college	Subsidy	Yes	11 410
Urban College	TVET college	Subsidy	Yes	11 637
Orbit College	TVET college	Subsidy	Yes	62 731
Taletso College	TVET college	Subsidy	Yes	12 932
Vuselela College	TVET college	Subsidy	Yes	12 007
Boland College	TVET college	Subsidy	Yes	31 676
Cape Town College	TVET college	Subsidy	Yes	51 893
False Bay College	TVET college	Subsidy	Yes	40 540
Northlink College	TVET college	Subsidy	Yes	49 895
South Cape College	TVET college	Subsidy	Yes	23 894
West Coast College	TVET college	Subsidy	Yes	31 726
FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS				
Commonwealth of Learning	International organisation	Membership Contribution	No	2 753
India-Brazil-South Africa Tri-lateral Commission	International organisation	Contribution	No	553

An amount of R103.897 million was paid to TVET colleges to be managed on behalf of CET colleges.

R43 637.162 million (83.4%) of the total allocation of R52 307.639 million, excluding direct charges, has been allocated to transfers and subsidies on the Department's Vote. Direct charges amount to R16 293.561 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 and the India-Brazil-South Africa tri-lateral commission), non-profit institutions (Universities South Africa for the HEAIDS project and the National Institute for Humanities and Social Sciences), the Education, Training and Development Practices SETA and the Public Service SETA.

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

With regard to the monitoring of expenditure, the Department is receiving expenditure reports on the spending of the TVET colleges, as well as its public entities, the NSF and 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 2017/18 financial year. All these amounts were utilised for the purposes originally intended.

6. CONDITIONAL GRANTS

None

7. DONOR FUNDS

7.1 Donor funds received

The Department received new donations totalling R3.650 million in cash from foreign donors during the 2017/18 financial year. Expenditure of R85.921 million was incurred against funds held in the RDP Fund. The balance of the funds available to the Department in the RDP fund, as at 31 March 2018, was R88.181 million.

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

8. CAPITAL INVESTMENT

8.1 Capital Investment, Maintenance and Asset Management Plan

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



Dr DC Parker, Deputy Director-General for the Branch: University Education

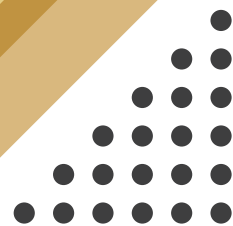


The University of the Witwatersrand Science Stadium Centre



PART C

GOVERNANCE



"Without education, your children can never really meet the challenges they will face. So it's very important to give children education and explain that they should play a role for their country."

Nelson Mandela





PART C: GOVERNANCE

1. INTRODUCTION

The Department ensures good governance within its approved mandate in order to ensure legislative compliance and the effective, efficient and economic utilisation of the resources available at disposal. The required policies, controls and appropriate delegations of authority and segregation of duties are in place and are communicated to all staff on a regular basis. The updating of these governance documentation receive regular attention in order to address new legislative requirements and address any deficiencies.

The Executive Committee of the Department and its broad management meet as required to discuss critical areas of strategic, performance, administrative and financial importance.

The Department has specific measures in place in assisting to identify irregular activities. These are followed up immediately and all possible actions are implemented to resolve it. Where appropriate, additional control measures are implemented.

The approved budget of the Department is aligned to the performance indicators of each Programme in the structure. The performance indicators derive from the approved Strategic Plan and Annual Performance Plan. Expenditure monitoring is conducted on a regular basis. Reports are submitted to the Minister and National Treasury on a monthly basis in terms of Section 40 of the Public Finance Management Act.

The key governance matters, including the activities of the Audit Committee, is discussed in more detail in this part of the report.

2. RISK MANAGEMENT

The Department's risk management and fraud prevention policies and strategies have been reviewed and approved by the Director-General. Risk assessments (both strategic, operational and fraud risks) are performed regularly to identify new and emerging risks for effective management.

3. FRAUD AND CORRUPTION

All the identified risks are monitored regularly to ensure effective implementation of the risk mitigation strategies. Management of risk is gradually being embedded into day-to-day activities of the Department and effectiveness of the function is monitored by the Risk Management Committee, Senior Management and Audit Committee of the Department for improved service delivery and capacity alongside realisation of the set objectives.

The National Fraud Hotline, the Department's call centre number as well as the Internal Audit/Risk contact numbers have been published for officials to report suspected fraud and corruption as required in terms of the Department's Whistle-Blowing policy. The policy has also been published on the intranet for effective implementation and easy access. Officials are also encouraged to report suspicious activities anonymously as outlined by the approved Whistle-

Blowing policy. Most of the reports are received through the National Fraud Hotline and the remainder, through the Department's call centre. All the reported cases are followed up and where there is a need, investigations are performed and relevant action taken.

4. MINIMISING CONFLICT OF INTEREST

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

5. CODE OF CONDUCT

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

6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

An access control system has been installed with various infrastructure changes also being effected to enable security screening upon entering and exiting the building at the parking area.

An access control measure requiring visitors to register and produce proof of identification has been introduced. Security Services is currently awaiting approval to commence with random employee searches in complying with the Access to Public Premises and Vehicles (Act No. 53 of 1985).

Security Advisory Service

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

7. PORTFOLIO COMMITTEE

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

- The Department's mid-term review;
- The National Certificate Vocational NC(V) certification backlogs;
- The Department's quarterly reports (for the 1st, 2nd and 3rd quarters) and its adjusted estimates for 2017/18;
- The Department's Annual Report for the 2016/17 financial year, as well as the annual reports in relation to Public Entities and their strategic plans;
- The Budgetary Review and Recommendation report process on the possible plan of action pertaining to underfunding of the TVET sector;

- A joint meeting with SASSETA and South African Police Service in involving of the police during student protests;
- Presentations facilitated by the University of Stellenbosch, Human Science Research Council, University of KwaZulu-Natal, University of Mpumalanga and CPUT;
- Details pertaining to artisan training and development centres and other SETA funded projects; and
- The Department's 2018/19 Annual Performance Plan with 2018 MTEF allocations.

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

- A briefing by NSFAS to obtain insight on the roll-out of the new Student-Centred Model;
- A briefing by Financial and Fiscal Commission on inputs by stakeholders;
- A briefing by QCTO, SAQA, CHE and CHIETA;
- A briefing on developments pertaining to CET and TVET colleges;
- A presentation by NSFAS on the allocation of funds to universities and TVET colleges during 2018;
- A presentation by SETAs such as TETA and ETDPSETA;
- A briefing on examination certification backlogs;
- A promotion of the new SETA landscape;
- A briefing by the AGSA; and
- Consideration of the Committee's outstanding reports and Budgetary Review and Recommendation Report.

7.3 The joint meeting with the Select Committee:

- The revised Strategic Plan 2015/16 and Annual Performance Plan for 2017/18 to assess Government priorities.

7.4 Oversight visits:

- PSET institutions in the Eastern Cape and Gauteng provinces.
- The Cape Peninsula University of Technology.

8. SCOPA RESOLUTIONS

None.

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

None.

10. INTERNAL CONTROL UNIT (FINANCE)

The Internal Control Unit consists of a Deputy Director, an Assistant Director and three State Accountant posts.

The work performed during the year included updating financial policies, conducting training workshops in conjunction with the Community Education and Training Branch on payroll management, the inspection of payroll management for the Community Education and Training colleges, inspections and cash counts of the cashier offices at Head Office and Indlela, assisting with debt cases in respect of salaries paid into incorrect bank accounts, clearing of incorrect allocations and confirming of payment documentation.

11. INTERNAL AUDIT AND AUDIT COMMITTEE

Key activities and objectives of Internal Audit

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

The internal audit function operates with skilled personnel and functions as required by the Treasury Regulations and the PFMA. A risk-based audit plan was developed for the year and approved by the Audit Committee. During the year under review, internal audit engagements were performed in accordance with the Audit Plan. Due to a lack of staff and specialised skills to perform the work on the audit plan, the Department utilised consultants in providing co-sourcing functions to assist with the audits.

- The main activities of Internal Audit are:
 - Compiling a three-year rolling Strategic and Annual Audit plan
 - Performing internal audit on the following systems:
 - Risk management systems;
 - Control systems; and
 - Governance systems.
- Reports to management and the Audit Committee.

Audit work

The following activities as per audit plan were completed:

- Grants management processes;
- Various Information System audits;
- Performance Information Management;
- Human Resource Management processes;
- Supply Chain Management processes;
- Infrastructure Management processes;
- Transfer Payments processes;
- Financial Statement reviews;
- Follow-up of Internal Audit and Auditor-General audit findings; and
- Other relevant 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, audit process and monitoring these processes in compliance with laws and regulations and the Department's endorsed Code of Business Conduct.

The main activities are:

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

The Audit Committee is in place and is functioning effectively as required in terms of the PFMA and Treasury Regulations. The Audit Committee attended five meetings during the period under review.

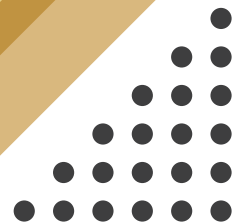
Attendee profile during Audit Committee meetings is indicated as follows:

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



PART D

HUMAN RESOURCE MANAGEMENT



"Really, we always have been optimistic that this country will end up being what the people want it to be. To be a non-racial democratic South Africa. I think we are getting to that."

Albertina Sisulu

ALBERTINA SISULU
Centenary
2018





PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION AND OVERVIEW OF HUMAN RESOURCES

The 2017/18 financial year represents the third since the conclusion of the staff migration process which culminated in an increase of the overall Departmental staff establishment from 1 200 to 29 000 employees. Human resource capacity however, remains a challenge subsequent to the conclusion of the migration process. This is mainly apparent in respect of the lack of adequate capacity within the Regional Offices and key human resource functions have accordingly remained centralised at Head Office, while colleges have been grappling with how best to develop and coordinate the implementation of requisite policies and resolutions. In particular, the Department remains obliged to oversee and manage the large numbers of disputes, grievances, misconduct cases and appeals emanating from the institutions over which it presides and in the absence of adequate staffing capacity at Regional Offices to do so.

The Department is in the process of identifying additional Human Resource functions which could be decentralised to colleges. This has been identified as a requirement, especially with regard to the large number of disputes, grievances, misconduct cases and appeals that the Department has had to contend with over the past financial years. The turn-around time in terms of the management of disciplinary cases has improved as a result of the Improvement Plan that was put in place. The percentage has increased from 22.2 % in the 2016/17 financial year to 97% during the 2017/18 financial year.

There has been significant progress towards the finalisation of the Organisational Structure. The current Organisational Structure has been reviewed in line with available funding and will be forwarded to the Minister of Public Service and Administration for approval and endorsement. The Department will be embarking on the implementation of an Operations Management Framework that will include the development of a Service Delivery Model, Business Process Management, Standard Operating Procedures, Service Charter and Service Standards. This project will assist the Department in identifying critical services and the delivery mode post migration. Considering the approved post establishment, the Department's vacancy rate stands at 5.21% as 94.8% of funded positions in the Department have been filled. This exceeds the 90% target set in Outcome 12 of the Programme of Action. The low vacancy rate does not suggest that the Department is operating at its full capacity, as the structure that is aligned to the Strategic Plan, cannot be implemented. After the finalisation of the Operations Management Framework, the Department will be in a position to present a clear and informed business case for the Organisational Structure to be supported.

Regional Offices are not operating at maximum levels due to capacity constraints. So far the focus of Regional Offices has been on providing support and monitoring TVET and CET colleges. The interim Regional Structure was also developed in line with the current funding and will be submitted to the Minister for approval.

The Department has achieved 100% compliance with the SMS Financial Disclosure process. With the extension of the period for the submission of financial disclosures for middle management and employees on OSD, the Department managed to achieve a 65% compliance rate, noting the systems challenges at college level as the majority are lecturers at the campuses and do not have access to the system enabling requisite disclosures. This additional requirement was managed by the existing personnel, to provide training to incumbents across the country.

For the first time after the migration process, the Department has managed to standardise performance management instruments and assessment across the sector. This means that all employees in the Department, including the colleges are now using uniform instruments and the performance incentives will also be standardised across the system.

A Human Resources Development Training Centre was established and refurbished to accommodate 60 persons. This has reduced the cost of securing a commercial venue for the training sessions. The Department also introduced elementary training of staff on computer programmes in collaboration with GITO.

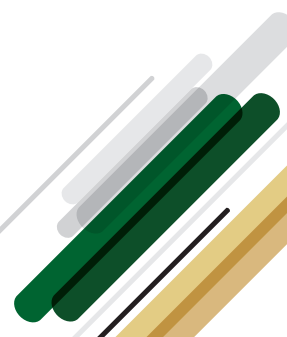
The policy environment has been a challenge and progress has been made with 23 policies having been finalised but which could not be implemented, as they had to be aligned to the Public Service Regulations, 2016 and consultations at the Departmental Bargaining Chamber having been concluded. These policies will bring about standardisation across the Department, including colleges. Various strategies such as the MTEF Human Resource Plan, Employment Equity and Workplace Skills Plans have been approved for implementation. The Task Team that is working on the Post Provision Norms (PPN) and a distribution model for both TVET and CET colleges has been operational and a draft model for TVET colleges was tested. This will ensure adequate and relevant provisioning of lecturing and support staff to colleges. It will ensure improved planning of human resources, including the requisite resource needs. The PPN processes for CET colleges are lagging behind due to challenges in respect of student data verification processes and the quality of student data therefore remains a concern.

The Department is still experiencing capacity challenges as a direct consequence of staff migration and delays in relation to the approval of the organisational structure. Currently most functions are still centralised at the Head Office and staff have accordingly been required to deal with the historical backlogs utilising limited available resources. The Department has established a Human Resource Forum, which will be used as a platform for addressing key human resource challenges and exploring best practices.

The appointment of labour relations officers at Regional Offices in an effort to improve the time it takes to resolve misconduct cases and ensure labour matters are effectively dealt with and has already proven to be a useful and practical intervention.

The Department has exceeded the 90% target of funded positions filled by 4.8%, although it still takes more than 180 days (actual number comprises 188 days) to fill vacancies. This is largely due to a lack of capacity at the Head Office in timeously and efficiently managing recruitment processes. The high volumes of applications received by the Department continues to present a challenge.

The Department is not adequately meeting required employment equity targets in relation to disability, thus there is a need for increased advocacy to bolster employment equity in the Department, especially in so far as it pertains to disability and female employees at senior management level. The employment of people with disabilities remained relatively stable and the Department has not met the target of 2%. The Department has 40.3% women at senior management level and is working towards a significant improvement during 2018/19 aimed at reaching the 50% target.



The Department's Performance Management Development system has 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. Non-compliance with policy especially by colleges remains a challenge, resulting in the Department being unable to obtain a score of 3 on the MPAT system. In an effort to address this issue, an e-Performance Management Development System is under development.

With regard to Human Resource Development (HRD), the Department continues to conduct the induction of new employees, while offering bursaries to employees within the Department and in particular, those wishing to complete undergraduate studies. During the 2017/18 financial year, the Department inducted 181 new Head Office staff and 135 officials were awarded bursaries during November 2017 for the commencement of study at the advent of the 2018 academic year. The Training Unit has successfully implemented the Compulsory Induction Programme (CIP) accordingly training 135 officials at Levels 6 to 12 on Modules 1 and 3, as well as 55 officials at level 1 on Modules 3 and 4 during 2017/18 financial year. Thirty-five officials also received mentoring and coaching training during the 2017/18 financial year as part of an initiative to support the professional development of Interns. One hundred and seven officials also received diversity management training during the same financial period in an effort to prepare incumbents to effectively manage and promote issues of diversity within the workplace.

The Department has implemented Pension Case Management for pension claims and this initiative has significantly improved the turn-around time in the processing of pension claims and reduced the time-frame from six months to three weeks in some instances.

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

Annual reports are produced after the close of the financial year and are aimed at strengthening the accountability of Departments in relation to key stakeholders.

2.1. EXPENDITURE

Note: During 2017/18 a total of R220.822 million was spent on remuneration for examiners and moderators. This amount is excluded from the personnel expenditure tables as these officials are remunerated on a claim-per-task basis. The inclusion of this information in the following tables would provide a false impression regarding the personnel numbers and cost in the tables.

The Department's budget below is set out in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 2.1.1) and by salary bands (Table 2.1.2). In particular, the tables provide an indication of the amount expended on personnel costs in terms of each of the programmes or salary bands within the Department.

Table 2.1.1 – Personnel costs by programme, 1 April 2017 to 31 March 2018

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Professional and Special Services (R'000)	Training expenditure (R'000)	Personnel cost as a % of total expenditure	Average personnel cost per employee (R'000)	Number of employees 31 March 2018
1	393 112	212 930	2 594	2 603	54.2	358	595
2	66 975	52 063	-	35	77.7	407	128
3	41 929 092	52 129	-	11	0.1	555	94
4	7 521 020	5 638 170	-	41	75.0	344	16 369
5	242 508	99 166	-	8	40.9	174	570
6	2 143 153	1 992 758	13	12	93.0	212	9 396
Sub total	52 295 860	8 047 216	2 607	2 710	15.4	296	27 152
Statutory	16 293 561	-	-	-	-	-	-
Total	68 589 421	8 047 216	2 607	2 710	11.7	296	27 152

Table 2.1.2 – Personnel costs by salary bands, 1 April 2017 to 31 March 2018

Salary band	Personnel expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)	Number of employees 31 March 2018
Lower skilled (Levels 1-2)	322 54	4.0	168	1 925
Skilled (Levels 3-5)	1 812 837	22.5	206	8 821
Highly skilled production (Levels 6-8)	4 213 309	52.4	306	1 3790
Highly skilled supervision (Levels 9-12)	1 506 748	18.7	615	2 450
Senior Management (Levels 13-16)	191 781	2.4	1 155	166
Total	8 047 216	100.0	296	27 152

The following tables provide a summary, per programme (Table 2.1.3) and salary bands (Table 2.1.4), 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 utilised for these items.

Table 2.1.3 – Salaries, Overtime, Home Owner’s Allowance and Medical Assistance by programme, 1 April 2017 to 31 March 2018

Programme	Personnel costs (R'000)	Salaries		Overtime		Home Owner’s Allowance		Medical Assistance	
		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	212 930	142 835	67.1	8 735	4.1	4 983	2.3	7 662	3.6
2	52 063	36 782	70.6	47	0.1	568	1.1	1 177	2.3
3	52 129	36 834	70.7	90	0.2	667	1.3	1 127	2.2
4	5 638 170	3 943 890	69.9	4 502	0.1	199 877	3.5	266 661	4.7
5	99 166	69 033	69.6	2 629	2.7	3 201	3.2	5 322	5.4
6	1 992 758	1 306 014	65.5	20	0.0	30 416	1.5	14 050	0.7
Total	8 047 216	5 535 388	68.8	16 023	0.2	239 712	3.0	295 999	3.7

Table 2.1.4 – Salaries, Overtime, Home Owner’s Allowance and Medical Assistance by salary bands, 1 April 2017 to 31 March 2018

Salary band	Personnel costs (R'000)	Salaries		Overtime		Home Owner’s Allowance		Medical Assistance	
		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)	322 54	227 912	70.7	33	-	20 234	6.3	16 142	5.0
Skilled (Levels 3-5)	1 812 837	1 346 473	74.3	5 077	0.3	62 646	3.5	64 758	3.6
Highly skilled production (Levels 6-8)	4 213 309	2 721 661	64.6	8 248	0.2	127 331	3.0	165 065	3.9
Highly skilled supervision (Levels 9-12)	1 506 748	1 092 210	72.5	2 627	0.2	28 228	1.9	48 458	3.2
Senior Management (Levels 13-16)	191 781	147 132	76.7	38	-	1 273	0.7	1 576	0.8
Total	8 047 216	5 535 388	68.8	16 023	0.2	239 712	3.0	295 999	3.7

2.2 EMPLOYMENT AND VACANCIES

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

Table 2.2.1 - Employment and Vacancies by programme as on 31 March 2018

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Programme 1: Administration	624	595	4.60	1
Programme 2: Planning, policy and strategy	139	128	7.90	0
Programme 3: University Education	113	94	16.80	0
Programme 4: Technical and Vocational Education and Training	17 457	16 369	6.23	184
Programme 5: Skills Development	701	570	18.70	3
Programme 6: Community Education and Training	9 992	9 396	5.96	5 346
Total	29 026	27 152	6.50	5 534

Table 2.2.2 - Employment and Vacancies by salary band as on 31 March 2018

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	1 989	1 925	3.22%	425
Skilled (3-5)	9 257	8 821	4.71%	3 410
Highly skilled production (6-8)	14 580	13 790	5.42%	1 690
Highly skilled supervision (9-12)	2 951	2450	16.98%	5
Senior management (13-16)	249	166	33.33%	4
Total	29 026	27 152	6.50	5 534

Table 2.2.3 - Employment and Vacancies by Critical Occupations as on 31 March 2018

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative Related, Permanent	1 118	882	21	1
All Artisans in the Building Metal Machinery etc., Permanent	2	2	-	-
Archivists Curators and Related Professionals, Permanent	1	1	-	-
Artisan Project and Related Superintendents, Permanent	1	1	-	-
Binding and Related Workers, Permanent	3	3	-	-
Building and Other Property Caretakers, Permanent	29	29	-	-
Bus and Heavy Vehicle Drivers, Permanent	1	1	-	-
Cashiers Tellers and Related Clerks, Permanent	10	10	-	-
Cleaners In Offices Workshops Hospitals etc, Permanent	2 110	2 050	3	30
Client Inform Clerks (Switchboard, Receptionists and Inform Clerks), Permanent	16	15	6	-
Communication and Information Related, Permanent	9	8	11	-
Computer Programmers, Permanent	4	4	-	-
Computer System Designers and Analysts, Permanent	4	4	-	-
Dental Practitioners, Permanent	1	1	-	-
Diplomats, Permanent	1	1	-	-
Economists, Permanent	1	1	-	-
Farm Hands and Labourers, Permanent	1	1	-	-
Finance and Economics Related, Permanent	43	31	28	1
Financial and Related Professionals, Permanent	29	25	14	-
Financial Clerks and Credit Controllers, Permanent	183	179	2	2
Food Services Aids and Waiters, Permanent	39	39	-	3
General Legal Administration & Rel. Professionals, Permanent	7	7	-	-
Head of Department/Chief Executive Officer, Permanent	2	2	-	-
Household and Laundry Workers, Permanent	54	48	11	-
Household Food and Laundry Services Related, Permanent	12	12	-	-

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Housekeepers Laundry and Related Workers, Permanent	4	4	-	-
Human Resources & Organisational Development & Relate Prof, Permanent	21	19	10	-
Human Resources Clerks, Permanent	274	263	4	1
Human Resources Related, Permanent	60	48	20	-
Information Technology Related, Permanent	11	10	9	-
Inspectors of Apprentices Works and Vehicles, Permanent	1	1	-	-
Legal Related, Permanent	5	2	60	-
Librarians and Related Professionals, Permanent	7	7	-	-
Library Mail and Related Clerks, Permanent	37	37	-	-
Library Mail and Related Clerks, Temporary	1	1	-	-
Light Vehicle Drivers, Permanent	34	32	6	-
Logistical Support Personnel, Permanent	13	11	15	-
Material-Recording and Transport Clerks, Permanent	127	125	2	-
Mathematicians and Related Professionals, Permanent	1	1	-	-
Messengers Porters and Deliverers, Permanent	96	93	3	-
Motor Vehicle Drivers, Permanent	4	3	25	-
National Technical Examiners, Permanent	26	25	4	-
Natural Sciences Related, Permanent	2	2	-	-
Occupational Therapy, Permanent	1	1	-	-
Other Administrative & related Clerks and Organisers, Permanent	3 566	3 322	7	19
Other Administrative Policy and Related Officers, Permanent	65	61	6	-
Other Information Technology Personnel, Permanent	8	8	-	2
Other Occupations, Permanent	17 354	16 220	7	4 527
Other Occupations, Temporary	3 030	3 030	-	933
Pharmacologists Pathologists & related Professional, Permanent	1	1	-	-
Printing and Related Machine Operators, Permanent	1	1	-	-
Professional Nurse, Permanent	1	1	-	-



Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Rank: Education Specialist (Feti), Permanent	3	-	100	-
Rank: Education Specialist Senior (Feti), Permanent	2	-	100	-
Rank: Lecturer (Feti), Permanent	20	-	100	-
Risk Management and Security Services, Permanent	10	10	-	-
Secretaries & other Keyboard Operating Clerks, Permanent	236	218	8	5
Security Guards, Permanent	76	74	3	4
Security Officers, Permanent	22	21	5	2
Senior Managers, Permanent	217	135	38	4
Social Work and Related Professionals, Permanent	1	1	-	-
Statisticians and Related Professionals, Permanent	1	1	-	-
Trade Labourers, Permanent	1	1	-	-
Trade Related, Permanent	5	5	-	-
Total	29 026	27 152	6.5	5 534

2.3. FILLING OF SMS POSTS

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on the advertising and filling of SMS posts, reasons for non-compliance with prescribed time-frames and disciplinary steps taken.

Table 2.3.1 - SMS Post Information as on 31 March 2018

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General / Head of Department	1	1	100	-	-
Salary Level 16	4	4	100	-	-
Salary Level 15	9	6	67	3	33
Salary Level 14	47	24	51	23	49
Salary Level 13	184	126	68	58	32
Total	245	161	66	84	34

Table 2.3.2 - SMS Post Information as on 30 September 2017

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General / Head of Department	1	1	100	-	-
Salary Level 16	5	4	80	1	20
Salary Level 15	9	8	89	1	11
Salary Level 14	46	21	46	25	54
Salary Level 13	213	126	59	87	41
Total	274	160	58	114	42

Table 2.3.3 - Advertising and Filling of SMS Posts for the period 1 April 2017 to 31 March 2018

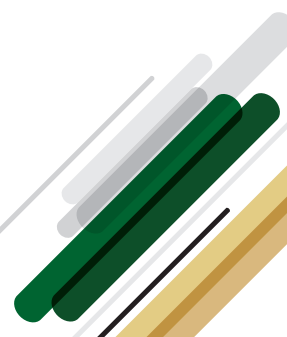
SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General / Head of Department	-	-	-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

Table 2.3.4 - Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2017 and 31 March 2018

Number of received applications and delays in capturing applications as all posts, including college posts across the country, are advertised and filled at Head Office
All SMS posts are filled within 12 months

Table 2.3.5 - Disciplinary steps taken for not complying with the prescribed time-frames for filling SMS posts within 12 months for the period 1 April 2017 to 31 March 2018

None



2.4. JOB EVALUATION

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

Table 2.4.1 - Job Evaluation by Salary band for the period 1 April 2017 to 31 March 2018

Salary band	Number of posts on approved establishment	Posts Upgraded		Posts downgraded	
		Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	1 395	-	-	-	-
Skilled (Levels 3-5)	5 573	2	100	-	-
Highly Skilled Production (Levels 6-8)	10 608	5	90.79	-	-
Highly Skilled Supervision (Levels 9-12)	2 893	79	100	-	-
Senior Management Service Band A	174	-	100	-	-
Senior Management Service Band B	46	-	-	-	-
Senior Management Service Band C	8	-	-	-	-
Senior Management Service Band D	3	-	-	-	-
Other	3 189	-	-	-	-
Contract (Levels 1-2)	594	-	-	-	-
Contract (Levels 3-5)	3 684	-	-	-	-
Contract (Levels 6-8)	783	-	100	-	-
Contract (Levels 9-12)	58	-	100	-	-
Contract Band A	13	-	-	-	-
Contract Band B	2	-	-	-	-
Contract Band C	2	-	-	-	-
Contract Band D	1	-	-	-	-
Total	29 026	86	92.91	-	-

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

Table 2.4.2 - Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2017 to 31 March 2018

Gender	African	Indian	Asian	Coloured	White	Total
Female	26	1	0	6	4	37
Male	43	1	0	4	1	49
Total	69	2	0	10	5	86

Employees with a disability	-
-----------------------------	---

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

Table 2.4.3 - Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2017 to 31 March 2018

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Principal	1	13	14	n/a
Total Number of employees whose salaries exceeded the level determined by job evaluation				1
Percentage of total employed				-

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

Table 2.4.4 - Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2017 to 31 March 2018

None



2.5 EMPLOYMENT CHANGES

This section provides information on changes in employment over the financial year. Turn-over rates provide an indication of trends in the employment profile of the Department. The following tables provide a summary of turn-over rates by salary band and critical occupations (see definition in notes below).

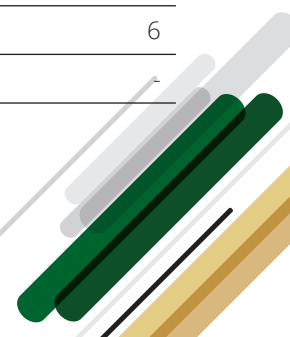
Table 2.5.1 - Annual turnover rates by salary band for the period 1 April 2017 to 31 March 2018

Salary band	Number of employees at beginning of period-1 April 2017	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled (Levels 1-2)	3 646	91	115	3.15
Skilled (Levels 3-5)	8 435	426	577	6.84
Highly skilled production (Levels 6-8)	13 463	683	1 067	7.93
Highly skilled supervision (Levels 9-12)	1 959	99	199	10.16
Senior Management Service Bands A	123	3	11	8.90
Senior Management Service Bands B	20	1	4	20
Senior Management Service Bands C	7	-	3	42.90
Senior Management Service Bands D	3	-	3	100
Contracts	11	17	15	136.36
Total	27 667	1 320	1 994	7.21

Table 2.5.2 - Annual turnover rates by critical occupation for the period 1 April 2017 to 31 March 2018

Critical occupation	Number of employees at beginning of period-1 April 2017	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Administrative Related permanent	848	77	71	8
All Artisans in the Building Metal Machinery etc. permanent	2	-	-	-
Archivists Curators and Related Professionals permanent	1	-	-	-
Artisan Project and Related Superintendents permanent	1	-	-	-
Auxiliary and Related Workers permanent	1	-	1	100
Binding and Related Workers permanent	3	-	-	-
Building and other property caretakers permanent	32	-	4	13
Bus and heavy vehicle drivers permanent	1	-	-	-
Cashiers tellers and related clerks permanent	10	-	-	-
Cleaners in offices workshops hospitals etc. permanent	2 106	49	92	4

Critical occupation	Number of employees at beginning of period- 1 April 2017	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Client inform clerks(switchb receipt inform clerks) permanent	17	-	1	6
Communication and information related permanent	9	-	1	11
Computer programmers permanent	5	-	1	20
Computer system designers and analysts permanent	4	-	-	-
Diplomats permanent	1	-	-	-
Economists permanent	1	-	-	-
Farm hands and labourers permanent	1	-	-	-
Finance and economics related permanent	24	2	3	13
Financial and related professionals permanent	19	8	1	5
Financial clerks and credit controllers permanent	168	19	9	5
Food services aids and waiters permanent	42	5	5	12
General legal administration & rel. Professionals permanent	6	1	-	-
Head of department/chief executive officer permanent	2	-	-	-
Household and laundry workers permanent	54	1	7	13
Household food and laundry services related permanent	2	9	-	-
Housekeepers laundry and related workers permanent	5	-	1	20
Human resources & organisat developm & relate prof permanent	22	-	2	9
Human resources clerks permanent	282	3	12	4
Human resources related permanent	48	-	2	4
Information technology related permanent	11	-	-	-
Inspectors of apprentices works and vehicles permanent	1	-	-	-
Legal related permanent	2	-	-	-
Librarians and related professionals permanent	8	-	1	13
Library mail and related clerks permanent	38	-	1	3
Library mail and related clerks temporary	1	-	-	-
Light vehicle drivers permanent	34	-	2	6
Logistical support personnel permanent	11	-	-	-



Critical occupation	Number of employees at beginning of period- 1 April 2017	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Material-recording and transport clerks permanent	123	11	8	7
Mathematicians and related professionals permanent	1	-	-	-
Messengers, porters and deliverers permanent	102	11	21	21
Motor vehicle drivers permanent	5	-	2	40
National technical examiners permanent	23	3	1	4
Natural sciences related permanent	2	-	-	-
Occupational therapy permanent	1	-	-	-
Other administrative & related clerks and organiser permanent	3 168	451	322	10
Other administrative policy and related officers permanent	65	-	1	2
Other information technology personnel permanent	9	-	1	11
Other occupations permanent	16 492	611	1 021	6
Other occupations temporary	3 410	2	358	11
Pharmacologists pathologists & related professional permanent	1	-	-	-
Printing and related machine operators permanent	1	-	-	-
Risk management and security services permanent	10	-	-	-
Secretaries & other keyboard operating clerks permanent	207	21	16	8
Security guards permanent	61	12	1	2
Security officers permanent	21	-	1	5
Senior managers permanent	135	25	35	26
Social work and related professionals permanent	1	-	-	-
Statisticians and related professionals permanent	1	-	-	-
Trade labourers permanent	1	-	-	-
Trade related permanent	4	1	-	-
Administrative related permanent	848	77	71	8
All artisans in the building metal machinery etc. Permanent	2	-	-	-
Archivists curators and related professionals permanent	1	-	-	-

Critical occupation	Number of employees at beginning of period- 1 April 2017	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Artisan project and related superintendents permanent	1	-	-	-
Auxiliary and related workers permanent	1	-	1	100
Binding and related workers permanent	3	-	-	-
Building and other property caretakers permanent	32	-	4	13
Bus and heavy vehicle drivers permanent	1	-	-	-
Cashiers, tellers and related clerks permanent	10	-	-	-
Cleaners in offices workshops hospitals etc. permanent	2 106	49	92	4
Client inform clerks(switchboard, reception inform clerks) permanent	17	-	1	6
Communication and information related permanent	9	-	1	11
Computer programmers permanent	5	-	1	20
Computer system designers and analysts permanent	4	-	-	-
Diplomats permanent	1	-	-	-
Economists permanent	1	-	-	-
Farm hands and labourers permanent	1	-	-	-
Finance and economics related permanent	24	2	3	13
Financial and related professionals permanent	19	8	1	5
Financial clerks and credit controllers permanent	168	19	9	5
Food services aids and waiters permanent	42	5	5	12
General legal administration & rel. Professionals permanent	6	1	-	-
Head of department/chief executive officer permanent	2	-	-	-
Household and laundry workers permanent	54	1	7	13
Household food and laundry services related permanent	2	9	-	-
Housekeepers laundry and related workers permanent	5	-	1	20
Human resources & organisational development & relate prof permanent	22	-	2	9
Human resources clerks permanent	282	3	12	4
Human resources related permanent	48	-	2	4

Critical occupation	Number of employees at beginning of period- 1 April 2017	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Information technology related permanent	11	-	-	-
Inspectors of apprentices works and vehicles permanent	1	-	-	-
Legal related permanent	2	-	-	-
Librarians and related professionals permanent	8	-	1	13
Library mail and related clerks permanent	38	-	1	3
Library mail and related clerks temporary	1	-	-	-
Light vehicle drivers permanent	34	-	2	6
Logistical support personnel permanent	11	-	-	-
Material-recording and transport clerks permanent	123	11	8	7
Mathematicians and related professionals permanent	1	-	-	-
Messengers porters and deliverers permanent	102	11	21	21
Motor vehicle drivers permanent	5	-	2	40
National technical examiners permanent	23	3	1	4
Natural sciences related permanent	2	-	-	-
Occupational therapy permanent	1	-	-	-
Other administrative & related clerks and organisers permanent	3 168	451	322	10
Other administrative policy and related officers permanent	65	-	1	2
Other information technology personnel permanent	9	-	1	11
Other occupations permanent	16 492	611	1 021	6
Other occupations temporary	3 410	2	358	11
Pharmacologists pathologists & related professional permanent	1	-	-	-
Printing and related machine operators permanent	1	-	-	-
Risk management and security services permanent	10	-	-	-
Secretaries & other keyboard operating clerks permanent	207	21	16	8
Security guards permanent	61	12	1	2
Security officers permanent	21	-	1	5
Senior managers permanent	135	25	35	26

Critical occupation	Number of employees at beginning of period- 1 April 2017	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Social work and related professionals permanent	1	-	-	-
Statisticians and related professionals permanent	1	-	-	-
Trade labourers permanent	1	-	-	-
Trade related permanent	4	1	-	-
Total	27 667	1 320	1 994	7.21

The table below identifies the major reasons for staff leaving the Department.

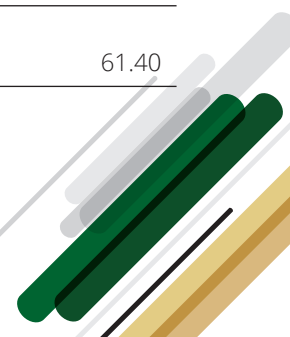
Table 2.5.3 - Reasons why staff left the Department for the period 1 April 2017 to 31 March 2018

Termination Type	Number	% of Total
Death	122	6.11
Resignation	826	41.42
Expiry of contract	724	36.31
Dismissal – operational changes	-	-
Dismissal – misconduct	22	1.10
Dismissal – inefficiency	-	-
Discharged due to ill-health	17	0.85
Retirement	282	14.14
Transfer to other Public Service Departments	1	0.05
Other	-	-
Total	1 994	100
Total Number of employees who left as a % of total employment	7.21	

Table 2.5.4 - Promotions by critical occupation for the period 1 April 2017 to 31 March 2018

Occupation	Employees 1 April 2017	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative Related	848	49	5.80	558	65.80
All Artisans in the Building Metal Machinery etc.	2	-	-	1	50
Archivists Curators and Related Professionals	1	-	-	-	-
Artisan Project and Related Superintendents	1	-	-	1	100
Auxiliary and Related Workers	1	-	-	-	-
Binding and Related Workers	3	-	-	3	100
Building and Other Property Caretakers	32	-	-	21	65.60
Bus and Heavy Vehicle Drivers	1	-	-	1	100
Cashiers Tellers and Related Clerks	10	-	-	9	90
Cleaners in Offices Workshops Hospitals etc.	2 106	2	0.10	1 744	82.80
Client Inform Clerks (Switchboard, Reception and Inform Clerks)	17	-	-	15	88.20
Communication and Information Related	9	-	-	8	88.90
Computer Programmers	5	-	-	4	80
Computer System Designers and Analysts	4	-	-	3	75
Diplomats	1	-	-	1	100
Economists	1	-	-	1	100
Farm Hands and Laborers	1	-	-	1	100
Finance and Economics Related	24	4	16.70	12	50
Financial and Related Professionals	19	3	15.80	16	84.20
Financial Clerks and Credit Controllers	168	6	3.60	112	66.70
Food Services Aids and Waiters	42	-	-	27	64.30
General Legal Administration & Rel. Professionals	6	-	-	1	16.70
Head Of Department/Chief Executive Officer	2	-	-	1	50
Household and Laundry Workers	54	-	-	43	79.60
Household Food and Laundry Services Related	2	-	-	-	-

Occupation	Employees 1 April 2017	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Housekeepers Laundry and Related Workers	5	1	20	3	60
Human Resources & Organisat Developm & Relate Prof	22	-	-	7	31.80
Human Resources Clerks	282	7	2.50	212	75.20
Human Resources Related	48	1	2.10	29	60.40
Information Technology Related	11	-	-	11	100
Inspectors of Apprentices Works and Vehicles	1	-	-	1	100
Legal Related	2	1	50	2	100
Librarians and Related Professionals	8	-	-	4	50
Library Mail and Related Clerks	39	-	-	26	66.70
Light Vehicle Drivers	34	-	-	33	97.10
Logistical Support Personnel	11	-	-	7	63.60
Material-Recording and Transport Clerks	123	1	0.80	78	63.40
Mathematicians and Related Professionals	1	-	-	1	100
Messengers Porters and Deliverers	102	-	-	63	61.80
Motor Vehicle Drivers	5	-	-	4	80
National Technical Examiners	23	-	-	20	87
Natural Sciences Related	2	-	-	1	50
Occupational Therapy	1	-	-	-	-
Other Administrat & Related Clerks and Organisers	3 168	50	1.60	2 190	69.10
Other Administrative Policy and Related Officers	65	1	1.50	51	78.50
Other Information Technology Personnel	9	-	-	8	88.90
Other Occupations	19 902	165	0.80	10 007	50.30
Pharmacologists Pathologists & Related Professional	1	-	-	-	-
Printing and Related Machine Operators	1	-	-	1	100
Risk Management and Security Services	10	1	10	6	60
Secretaries & Other Keyboard Operating Clerks	207	13	6.30	127	61.40



Occupation	Employees 1 April 2017	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Security Guards	61	-	-	44	72.10
Security Officers	21	-	-	14	66.70
Senior Managers	135	6	4.40	77	57
Social Work and Related Professionals	1	-	-	1	100
Statisticians and Related Professionals	1	-	-	-	-
Trade Labourers	1	-	-	1	100
Trade Related	4	-	-	-	-
Unknown	-	1	-	-	-
Total	27 667	312	1.13	15 612	56.43

Table 2.5.5 - Promotions by salary band for the period 1 April 2017 to 31 March 2018

Salary Band	Employees 1 April 2017	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	3 646	-	-	1 097	30.09
Skilled (Levels 3-5)	8 435	4	0.1	3 560	42.21
Highly skilled production (Levels 6-8)	9 902	191	3.2	7 965	80.44
Highly skilled supervision (Levels 9-12)	1 959	107	7.2	1 853	94.59
Senior Management (Level 13-16)	164	10	6.5	93	56.71
Contracts/Other	3 561	-	-	950	26.68
Total	27 667	312	1.13	15 612	56.43

2.6 EMPLOYMENT EQUITY

Table 2.6.1 - Total Number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2018

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior officials and managers	59	9	4	24	41	2	5	17	161
Professionals	5 060	411	166	522	7 222	393	145	862	14 781
Technicians and associate professionals	260	60	8	43	272	180	7	84	914
Clerks	1 151	54	32	49	2 236	118	54	209	3 903
Service shop and market sales workers	70	11	1	2	15	-	-	-	99
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	22	-	-	10	2	-	-	-	34
Plant and machine operators and assemblers	15	7	-	1	6	12	-	-	41
Elementary occupations	2 104	131	5	28	4 830	187	4	26	7 315
Total	8 741	683	216	679	14 624	892	215	1 198	27 248
Employees with disabilities	12	5	-	6	3	1	-	5	32

Table 2.6.2 - Total Number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2018

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	4	-	-	1	2	-	-	2	11
Senior Management	59	12	3	15	35	2	6	18	150
Professionally qualified and experienced specialists and mid-management	702	131	55	261	660	93	25	344	2 271
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3 771	294	131	315	4 416	391	149	703	10 170
Semi-skilled and discretionary decision making	3 250	189	25	76	8 310	331	34	124	12 339
Unskilled and defined decision making	953	57	2	11	1 201	75	1	7	2 307
Total	8 741	683	216	671	14 624	892	215	1 198	27 248

Table 2.6.3 - Recruitment for the period 1 April 2017 to 31 March 2018

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	4	-	-	1	1	-	-	-	6
Senior Management	4	1	2	2	4	-	-	4	17
Professionally qualified and experienced specialists and mid-management	44	4	2	2	42	2	-	3	99
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	265	3	2	6	383	11	3	10	683
Semi-skilled and discretionary decision making	210	6	2	3	199	4	-	2	426
Unskilled and defined decision making	30	1	-	-	60	-	-	-	91
Total	557	15	8	14	689	17	3	19	1 322
Employees with disabilities	1	-	-	-	-	-	-	1	2

Table 2.6.4 - Promotions for the period 1 April 2017 to 31 March 2018

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	1	-	1	1	-	-	2	7
Senior Management	42	4	2	6	21	1	6	14	96
Professionally qualified and experienced specialists and mid-management	655	109	51	217	538	89	25	276	1 960
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3 069	255	107	247	4 346	344	133	605	9 106
Semi-skilled and discretionary decision making	1 241	114	12	45	1 839	209	21	83	3 564
Unskilled and defined decision making	487	38	-	5	602	59	-	-	1 191
Total	5 496	521	172	521	7 347	702	185	980	15 924
Employees with disabilities	13	5	-	6	7	1	1	5	38

Table 2.6.5 - Terminations for the period 1 April 2017 to 31 March 2018

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	8	-	1	-	2	-	-	1	12
Senior Management	8	3	-	-	7	-	-	7	25
Professionally qualified and experienced specialists and mid-management	49	13	5	35	45	4	1	47	199
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	243	29	8	31	200	12	4	43	570
Semi-skilled and discretionary decision making	355	20	3	10	689	24	2	9	1 112
Unskilled and defined decision making	26	2	-	-	56	2	-	1	87
Total	689	67	17	76	999	42	7	108	2 005
Employees with Disabilities	4	-	-	1	1	-	-	1	7

Table 2.6.6 - Disciplinary action for the period 1 April 2017 to 31 March 2018

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Dereliction of duty	4	1	-	-	3	1	-	-	9
Sexual harassment	1	-	-	-	-	-	-	-	1
Insubordination	4	1	-	-	1	-	-	-	6
Absence or repeated absence from work without a valid reason or permission	4	4	-	-	1	-	-	1	10
Theft, bribery, fraud, corruption or any combination thereof	2	2	-	-	-	1	-	-	5
Discriminates on the basis of race, gender, disability, sexuality or other grounds outlawed by the Constitution	-	-	-	-	2	-	-	-	2
Performing of work for compensation in a private capacity for another person or organisation either during or outside working hours without written approval	1	-	-	-	-	1	-	-	2

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Falsification of records or any other documentation	2	2	-	-	1	1	-	-	6
Prejudice and Disrespect	4	1	-	-	2	-	-	-	7
Unauthorised removal of College equipment		1	-	-	-	-	-	1	2
Negligence	1		-	-	-	1	-	1	3
Fails to carry out a lawful order or routine instruction without just or reasonable cause	4	-	-	-	1	-	-	-	5
Suspected to be under the influence of intoxicating substance at work	5	3	-	-	-	-	-	-	8
Assault, attempt or threatens to assault, another employee or person while on duty	1		-	-	1		-	-	2
Bringing the college into disrepute	-	-	-	-	1	-	-	-	1
Exam irregularity and allegation	-	2	-	-	-	-	-	-	2
Dishonesty	-	-	-	-	1	1	-	-	2
Fails to comply with, or contravenes an Act, regulation or legal obligation	2	-	-	-	3	-	-	-	5
Furnishing of false statements or evidence in the execution of his or her duties	1	-	-	-	-	-	-	-	1
While on duty, conducts herself or himself in an improper, disgraceful and unacceptable manner	1	-	-	-	-	-	-	-	1
Without permission possesses or wrongfully uses the property of the State, another employees and/or a visitor	-	1	-	-	1	-	-	-	2
Poor or inadequate performance for reasons other than incapacity	2	-	-	-	-	-	-	-	2
Total	39	18	-	-	18	6	-	3	84

Table 2.6.7 - Skills development for the period 1 April 2017 to 31 March 2018

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	21	2	1	2	37	-	1	2	66
Professionals	54	-	-	1	62	-	-	5	122
Technicians and associate professionals	12	-	-	-	31	-	1	2	46
Clerks	99	1	1	-	189	2	1	2	295
Service and sales workers	1	-	-	2	2	-	-	-	5
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	9	-	-	-	7	-	-	-	16
Plant and machine operators and assemblers	1	-	-	-	1	-	-	-	2
Elementary occupations	3	-	-	-	8	-	-	-	11
Total	200	3	2	5	337	2	3	11	563
Employees with disabilities	-	-	-	-	-	-	-	-	-

2.7 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

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

Table 2.7.1 - Signing of Performance Agreements by SMS members as on 31 May 2017

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General / Head of Department Salary Level 16	1	1	1	100
Salary Level 15	8	8	8	100
Salary Level 14	19	19	17	89
Salary Level 13	128	128	116	91
Total	156	156	142	91

Table 2.7.2 - Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2018

Reasons
Fourteen could not submit their performance agreements on time. Five of the fourteen were appointed towards the end of the financial year and nine have provided reasons for non-submission of their performance agreement.

Table 2.7.3 - Disciplinary steps taken against SMS members for not having concluded performance agreements as on 31 March 2018

Reasons
None, however these SMS members will not be eligible for performance incentives whilst the Department is still dealing with discipline.

2.8 PERFORMANCE REWARDS

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

Table 2.8.1 - Performance rewards by race, gender and disability for the period 1 April 2017 to 31 March 2018

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	1 553	14 592	10.60	15 550	10 013
Female	1 048	8 888	11.80	12 090	11 536
Asian					
Male	15	209	7.20	383	25 533
Female	10	208	4.80	409	40 900
Coloured					
Male	128	860	14.90	1 450	11 329
Female	61	636	9.60	1 073	17 590
White					
Male	152	1 103	13.80	2 607	17 151
Female	62	599	10.40	1 542	24 871
Total	3 029	27 095	11.20	35 104	11 589

Table 2.8.2 - Performance rewards by salary band for personnel below Senior Management Service for the period 1 April 2017 to 31 March 2018

Salary band	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee
Lower Skilled (Levels 1-2)	449	1 331	33.70	2 303	5 129
Skilled (Level 3-5)	1 242	5 246	23.20	9 474	7 628
Highly skilled production (Level 6-8)	924	9 953	9.30	10 712	11 593
Highly skilled supervision (Level 9-12)	339	2 392	14.20	6 987	20 610
09 Other	-	3 054	-	-	-
10 Contract (Levels 1-2)	7	594	1.20	25	3 527
11 Contract (Levels 3-5)	20	3 684	0.50	135	6 732
12 Contract (Levels 6-8)	21	783	2.70	173	8 225
13 Contract (Levels 9-12)	27	58	46.60	465	17 221
Total	3 029	27 095	11.00	35 104	11 589

Table 2.8.3 - Performance rewards by critical occupation for the period 1 April 2017 to 31 March 2018

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Financial Clerks, Credit Controllers	83	179	46.40	931	11 218
Household Food and Laundry Services Related	-	12	-	-	-
Human Resources Clerks	141	263	53.60	1 266	8 975
Security Officers	5	21	23.80	37	7 308
Household and Laundry Workers	4	48	8.30	22	5 548
Human Resources & Organisational Development & Relate Prof	10	19	52.60	165	16 464
Messengers Porters and Deliverers	32	93	34.40	205	6 400
All Artisans in the Building Metal Machinery etc.	2	2	100	25	12 513
Risk Management and Security Services	4	10	40	55	13 789
Logistical Support Personnel	8	11	72.70	97	12 160
Finance and Economics Related	10	31	32.30	279	27 935
Natural Sciences Related	1	2	50	19	18 781
Other Administrative & Related Clerks and Organisers	1 219	3 322	37	12 565	10 307
Housekeepers Laundry and Related Workers	-	4	-	-	-
Other Occupations	80	19 250	0.40	1 165	14 565
Legal Related	2	2	100	26	12 995
Financial and Related Professionals	10	25.00	40	163	16 258

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Building and Other Property Caretakers	7	29	24.10	44	6 344
Occupational Therapy	-	1	-	-	-
Diplomats	1	1	100	18	18 230
Administrative Related	338	882	38.30	6 513	19 268
Communication and Information Related	3	8	37.50	31	10 444
Secretaries & Other Keyboard Operating Clerks	104	218	47.70	989	9 510
Cleaners in Offices Workshops Hospitals Etc.	712	2 050	34.70	3 990	5 604
Library Mail and Related Clerks	29	38	76.30	276	9 501
National Technical Examiners	7	25	28	112	15 977
Human Resources Related	12	48	25	310	25 803
Dental Practitioners	-	1	-	-	-
Printing and Related Machine Operators	-	1	-	-	-
Cashiers Tellers and Related Clerks	4	10	40	49	12 325
Head of Department/Chief Executive Officer	-	2	-	-	-
Computer Programmers.	-	4	-	-	-
Binding and Related Workers	-	3	-	-	-
Trade Labourers	-	1	-	-	-
Social Work and Related Professionals	-	1	-	-	-
General Legal Administration & Rel. Professionals	2	7	28.60	36	17 993
Archivists Curators and Related Professionals	-	1	-	-	-
Material-Recording and Transport Clerks	53	125	42.40	517	9 747
Farm Hands and Labourers	1	1	100	6	5 580
Other Administrative Policy and Related Officers	39	61	63.90	534	13 687
Artisan Project and Related Superintendents	1	1	100	13	12 991
Inspectors of Apprentices Works and Vehicles	-	1	-	-	-
Professional Nurse	-	1	-	-	-
Statisticians and Related Professionals	-	1	-	-	-
Bus and Heavy Vehicle Drivers	1	1	100	7	7 274
Senior Managers	53	135	39.30	4 336	81 815

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Client Inform Clerks (Switchboard, Reception Inform Clerks)	4	15	26.70	27	6 718
Computer System Designers and Analysts	2	4	50	39	19 574
Economists	1	1	100	19	19 062
Trade Related	-	5	-	-	-
Other Information Technology Personnel	3	8	37.50	41	13 570
Light Vehicle Drivers	7	32	21.90	42	5 987
Mathematicians and Related Professionals	-	1	-	-	-
Motor Vehicle Drivers	4	3	133.30	29	7 277
Security Guards	27	74	36.50	158	5 860
Food Services Aids and Waiters	11	39	28.20	55	5 021
Pharmacologists Pathologists & Related Professional	-	1	-	-	-
Information Technology Related	4	10	40	40	9 962
Total	3 029	27 095	11.20	35 104	11 589

Table 2.8.4 - Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2017 to 31 March 2018

Salary band	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee
Band A	38	130	29.20	2 529	66 553
Band B	17	25	68	1 471	86 529
Band C	6	7	85.70	662	110 333
Band D	1	4	25	315	315 000
Total	62	166	37.30	4 977	80 274

2.9 FOREIGN WORKERS

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

Table 2.9.1 - Foreign workers by salary band for the period 1 April 2017 to 31 March 2018

Salary band	01 April 2017		31 March 2018		Change	
	Number	% of total	Number	% of total	Number	% Change
Highly skilled production (Levels 6-8)	268	70	272	58	4	5
Highly skilled supervision (Levels 9-12)	12	3	13	3	1	1
Lower skilled (Levels 1-2)	20	5	16	3	(4)	(5)
Other	6	2	104	22	98	112
Skilled (Levels 3-5)	79	20	64	14	(12)	(14)
Contract (Level 13-16)	-	-	-	-	-	-
Total	385	100	469	100	87	100

Table 2.9.2 - Foreign workers by major occupation for the period 1 April 2017 to 31 March 2018

Major occupation	01 April 2017		31 March 2018		Change	
	Number	% of total	Number	% of total	Number	% Change
Administrative office workers	9	2.3	9	1.9	-	-
Elementary occupations	2	0.5	2	0.4	-	-
Information technology personnel	2	0.5	1	0.2	(1)	(1.2)
Other occupations: Educators	368	95.6	454	96.8	86	102.4
Professionals and managers	4	1	3	0.6	(1)	(1.2)
Total	385	100	469	100	87	100

2.10 LEAVE UTILISATION

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

Table 2.10.1 - Sick leave for the period 1 January 2017 to 31 December 2017

Salary band	Total days	% Days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	269	83.55	924	7.1	6.78	3 091
Skilled (Levels 3-5)	21 975	79.02	3 391	26.1	6.48	17 313
Highly skilled production (Levels 6-8)	44 511	73.64	6 960	53.5	6.40	57 269
Highly skilled supervision (Levels 9 -12)	11 332	79.56	1 637	12.6	6.92	25 686
Top and Senior management (Levels 13-16)	472	81.57	87	0.7	5.43	1 845
Total	84 559	79.468	12 999	100	6.402	105 204

Table 2.10.2 - Disability leave (temporary and permanent) for the period 1 January 2017 to 31 December 2017

Salary band	Total days	% Days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Contract (Levels 6-8)	61	100	2	0.6	31	59
Highly skilled production (Levels 6-8)	4 808	100	150	45.9	32	6 637
Highly skilled supervision (Levels 9-12)	3 616	100	71	21.7	51	8 601
Lower skilled (Levels 1-2)	1 225	100	32	9.8	38	603
Skilled (Levels 3-5)	2 499	100	70	21.4	36	1 844
Senior management (Levels 13-16)	147	100	2	0.6	74	544
Total	12 356	100	327	100	38	18 288

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC during 2 000 requires the management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 2.10.3 - Annual leave for the period 1 January 2017 to 31 December 2017

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	34 460.25	2 194	15.71
Skilled Levels 3-5)	75 948.88	4 282	17.74
Highly skilled production (Levels 6-8)	47 034.92	2 416	19.47
Highly skilled supervision(Levels 9-12)	23 204.84	1 221	19
Senior management (Levels 13-16)	2 943	180	16.35
Total	183 592	10 293	18

Table 2.10.4 - Capped leave for the period 1 January 2017 to 31 December 2017

Salary band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2018
Lower skilled (Levels 1-2)	-	-	-	25
Skilled Levels 3-5)	91	17	5	65
Highly skilled production (Levels 6-8)	180	27	62	62
Highly skilled supervision(Levels 9-12)	90	23	4	59
Senior management (Levels 13-16)	22	3	7	60
Total	383	70	16	54

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

Table 2.10.5 - Leave pay-outs for the period 1 April 2017 to 31 March 2018

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-out for 2017/18 due to non-utilisation of leave for the previous cycle	26	1	26
Capped leave pay-out on termination of service for 2017/18	14 223	254	56
Current leave pay-out on termination of service for current financial year	483	35	14
Total	14 732	290	51

2.11 HIV/AIDS AND HEALTH PROMOTION PROGRAMMES

Table 2.11.1 - Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
None	Education awareness and prevention programmes OHS Committee Wellness centre First aid boxes

Table 2.11.2 - Details of health promotion and HIV/AIDS programmes

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Adv M Dhlamini (Acting Chief Director: Labour Relations)
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the Number of employees who are involved in this task and the annual budget that is available for this purpose.	X		1x Assistant Director 1x Practitioner 4 x Senior Administration Clerks Annual budget: R350 000
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		To assist employees with work related and personal problems Psychosocial interventions Physical wellness HIV testing Disease management Financial wellness
4. Has the Department established a committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		HIV/AIDS committee all branches of the Department are represented
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		Leave policy Policy on Pilir and ill health retirement HIV/AIDS, STI and TB Management policy
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		HIV/AIDS, STI and TB management policy HCT campaigns Flavoured males condoms, female condoms and lubricants distributed 44 000 condoms and lubricants distributed

Question	Yes	No	Details, if yes
7. Does the Department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have achieved.	X		Through HCT Campaigns the officials undergo pre-test and post-test counselling, the uptake for 2017/2018 was 305 Those tested for HIV = 227, those tested positive = 2 females (30-39yrs) positivity rate of 0.9% Screening for BP = females = 221 and males = 84, screening for glucose males = 76 and females = 192, screening for TB = 221 Females and = 8 males
8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/ indicators.	X		Training in first aid programmes Distribution of males and female condoms Protective clothing and gloves utilised Awareness campaign Information sessions Sport activities, soccer, netball and aerobics OHS training Financial wellness workshops

2.12 LABOUR RELATIONS

Table 2.12.1 - Collective agreements for the period 1 April 2017 to 31 March 2018

Subject matter
No collective agreements was signed for the period 1 April 2017 to 31 March 2018

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

Table 2.12.2 - Misconduct and disciplinary hearings finalised for the period 1 April 2017 to 31 March 2018

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	1	3
Verbal warning	-	-
Written warning	2	7
Final written warning	11	37
Suspended without pay	3	10
Fine	-	-
Demotion	-	-
Dismissal	11	37
Not guilty	1	3
Case withdrawn	1	3
Total	30	100

Table 2.12.3 - Types of misconduct addressed at disciplinary hearings for the period 1 April 2017 to 31 March 2018

Type of misconduct	Number	% of total
Fails to comply with, or contravenes an Act, regulation or legal obligation	5	6
Without permission possesses or wrongfully uses the property of the State, another employees and/or a visitor	2	2
Theft, bribery, fraud, corruption or any combination thereof	5	6
Fails to carry out a lawful order or routine instruction without just or reasonable cause	5	6
Absence or repeated absence from work without a valid reason or permission	10	12
Commits an act of sexual harassment	1	1
Discriminates on the basis of race, gender, disability, sexuality or other grounds outlawed by the Constitution	2	2
Poor or inadequate performance for reasons other than incapacity	2	2
Dereliction of duties	9	11
Performing of work for compensation in a private capacity for another person or organisation either during or outside working hours without written approval	2	2
Suspected to be under the influence of intoxicating substance at work	8	10
While on duty, conducts herself or himself in an improper, disgraceful and unacceptable manner	1	1
Assault, attempt or threatens to assault, another employee or person while on duty	2	2
Furnishing of false statements or evidence in the execution of his or her duties	1	1
Falsification of records or any other documentation	6	7
Negligence	3	4
Dishonesty	2	2
Unauthorised removal of college equipment	2	2
Insubordination	6	7
Exam irregularity and allegation	2	2
Prejudice and Disrespect	7	8
Bringing the college into disrepute	1	1
Total	84	97

Table 2.12.4 - Grievances lodged for the period 1 April 2017 to 31 March 2018

Grievances	Number	% of Total
Number of grievances resolved	42	64
Number of grievances not resolved	74	36
Total number of grievances lodged	116	100

Table 2.12.5 - Disputes lodged with Councils for the period 1 April 2017 to 31 March 2018

Disputes	Number	% of Total
Number of disputes upheld	31	50
Number of disputes dismissed	31	50
Total number of disputes lodged	62	100

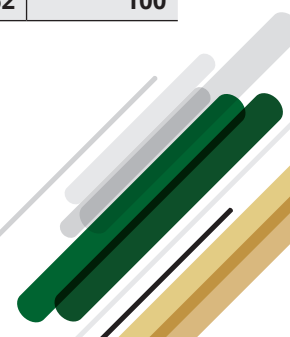


Table 2.12.6 - Strike actions for the period 1 April 2017 to 31 March 2018

Total number of persons working days lost	544
Total cost of working days lost (R'000)	5 569
Amount recovered as a result of no work no pay (R'000)	5 569

Table 2.12.7 - Precautionary suspensions for the period 1 April 2017 to 31 March 2018

Number of people suspended	4
Number of people whose suspension exceeded 30 days	4
Average number of days suspended	208
Cost of suspension (R'000)	537 492

2.13. SKILLS DEVELOPMENT

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

Table 2.13.1 - Training needs identified for the period 1 April 2017 to 31 March 2018

Occupational category	Gender	Number of employees as at 1 April 2017	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	39	-	30	-	30
	Male	44	-	26	-	26
Professionals	Female	26	-	62	-	62
	Male	21	-	47	-	47
Technicians and associate professionals	Female	143	-	40	-	40
	Male	154	-	11	-	11
Clerks	Female	503	-	157	-	157
	Male	265	-	93	-	93
Service and sales workers	Female	8	-	6	-	6
	Male	27	-	17	-	17
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	2	-	1	-	1
	Male	28	-	1	-	1
Plant and machine operators and assemblers	Female	1	-	1	-	1
	Male	3	-	6	-	6
Elementary occupations	Female	68	-	9	-	9
	Male	84	-	2	-	2
Sub Total	Female	790	-	306	-	306
	Male	626	-	203	-	203
Total		1 416	-	509	-	509

Table 2.13.2 - Training provided for the period 1 April 2017 to 31 March 2018

Occupational category	Gender	Number of employees as at 1 April 2017	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	39	-	40	-	40
	Male	44	-	26	-	26
Professionals	Female	26	-	67	-	67
	Male	21	-	55	-	55
Technicians and associate professionals	Female	143	-	34	-	34
	Male	154	-	11	-	11
Clerks	Female	503	-	195	-	195
	Male	265	-	101	-	101
Service and sales workers	Female	8	-	2	-	2
	Male	27	-	3	-	3
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	2	-	7	-	7
	Male	28	-	9	-	9
Plant and machine operators and assemblers	Female	1	-	1	-	1
	Male	3	-	1	-	1
Elementary occupations	Female	68	-	8	-	8
	Male	84	-	3	-	3
Sub Total	Female	790	-	354	-	354
	Male	626	-	209	-	209
Total		1 416	-	564	-	564

2.14 INJURY ON DUTY

The following tables provide basic information on injury on duty.

Table 2.14.1- Injury on duty for the period 1 April 2017 to 31 March 2018

Nature of injury on duty	Number	% of total
Required basic medical attention only	13	100
Temporary Total Disablement	-	-
Permanent Disablement	-	-
Fatal	-	-
Total	13	100

2.15. UTILISATION OF CONSULTANTS

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

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

Table 2.15.1 - Report on consultant appointments using appropriated funds for the period 1 April 2017 to 31 March 2018

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Appointment of a Fund Management and Human Resource Management Service Provider for the South African Institute for Vocational and Continuing Education and Training (SAIVCET) on behalf of the Department of Higher Education and Training	6	3 Years	4.62% Management fee
Appointment of associations to perform the role of occupational team conveners (Plumbing)	1	31/02/2022, not to exceed 60 months	R 2 020.00
Appointment of associations to perform the role of occupational team conveners (Welding)	1	31/02/2022, not to exceed 60 months	R 625.00
Appointment of associations to perform the role of occupational team conveners (Electrician)	1	31/02/2022, not to exceed 60 months	R 475.00
Appointment of associations to perform the role of occupational team conveners (Millwright)	1	31/02/2022, not to exceed 60 months	R 475.00
Appointment of associations to perform the role of occupational team conveners (Boilermaker)	1	31/02/2022, not to exceed 60 months	R 950.00
Appointment of associations to perform the role of occupational team conveners (Rigger)	1	31/02/2022, not to exceed 60 months	R 950.00
Appointment of associations to perform the role of occupational team conveners (Fitter and turner)	1	31/02/2022, not to exceed 60 months	R 950.00
Appointment of associations to perform the role of occupational team conveners (Pipe fitter)	1	31/02/2022, not to exceed 60 months	R 950.00
Appointment of a service provider developing a costing model for occupational programmes	7	9 Months	R 2 998 656.00

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Appointment of a service provider for the maintenance of the HEMIS computer programme systems for DHET for a period of three-years	3	3 Years	R 1 841 784.00
Appointment of a service provider to develop self-directed learning materials suitable for adult learners for five subjects in the National Senior Certificate for Adults Qualification	6	18 Months	R 6 042 004.00
Appointment of a service provider to develop curriculum content and open learning materials for the occupational certificate: electrician (QCTO curriculum code 671101000) programme	9	6 Months	R 3 284 904.30
Appointment of suitable service provider/s to arrange travel and hotel accommodation on behalf of the Department of Higher Education and Training spanning a period of 36 months	8	3 Years	Per transaction fee model
Appointment of a service provider to provide the call centre as well as information technology and enhancement for the central application clearing house	5	1 Year with an option to extend for 1 Year	Year 1: R 5 324 162.81 Year 2: R 4 488 795.60
Supply and installation of information technology asset and devise tracking tool as well as monitoring of the assets of the Department of Higher Education and Training for a period of 36 months.	-	3 Years	R 3 198 840.00
Request for a Proposal for the appointment of a suitable service provider to manage funds for the National Skills Authority on behalf of the Department of Higher Education and Training spanning a period of 36 months	6	3 Years	5.15% Management Fee
Appointment of associations to perform the role of occupational team conveners	SEIFSA 6	Not to exceed 60 months	R950.00
	RMI 2		R1425.00
Appointment of a service provider to provide a summative project evaluation on Career Development Services (CDS) projects in the Department of Higher Education and Training	5	3 Months	R819 126.00

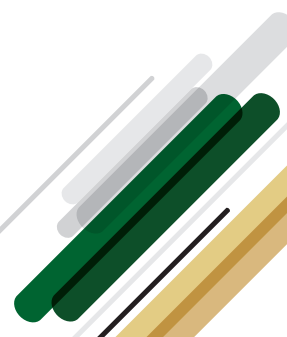


Table 2.5.2 - Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2017 to 31 March 2018

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Appointment of a Fund Management and Human Resource Management Service Provider for the South African Institute for Vocational and Continuing Education and Training (SAIVET) on behalf of the Department of Higher Education and Training	93	93	5
Appointment of associations to perform the role of occupational team conveners (Plumbing)	-	-	1
Appointment of associations to perform the role of occupational team conveners (Welding)	N/A	N/A	1
Appointment of associations to perform the role of occupational team conveners (Electrician)	100	100	1
Appointment of associations to perform the role of occupational team conveners (Millwright)	100	100	1
Appointment of associations to perform the role of occupational team conveners (Boilermaker)	100	100	1
Appointment of associations to perform the role of occupational team conveners (Rigger)	100	100	1
Appointment of associations to perform the role of occupational team conveners (Fitter and turner)	100	100	-
Appointment of associations to perform the role of occupational team conveners (Pipe fitter)	100	100	1
Appointment of a service provider developing a costing model for occupational programmes	93	93	2
Appointment of a service provider for the maintenance of the Higher Education Management Information Systems (HEMIS) computer programme systems for DHET for a period of three-years	64.63	64.63	-
Appointment of a service provider to develop self-directed learning materials suitable for adult learners for five subjects in the National Senior Certificate for Adults Qualification	N/A (Trust)	N/A	N/A
Appointment of associations to perform the role of occupational team conveners	(RMI) 0	-	2
	SEIFSA (100)	100	3
Appointment of a service provider to develop curriculum content and open learning materials for the occupational certificate: electrician (QCTO curriculum code 671101000) programme	-	-	6
Appointment of suitable service provider/s to arrange travel and hotel accommodation on behalf of the Department of Higher Education and Training spanning a period of 36 months	N/A (Bidvest Group Limited 100%)	N/A	5

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Appointment of a service provider to provide the call centre as well as information technology and enhancement for the central application clearing house	26.77	26.77	**Group of 33 Individuals, ethnic group not listed
Supply and installation of information technology asset and devise tracking tool as well as monitoring of the assets of the Department of Higher Education and Training for a period of 36 months.	54.33	54.33	-
Request for a Proposal for the appointment of a suitable service provider to manage funds for the National Skills Authority on behalf of the Department of Higher Education and Training spanning a period of 36 months	93	93	5

Table 2.15.3 - Report on consultant appointments using Donor Funds for the period 1 April 2017 to 31 March 2018

Project Title	Total number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
Appointment of a service provider to provide a summative project evaluation on Career Development Services (CDS) projects in the Department of Higher Education and Training	5	3 Months	819 126

Table 2.15.4 - Analysis of consultant appointments using Donor Funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2017 to 31 March 2018

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Appointment of a service provider to provide a summative project evaluation on Career Development Services (CDS) projects in the Department of Higher Education and Training	5	100	5

2.16. SEVERANCE PACKAGES

Table 2.16.1 - Granting of employee initiated severance packages for the period 1 April 2017 to 31 March 2018

None.



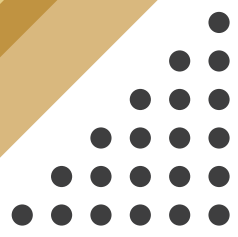
University of Johannesburg - Auckland Park Campus



Waterberg TVET College



PART E
FINANCIAL
INFORMATION



"Running taught me valuable lessons. In cross-country competition, training counted more than intrinsic ability, and I could compensate for a lack of natural aptitude with diligence and discipline. I applied this in everything I did."

Nelson Mandela





PART E: FINANCIAL INFORMATION

DEPARTMENT OF HIGHER EDUCATION AND TRAINING VOTE 15 ANNUAL FINANCIAL STATEMENTS 2017/18

Contents

Report of the Accounting Officer	169
Report of the Audit Committee	195
Report of the Auditor-General	198
Appropriation Statement	205
Notes to the Appropriation Statement	224
Statement of Financial Performance	226
Statement of Financial Position	227
Statement of Changes in Net Assets	228
Cash Flow Statement	229
Notes to the Annual Financial Statements (including Accounting Policies)	230
Unaudited Supplementary Annexures	268

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 2017/18 financial year, excluding direct charges, which was included in the Estimates of National Expenditure 2017, increased by 6.3% from R49 188.279 million during 2016/17 to R52 307.639 million during 2017/18. This included R31 580.518 million (79.8% of the Department's total budget for 2017/18, compared to 80% during 2016/17) for Higher Education Institutions (HEIs) and R10 143.091 million for the National Student Financial Aid Scheme (NSFAS). The total expenditure, excluding direct charges, for the 2017/18 financial year, increased by 6.4% from R49 137.562 million during 2016/17 to R52 295.860 million during 2017/18, which represents a spending rate of 99.98% (99.9% during 2016/17). The expenditure was made up as follows (in R'000):

	2016/17	2017/18	Increase/ (Decrease)
Compensation of employees	7 516 591	8 268 038	751 447
Departmental operations	318 221	319 628	1 407
Payments for financial assets (Losses)	118	83	(35)
Departmental earmarked funds	66 453	106 257	39 804
Subsidies to HEIs	27 964 560	31 580 302	3 615 742
NSFAS	11 392 674	10 143 091	(1 249 583)
Subsidies to public entities	176 688	243 566	66 878
Subsidies to TVET colleges	1 566 747	1 495 749	(70 998)
Subsidies to CET colleges	98 053	103 897	5 844
Other transfers	37 457	35 249	(2 208)
Total expenditure	49 137 562	52 295 860	3 158 298

REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2018

The surplus on the Vote for the financial year, excluding direct charges, amounted to R11.779 million (R50.717 million during 2016/17) and was made up as follows (in R'000):

	2016/17	2017/18
Compensation of employees	47 002	5 734
Departmental operations	3 036	5 632
Departmental earmarked funds	16	9
Subsidies to HEIs	258	216
Subsidies to CET colleges	149	1
Other transfers	256	187
Total savings	50 717	11 779

A decrease in the projected collection of the skills development levy resulted in a decrease of R870.902 million pertaining to the allocation of Direct Charges from R16 641 million to R15 771 million in the Adjusted Estimates for 2017/18. Based on the actual collection of levies, the total expenditure on direct charges during the 2017/18 financial year amounted to R16 293.561 million (R15 233.009 million during 2016/17) and was made up as follows (in R'000):

	2016/17	2017/18
Sector Education and Training Authorities (SETAs)	12 199 864	13 094 581
National Skills Fund	3 033 145	3 198 980
Total expenditure	15 233 009	16 293 561

Important policy decisions and strategic issues

During 2017/18, various policy decisions and strategic issues unfolded in the Department. The amended policy on the minimum admission requirements for the Higher Certificate, Diploma and Degree programmes requiring a Senior Certificate was published. The policy framework for the Realisation of Social Inclusion in the Post-School Education and Training system became effective during 2017/18 and the policy framework on Disability in the Post-School Education and Training system was gazetted during the year. The final Research Report on the Evaluation of the Implementation of the National Qualifications Framework (NQF) was completed. A communication strategy for student support services for career development has been developed and approved.

In December 2017 the President of South Africa announced the implementation of “fully subsidised free higher education and training for poor and working class South African students starting with students in their first year of study at our public universities”. To give effect to this announcement the Department established the new Bursary Scheme for Poor and Working Class Students in universities and TVET colleges. Implementation commenced with effect from the 2018 academic year. The announcement required urgent decisions relating to the student funding policy, including how the new programme should be structured, what kinds of academic and service conditions should be attached to the bursary, and what kinds of allowances could be paid to students.

The scheme applies to first time entry students in universities and all TVET college students during the 2018 academic year. These decisions will be consolidated into a policy on student funding during the 2018/19 financial year.

In line with a recommendation made by the Ministerial Review on University Funding, the Teaching Development Grant and the Research Development Grant have been consolidated to create the University Capacity Development Grant, directed towards the implementation of the UCDP. The UCDP was implemented from the start of the 2018 academic year. This programme is focused on transforming teaching, learning, researching and leadership within public higher education, and is the Department's key strategic intervention for strengthening and developing the university education sector over the next ten years.

During December 2017, the Minister approved the Guidelines for Good Governance Practices for Councils of Public Universities. These Guidelines have been distributed to all universities and are accompanied by a self-assessment instrument for university Councils. Each Council will undertake a self-assessment and submit the results during June 2018. The results of this assessment, together with other information elicited from the annual reports submitted in terms of the reporting regulations, will provide a baseline assessment of the governance practices at public universities across the system. This will be the first time that a national assessment of the state of governance of the system is done.

During the year under review, the Policy on Performance Reporting, the Financial Management Policy and a revised funding framework for TVET colleges were approved. A review was done on the Management Communication and Communication N4 syllabus. The Department established a Working Group on the functioning of Academic Boards in TVET colleges to strengthen governance oversight of programme and curriculum delivery. A draft Policy Framework for TVET College Qualification Offerings and a draft Policy Framework for TVET College Student Admissions were approved by the Minister for public comment. Feedback from a diversity of stakeholders on the intended discontinuation of N1, N2, N5 and N6 national examinations were collated. There was a strong case made not to discontinue N2 because of its demand from employers. The Student Bursary rules and guidelines were revised to be in line with the Presidential announcement on fully subsidised free higher education and training for poor and working class students. The Department also developed a Student Support Services Plan for TVET colleges with the emphasis on tightening up the admissions process so that attention is given to improving the academic success of students for the period of study.

An improvement strategy was developed for TVET examinations to address the quality of examinations and the leakage of examination papers. The Department commenced with an investigation regarding the leakages of August and November 2017 Engineering Examinations and implemented strict security measures to prevent further leakages and to promote the credibility of the examinations in the TVET sector. Principals of the TVET colleges will in future be utilised to assist in identifying lecturers that could be appointed as markers, chief markers and internal moderators. Attention will also be given to identify the best suitable marking centres, marking centre managers as well as the selection of examiners and moderators to set quality question papers. A final proof reading and technical control layer exercise will be introduced for internal and external moderators to peruse the final version before the paper is printed.

REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2018

With regard to Skills Development, the National Skills Development Plan was approved as a framework that will inform the review and integration of the Skills Development landscape as part of the broader Post-School Education and Training system. The SETA Governance Standards to inform the monitoring and evaluation of SETA performance in terms of governance was developed and implemented. The Minister approved the National Artisan Development Strategy for public comment. The aim of the strategy is to implement measures to reach the National Development Plan target for the production of 30 000 artisans per year by 2030. In order to address the omission of two workplace based learning programmes in the funding regime of SETAs which are internships and candidacy, regulations were published for public comments. The comments received are being assessed in order to implement the regulations during the 2018/19 financial year. The Department published regulations to address the omission of internships and candidacy as workplace based learning programmes in the funding regime of SETAs for public comments. The regulations are in its final stages for implementation during the 2018/19 financial year.

During the period under review a Service Delivery Framework for CET colleges was developed. Reports were presented on the implementation of the Teaching and Learning Improvement plan as well as the performance of Community Education and Training Policies on annual reporting as well as a Funding Framework were developed for CET colleges. The Department held induction sessions on governance and management for all CET College Council members. The curriculum development of the National Senior Certificate for Adults and the General Education and Training Certificate for Adults was concluded through collaboration with the Independent Examinations Board.

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

A number of events took place during 2017/18 that assisted with the operations of the Department. Funding was secured to commence with the planning of a new building for the Department. In respect of Information and Communication Technology (ICT), a security awareness campaign was conducted. An ICT Forum for TVET colleges was hosted that resulted in the establishment of a permanent ICT Forum and the development of ICT policies and an ICT Strategic Plan. The server rooms of the Department were upgraded and a training room for ICT training was refurbished.

The Department installed an integrated access control system which consists of CCTV Surveillance, biometric access control and time zone management. The system enables the Department to monitor and coordinate access to the Departmental premises. The Security Advisory Services participated in the National Joint Operational Committee with other Law enforcement agencies to manage incidences of student protests.

The Department finalised a set of Communication protocols and held three TVET College Communication Forums during which a set of communication protocols were finalised that included all the inputs from TVET colleges that were represented. The protocols will serve as guidelines for the marketing and communication functions in TVET colleges. The Department's Call Centre and Client Services toll free line received 20 835 enquiries of which 20 726 were resolved during the period under review. This includes 2 406 reception calls of which 2 368 were finalised and 38 are still pending. Out of 4 001 website enquiries received, 3 930 were resolved. All of the 14 298 toll free calls and 130 walk in queries received were resolved and finalised and 99.72% cases received through the Presidential hotline were finalised and closed.

Department of Higher Education and Training
VOTE 15
REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2018

Although the filling of vacancies in the Department remains a challenge, the vacancy rate was kept below 10%. A Regional Human Resource Management Forum was held to ensure that there is synergy across the country on the management of the Human Resources of the Department. The Department commenced with the utilisation of the eChannel system to reduce the turnaround time in finalising pension pay outs to retiring employees. Leave management, terminations, performance management and recruitment processes have been standardised. The process of implementing an electronic leave management system is at an advanced stage. Attention was given to increase the capacity of Labour Relations through the appointment of additional managers in the various regions and at Head Office in an effort to improve labour peace and turnaround times in finalising reported cases. The development of a post provisioning model for TVET colleges is at an advanced stage to improve the staffing and management of compensation of employees.

The training of staff received attention through the induction of new staff members with the implementation of a compulsory induction programme and by awarding bursaries to staff members. The Department placed 194 graduate interns in various units throughout the Department to gain workplace experience and 100 student interns to acquire experiential learning to allow them to complete their qualifications. Various training courses were attended by staff members including Mentoring and Coaching and Diversity Management. A Human Resources Development Training centre has been created which accommodates 60 people.

The Department successfully managed the extension of financial disclosures to employees on salary level 11 and above, including those on an Occupation Specific Dispensation. All colleges were trained on the new directive on Performance Management and Development in order to standardise the processes. Training on the standard operating procedures for recruitment, leave and terminations was conducted to all the colleges. Job Evaluations for all mandatory and generic posts was conducted across the Department and the results were implemented. The organisational structure is at an advanced stage of review and alignment with the available financial resources.

The Department hosted a Mandela Day Career Festival that took place during September 2017 in Kimberley. In addition, various projects linked to Career Development Services, the National Open Learning System and the development of TVET College Lecturer Open Learning materials were held.

On the international front, support was provided to the Minister as well as the Deputy Minister for working visits to the United Kingdom, China and Cyprus. The Department undertook working visits to Switzerland, Germany, United Kingdom, Equatorial Guinea and Botswana. The Department was represented in the Education Policy Committee meeting of the Organisation for Economic Cooperation and Development, Commonwealth, and the European Union. The Department attended the United Nations Educational, Scientific and Cultural Organisation General Conference where the 2018 to 2021 Programme and Budget was tabled. Key issues raised during the conference included the implementation of the Sustainable Development Goal 4 and its 10 targets. The Department also participated in the Southern African Development Community Ministerial meeting. Officials of the Department participated in technical committees on Accreditation, Teacher Standards and Qualifications Framework. In supporting the implementation of the African Union education strategy, the Department presented to Parliament the Addis Convention for Ratification. There are ongoing discussions between the Department and the Department of Science and Technology on the operationalisation of the Pan-African University initiative. Delegations from Finland, the United States of America, Turkey, France, the European Union, Oman and Mauritania were hosted. Agreements on Higher Education Cooperation were signed with China, Palestine and France. The Department participated in

REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2018

various global conferences and undertook working visits to Malawi, the United Kingdom, India, Portugal, Botswana, Equatorial Guinea, Venezuela and Russia to learn and share best practices.

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

South Africa and the European Union have established a Dialogue facility and the Department hosted a seminar during April 2017 focussing on modernisation and innovation in the skills sector. Best practices were shared on this topic. South Africa and China launched the People-to-People Exchange Mechanism during which occasion the Department presented a comprehensive overview of South Africa's human capital agenda and signed a bilateral education agreement.

During the financial year, the Department published the Statistics on Post-School Education and Training in South Africa, 2016 as well as the Report on Skills Supply and Demand in South Africa in collaboration with the Human Sciences Research Council.

During the year under review, the NQF Bill, 2016 was approved by Cabinet, the Report on the implementation evaluation of the NQF Act, 2008 was finalised and approved and a Research Colloquium on enhancing the implementation of the South African NQF was hosted.

With regard to the announcement to implement "fully subsidised free higher education and training for poor and working class South African students starting with students in their first year of study at our public universities", the Department commenced to work closely with TVET colleges, universities and NSFAS to put in place the required implementation mechanisms. The new bursary is expected to support approximately 40% of first time entry university students during 2018.

A national dialogue on strengthening university teaching, supported by the European Union–South Africa (EU-SA) Dialogue Facility was held during May 2017. Its goal was to explore how to create structural, systemic means to improve the quality of university teaching in order to improve student success. The main outcome of the dialogue is the development of a Framework for Enhancing Academics as University Teachers, which is planned to be finalised by the end of July 2018. The EU-SA Dialogue Facility also supported an international colloquium on a Framework for Interaction, Coordination and Collaboration in Post-School Education and Training that was held on 18 and 19 May 2017. The objective of the colloquium was to discuss the establishment of mechanisms to enable collaboration between the various stakeholders, including Government Departments, institutions and professional bodies in the education and development of more professional graduates. The colloquium was attended by more than 250 delegates. The main outcomes of the dialogue were a colloquium report and a document titled: Towards the Development of a Framework for Inter-Departmental and Stakeholder Collaboration and Alignment, to Build a Skilled and Capable Workforce through Post-School Education and Training.

The Department convened a meeting on 16 November 2017 with key national and provincial departments to explore alignment between international scholarship programmes implemented by national, provincial and local Government departments. The meeting agreed that the Department would lead a process to establish an international scholarships forum, and that the forum would take responsibility for developing a framework document to better collaborate and coordinate scholarship opportunities across various national and provincial Government departments.

The draft National Plan for Post-School Education and Training was finalised for public consultation during November 2017 and formed the basis for a range of stakeholder consultations. Consultations with key university stakeholders were held during February and March 2018. The plan will be reviewed and finalised during the 2018/19 financial year, taking into account the consultation processes.

Two student leadership capacity development workshops, one for coastal institutions and the other for inland institutions were held during the year. A national workshop was convened on the Code of Good Governance for South African Universities and was attended by registrars, vice chancellors and council members. The workshop was used to consult on the code and the self-assessment tool for councils. This led to the development and publication of the Guidelines of Good Governance Practice and Governance indicators for South African public HEIs.

A national consultative workshop on the MIF. Following the workshop the MIF was further refined and improved. The Department followed up with a series of four regional workshops during November and December 2017 to share information on the MIF and its implementation. The MIF is a web-based ICT platform and is accessible to the Department and all universities. It includes good practice guidelines for the management of infrastructure programmes at university level and will support the planning, budgeting, management and monitoring of the university infrastructure programme. All institutions were required to upload information with respect to their infrastructure plans by the end of January 2018. The MIF is being tested through this process to be refined. Work on the Student Housing Infrastructure Programme and the Integrated Infrastructure Programme of South Africa for student housing continued during 2017/18. One feasibility study was completed and phase one of the procurement process was undertaken. Other components of feasibility studies were completed. Universities and other stakeholders were engaged and various alternative funding options are being explored.

A Dialogue on Entrepreneurship Development in Post-School Education and Training was convened on 22 November 2017 at the Council on Higher Education. Presentations were made by various branches of the Department of Higher Education and Training, the National Skills Authority, the National Skills Fund, Department of Small Business Development and the Small Enterprise Development Agency. The main purposes of the dialogue was to:

- Share information on initiatives/steps that have been taken or are being planned for entrepreneurship development in the PSET sector; and
- Initiate a process of aligning initiatives as part of an integrated approach to building a coordinated, holistic and effective PSET Entrepreneurial Development ecosystem, through creating processes for collaboration and mutual support.

A number of projects linked to the implementation of the UCDP, and supported by the UCDP were designed and approved during the 2017/18 financial year for implementation:

- 26 three-year university capacity development plans have been approved and implementation commenced during January 2018;
- Phase four of the New Generation of Academics Programme, involving the recruitment of 111 new academics, was initiated during March 2018;

REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2018

- The University Staff Doctoral Programme, intended as the instrument of the Department to support existing university academics to achieve Doctoral degrees, was approved during the fourth quarter of 2017/18 and will be implemented for the first time from March 2018;
- The Entrepreneurship Development in Higher Education Programme has been formalised into a three-year funded programme. This was approved during the fourth quarter and implementation commenced during March 2018; and
- The Higher Education Leadership and Management Programme has been formalised into a three-year funded programme. This was approved during the fourth quarter and implementation commenced during March 2018.

A task team was established to review the initial professional development of teachers through distance education, with a specific focus on the initial teacher education programme at the University of South Africa. A Ministerial Task Team commenced work on the recruitment, retention and progression of black south african academics.

With regards to the Historically Disadvantaged Institutions Development Grant, strategic meetings where universities were required to submit new and revised projects for the outer three-years of the project in order to further access funding, were held with universities during the second and third quarters of the financial year. Revised plans were submitted by the HDIs by 31 January 2018. Seven of the HDIs received allocations to put in place development support teams to work with the departmental project manager to support the university and to assist with project evaluation and monitoring. Additional allocations will be considered once an assessment of each institution's plans, and ability to implement them, has been undertaken.

The business specifications and functional specifications for the Central Applications Service (CAS) were developed. Extensive consultation was undertaken to finalise these and ensure that the design is effectively integrated into the systems of PSET institutions. The next phase of the project will be to build, test and operationalise the system that will support the implementation of the CAS.

The Joint Task Team on the function-shift of agricultural colleges from a provincial to a national competence, established between the Departments of Higher Education and Training and Agriculture, Forestry and Fisheries, completed its report during November 2017. The Report makes recommendations to the two Ministers in terms of a function-shift of colleges from a provincial to a national competence, the mechanism that should be put in place to enable this, and how the future governance and management of the colleges should be arranged. A Cabinet memorandum has been prepared requesting approval for the recommended process to enable the function-shift to occur.

With regards to TVET college examinations, the following reports were compiled and approved:

- The conduct of public TVET college examination centres during national examinations and assessments.
- The eradication of certification backlogs.
- The evaluation of sampled TVET colleges on compliance during the 2016 academic year to recommended governance standards.
- The implementation strategy on strategic partnerships with key stakeholders.
- A monitoring and evaluation report on the performance of the TVET colleges during quarters three and four.

The roll-out plan for the construction of nine TVET college campuses was developed and approved during March 2018. Construction of the sites will commence during the 2018/19 financial year.

TVET teaching and learning support plans aimed at improving access to quality teaching and learning in the sector through the development of one new teaching and learning support plan were completed. During August 2017, the Department hosted a TVET qualifications colloquium to receive inputs into the TVET qualifications draft policy. A Student Support Services Plan for TVET colleges was also developed and was further implemented in TVET colleges during the 2017 and 2018 academic years. The Department also hosted a Student Support Services conference to improve provision and implementation of the Student Support Services Plan. A pre-vocational learning programme was developed and introduced in nine pilot TVET colleges.

The Department conducted training of examiners and moderators to ensure that question papers are produced and approved well in advance of examination dates. Examiners were introduced to a new model of setting question papers, the CASTER model, developed by the Singaporean Assessment and Examination Board. Examiners learned how to characterise and categorise items and how to assess the factual and procedural knowledge. This training was conducted across the nine provinces.

A new integrated examination computer system is in the process of being developed in order to resolve data inaccuracies, certification rates, throughput rates as well as the completion rate. The data migration process which entails the transfer of the old data to the new system has been completed. The functionalities for access and security, student management, examination centres and payments have been completed and released.

During the year, 20 South African competitors participated in the World Skills International Competition held at Abu Dhabi from 14 to 19 October 2017 in various trades. Of the 57 countries which participated, South Africa reached position 30 based on the total number of points obtained.

The Institute for the National Development of Learnerships, Employment Skills and Labour Assessments (INDLELA) Recapitalisation Project to refurbish the physical infrastructure of INDLELA, improve security, upgrade machinery, equipment and tools in all the workshops, improve the information technology infrastructure and create more office space, commenced during the year under review. The project is estimated to be completed during 2021. The Department through the State Information Technology Agency also commenced with the development of the Automated Artisan Trade Test System.

The Department undertook an initiative to build capacity of personal assistants and administrative staff in CET Regional Offices and CET colleges on procurement processes, compiling travel requisitions and relevant forms, procurements processes and compilation of submissions using the submission guidelines developed by the Office of the Director-General. Lecturer policy mediation roadshows were also conducted focusing on the distinction between AET and CET and policies that regulate this progressive innovation in the CET sector in line with the White Paper for Post-School Education and Training. Capacity building workshops were conducted for CET Principals in management and leadership as well as Level 4 lecturers in fundamentals (Languages and Mathematics).

REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2018

Spending trends

The under-expenditure of R11.779 million (R50.717 million during 2016/17) on the Department's programmes, measured against the allocations after virement, is as follows, in R'000:

	2016/17		2017/18	
	Under-expenditure	Percentage	Under-expenditure	Percentage
1. Administration	6 911	1.82%	3 346	0.84%
2. Planning, Policy and Strategy	14 768	20.63%	1 323	1.94%
3. University Education	15 969	0.04%	969	0.01%
4. Technical and Vocational Education and Training	1 635	0.02%	616	0.01%
5. Skills Development	808	0.45%	833	0.34%
6. Community Education and Training	10 626	0.53%	4 692	0.22%
Total	50 717	0.10%	11 779	0.02%

The under-expenditure did not impact negatively on the Department's programmes and service delivery. Factors that contributed to under-expenditure included savings realised on Community Education and Training claims not received as projected, posts on the staff establishment that became vacant during the year and that could not be filled as projected as a result of the large volume of applications received and the concomitant savings on these, the favourable Rand/Euro exchange rate that was applicable when payments were made to the Commonwealth of Learning as well as unclaimed interest and redemption funds by universities.

Expenditure was monitored on a regular basis and the Minister received monthly reports in terms of the Public Finance Management Act on the spending levels. A re-prioritisation of activities within the objectives of the Department was also performed where required.

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

Virement

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

Virement applied from	Virement applied to	Amount
1: Administration	4: Technical and Vocational Education and Training	3 898
3: University Education	4: Technical and Vocational Education and Training	1 660
5: Skills Development	4: Technical and Vocational Education and Training	6 016
6: Community Education and Training	4: Technical and Vocational Education and Training	49 864

The need for the virement to Programme 4: Technical and Vocational Education and Training were mainly required to finance excess expenditure on examination and moderation related costs as well as the contingent liability to the Government Pensions Fund in respect of top-up cases for TVET college staff. Funds that were shifted were mainly realised on vacant posts on the staff establishment that could not be filled as projected, the concomitant savings that resulted from this as well as operational costs within Programme 6: Community Education and Training.

Treasury approvals on transfer payments were received for the following:

- To increase the transfer payment to the University of KwaZulu-Natal for the clinical training grant. (Reference number 9/4/4/4/13 dated 15 March 2018); and
- To shift funds within transfer payments to increase the transfer of interest and redemption on loans for the 2017/18 financial year (Reference number 9/4/4/4/13 dated 29 March 2018).

Approval was received from the Minister of Finance (reference number M3/4/3/2 (433/18) dated 29 March 2018) to shift funds from the budget for Compensation of Employees to Transfers and subsidies: Households for leave gratuities.

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

2. Services rendered by the Department

2.1 Services rendered

The Department was in the main responsible for the development and support of a quality higher and vocational education sector and to promote access to higher education, vocational education, and skills development training opportunities. Revenue collected was for services rendered in respect of TVET college examinations and certificates, the registration of private HEIs as well as trade tests, boarding and rental fees charged by INDLELA. The total revenue collected by the Department for the period under review amounted to R6.436 million (R5.317 million during 2016/17).

REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2018

2.2 Tariff policy

National Technical Examinations

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

Examination fees (Fee Category)	Tariff in R
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:

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

Private Higher Education Institutions

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

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

Trade test tariffs

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

2.3 Free services

None

2.4 Inventories

The inventories on hand at year-end amounted to R615 368 (R163 457 on 31 March 2017).

3. Capacity constraints

Capacity constraints are experienced by the Department in relation to staff capacity, physical accommodation and financial resources. The Department continues to experience funding shortfalls regarding a number of key operational areas. It has an 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. Inadequate office space also impacts negatively on staff morale and performance. The effective roll-out of regional presence by the Department, including the establishment of Client Service desks, remains a key challenge.

The staff capacity constraints has an impact on various areas such as the TVET and CET sectors, Financial Management, Supply Chain Management and Human Resources Management due to increased work volumes based on the TVET and CET function-shift. There is also still limited capacity to manage the Open Learning System,

REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2018

the NQF as well as Social Cohesion and Equity. Staff capacity in the University Education Branch continues to be a major challenge. The Branch has put a programme in place for the secondment of staff from a partner university. This is, however, a short term solution and will not be sustainable over the long term. Staff are carrying workloads intended for more people than are employed which is leading to staff dissatisfaction, the need for staff to work beyond office hours and difficulties to meet set time-frames.

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

Capacity constraints in the examination and assessment environment are addressed through the appointment of examination assistants that are appointed to fill the gap for a short period and these appointments are in line with the Personnel Administrative Measures. Examinations also experience shortages in critical areas such as monitoring and data quality management and experience difficulties in generating accurate data as a result of the lack of capacity in data management processes.

The capacity of the Community Education and Training branch was improved during 2017/18 through the appointment of five senior managers. A further two director posts were advertised. The regional directors responsible for CET in Limpopo and Eastern Cape have retired. The situation in Limpopo is the most critical as there are not officials based in district offices to support the CET college.

Limitations in infrastructure in the CET sector is hampering the offering of appropriate and quality programmes needed and simultaneously the achievement of the National Development Plan targets. The Department has no authority over the infrastructure through which it delivers CET programmes and the current available infrastructure is not always conducive for quality teaching and learning. Notwithstanding the protocols entered into with provincial education departments, the Department receives numerous complaints about the unsuitability of some of the schools used for CET education, training and development. The complaints range from challenges with access to facilities, limited time for tuition, suitability of furniture for adults and the school structure to allow for programme diversification.

4. Utilisation of donor funds

The Department received new donations totalling R3.650 million in cash from foreign donors during the 2017/18 financial year. Total donations held in the Reconstruction and Development Programme (RDP) for the 2017/18 financial year amounts to R174.102 million. Expenditure of R85.921 million was incurred against funds held in the RDP Fund. The balance of the funds available to the Department in the RDP Fund, as at 31 March 2018, was R88.181 million.

Donor funds were mainly used as follows:

European Union

- The Teaching and Learning Capacity Improvement Programme was approved and five plans, one for each focus area (TVET; CET; Early Childhood Development; Primary Education; and Special Needs Education) were developed. A number of events, linked to the implementation of the Teaching and Learning Development Capacity Improvement Programme took place during 2017/18. These included: four annual dialogues involving a broad spectrum of stakeholders focussing on (1) teacher education for early childhood education, (2) primary teacher education, (3) TVET and CET college lecturer education and (4) inclusive education; and The launch of a new Journal for Vocational and Continuing Education and Training, on the 28 November 2017. The Department, through the programme, has provided seed funding for the Journal's establishment; and a round table on Teaching Practice for Initial Teacher Education held during June 2017. Following the meeting a process towards developing an Intergovernmental Implementation Protocol for Teaching Practice has been initiated.

Of the total allocation of R200 million, R55.802 million was spent on this project during 2017/18.

- The Career Development Services Project - Policy and Coordination: The Department has been mandated by Cabinet to develop a National Policy for an Integrated Career Development System across all spheres of Government. During the year under review, the implementation of the "National Policy for an integrated Career Development Services System for South Africa" which was published in the Government Gazette (Vol 622, No 40795) on 20 April 2017 commenced. The Policy provides an enabling environment for Career Development Services provision to all citizens through policies, guidelines, protocols, mechanisms, structures, shared responsibilities and collaboration. National coordination structures such as the Interdepartmental Career Development Committee, the National Career Development Government Forum, and the SETA Career Development Forum were established during 2017/18.

A Career Development Services Coordinating Structure has been established on a project-basis in the Department until March 2020. The Structure coordinates and manages the operations of, and provides shared services to the Career Development System. The Structure is comprised of the following: Policy and National Coordination, Career Development Services Helpline, Information Services and Support, Training and Support, Communications and Advocacy, and Systems Support.

Of the total allocation of R60 million, R18.748 million was spent on this project during 2017/18.

The Career Development Services Project - Implementation: Through this project the Department is offering free career information, guidance and advice services on an individual basis by Career Development Practitioners through a multi-service platform including telephone, email, short message services or "Please call me", Facebook and a Khetha centre. During 2017, 68 921 individual people have been assisted on a one-to-one basis through the service.

The National Career Advice Portal is an online self-help tool designed to assist clients to make informed career, study and work choices by providing the public with easy access to information on over 1 400 occupations (as listed on the Organising Framework for Occupations), qualifications and PSET institutions. A total of 314 754 people have accessed the portal during 2017.

REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2018

The CareerAdvice website is an online resource that provides users with comprehensive career, study and work related information. A total of 17 304 people accessed the site during 2017.

The Khetha Radio Programmes are weekly programmes running on 13 SABC radio stations in all 11 official languages, as well as Khoi San, where career, study and work related information is provided to members of the public. 53 Community Radio stations were used for a focussed intervention. Khetha Radio Programmes have a weekly listenership of 3.5 million.

Career Development Services Training and Support provide training and support to existing and new partner career development centres. The unit additionally conduct and participate in outreach events, career exhibitions and information sessions to learners on subject choice, post-school study options, bursaries and application processes among others, and provide career development information to Career Development Practitioners (teachers, student support officers and those involved in career development work in their communities). 166 862 learners and youth were assisted during these sessions.

The Annual Mandela Day Career Development Festival provides career information to learners from rural areas and under-serviced communities. During 2017 the event took place in partnership with the South African National Defence Force at the Kimberley Military Base, Northern Cape. The event was attended by 4 335 people including 3 260 learners and 880 youth.

The Apply Now! Campaign was launched during 2012 by the Deputy Minister of Higher Education and Training focussing on career choices and to apply early and use the information provided on the variety of opportunities in post-school education and training. Since its inception, the campaign has been implemented through community outreach programmes/school visits led by the Deputy Minister of Higher Education and Training, distribution of Apply Now! booklets to schools and the Khetha radio programmes. Over 1.5 million grade 11 and 12 learners have been reached throughout the country.

Of the total allocation of R99 million, R4.435 million was spent on this project during 2017/18.

- The National Open Learning System for Post-School Education and Training Project was approved on 7 April 2016 for an amount of R51.860 million. The outcomes of the project are: 1) Piloting an open learning system and the development of open learning materials for one skills programme; four subjects for the National Senior Certificate for Adults; two NC(V) subjects; and a Career Development Practitioner's programme; 2) Developing case studies on the application of open learning; and 3) promoting Open Educational Resources. This year was characterised by several policy clarification and support workshops. Much attention has been given to advocate and communicate open learning to PSET institutions. The National Open Learning System has been conceptualised and once it is operational during 2019, online learners will be able to undertake online self-assessments and receive achievement badges for the successful completion of modules courses. National Open Learning System will support the process of connecting learners to registered institutions, colleges and universities, enabling them to migrate to formal assessments, and to continue their studies where possible in the formal system. During 2017/18 the development of self-directed online learning materials has been initiated for the National Occupational Qualification for Electricians, the National Senior Certificate for Adults, and core modules for the Advanced Diploma in Technical and Vocational Teaching. These materials will be completed during 2019 and 2020.

A total amount of R3.934 million was spent on this project during the 2017/18 financial year.

Chinese Government

- The Department continues to be assisted by PSETA in managing the 2 000 training opportunities that the Chinese Government offered to South Africa for the period 2015 to 2020. 624 officials and technicians were sent during 2017.
- The Chinese Government also contributed to the development of designs and plans for the refurbishment of four TVET colleges.

USAID

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

A total amount of R1.665 million was spent on this project during the 2017/18 financial year.

African Development Bank

- The Department received funds for the Middle Income Countries on Education for the Sustainable Development in Africa project.

A total amount of R1.337 million was spent on this project during the 2017/18 financial year.

5. Public entities

As at 31 March 2018, 26 public entities reported to the Minister of Higher Education and Training, namely:

5.1 Council on Higher Education (CHE)

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

An amount of R47.946 million was transferred to the CHE during the 2017/18 financial year.

During 2017/18 the following strategic objectives were executed by the CHE:

- Designed, piloted and implemented a methodology to assess HEIs' quality assurance systems;
- Re-accredited programmes offered by HEIs as per notification from the Department;
- Conducted site visits to verify the institutional capacity to offer accredited programmes as per recommendation of the Higher Education Quality Council's Accreditation Committee and to investigate complaints;
- Piloted a revised framework, criteria and process for programme accreditation;
- Produced a document synthesising what was learnt during Phase 1 of the Quality Enhancement Project;



REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2018

- Developed, implemented and reviewed relevant Higher Education Qualification Sub-Framework policies and criteria within the context of the NQF;
- Maintained a database of relevant private higher education data to feed into the National Learners Records Database;
- Developed and reviewed qualification standards to ensure the relevance, comparability, and currency of qualifications;
- Undertook national reviews of existing programmes in selected subject fields and qualification levels offered by public and private higher education institutions;
- Provided research-based recommendations and advice on issues of national importance to the higher education sector, both pro-actively and in response to Ministerial requests;
- Developed and maintained an effective, integrated online ICT system;
- Ensured compliance with regulatory requirements;
- Developed and maintained functional strategic partnerships with international quality assurance bodies and networks and good relations with stakeholders; and
- Kept abreast of international trends in quality assurance in higher education and conduct benchmarking exercises of key entity processes.

5.2 National Student Financial Aid Scheme (NSFAS)

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

An amount of R10 143.091 million was transferred to NSFAS during 2017/18.

Other sources of revenue are donor funds, money repayable on study loans and interest on investments. During the 2017/18 financial year, the unaudited number of students who received NSFAS financial assistance amounts to 459 702 (201 354 students at TVET colleges and 258 348 students at universities).

5.3 South African Qualifications Authority (SAQA)

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

The Department transferred an amount of R64.940 million to SAQA during the 2017/18 financial year.

During the 2017/18 financial year SAQA dealt with the following:

- Monitored the implementation of the NQF Implementation Framework 2015-2020 and the Ministerial Guidelines across the sector and reported progress to the Minister;
- Reported on misrepresented qualifications that had been identified by SAQA and the QCTO;
- Amended the Policy and Criteria for the Recognition of Professional Bodies and Registration of Professional Designations;
- Promoted the NQF and SAQA through social media platforms and reached close to two million stakeholders;
- Registered 385 qualifications, recognised 13 professional bodies and registered 44 professional designations;
- Monitored 12 professional bodies for their mid-term compliance and 46 professional bodies for re-recognition;
- Loaded data from Quality Councils and professional bodies onto the NLRD. Approximately 1 488 million new learners and 1 454 million learner achievements were added in this financial year;
- Verified 79 931 national qualifications and recognised 25 216 foreign qualifications; and
- Produced the Draft 2017 NQF Impact Study, the Draft 5th Trends Report and one SAQA Bulletin

5.4 The National Skills Fund (NSF)

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

The Department transferred an amount of R3 198.980 million from direct charges to the NSF during 2017/18.

5.5 Sector Education and Training Authorities (SETAs)

During 2017/18, 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.

REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2018

These annual agreements are determined by the NSDS five-year targets, which are calculated in annual terms.

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

The Department transferred an amount of R13 094.580 million from direct charges to SETAs during the 2017/18 financial year.

5.6 The Quality Council for Trades and Occupations (QCTO)

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

The Department transferred an amount of R26.920 million to the QCTO during the 2017/18 financial year.

The major achievements of QCTO for the 2017/18 financial year are detailed below:

- The QCTO approved 111 prioritised occupational qualifications for recommendation to SAQA for registration. SAQA registered 68 of these occupational qualifications by the end of 2017/18. This brings the overall number of registered occupational qualifications on the OQSF to 218.
- Two hundred and fifty-three (253) historically registered qualifications were identified to be replaced.
- 313 Skills Development Providers (SDPs) were accredited to offer occupational qualifications.
- During 2017/18 reporting period the QCTO continued to apply its full quality assurance for the new Occupational Qualifications. Thirteen (13) final External Integrated Summative Assessments (EISAs) were quality assured.
- As at the end of the 2017/18 reporting period there are 38 Assessment Quality Partners approved to develop assessments for registered Occupational Qualifications.
- 183 Assessment Centres were accredited for Occupational Qualifications and Trade Qualifications.
- The Certification Unit processed and issued 100% (19 333 records) of the certification recommendations for trade certificates within a 21 working day turnaround time.
- 10 444 requests for verification of trade certificates were processed.
- The Quality Assurance Partners, which include the 21 SETAs and 9 professional bodies, were monitored on a quarterly basis.
- The development of a Management Information System commenced in earnest with Phase 1 being tested.

6. Other organisations that receive transfer payments from the Department

6.1 Higher Education Institutions (HEIs)

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

A total amount of R31 580.302 million was transferred to HEIs during the 2017/18 financial year.

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

An amount of R15.158 million was transferred to ETDP SETA for skills development in the TVET and CET college sectors from Voted funds.

6.3 TVET colleges

Funds were transferred in order to support the TVET colleges and to enable them to perform their core functions. A total amount of R1 495.749 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 identify TVET colleges in order to support the CET colleges and to enable them to perform their functions. A total amount of R103.897 million was transferred for this purpose.

6.5 Other transfers

- **Commonwealth of Learning**

An amount of R2.753 million was transferred to the Commonwealth of Learning, being the membership fee for South Africa.

- **Universities South Africa**

An amount of R8.581 million was transferred to Universities South Africa for the Higher Education HIV and Aids programme.

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

An amount of R103.760 million was transferred to the Public Service Sector Education and Training Authority for Skills Development in the public sector.

REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2018

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

An amount of R26.323 million was transferred to the National Institute for Humanities and Social Sciences to advance and coordinate scholarship, research and ethical practice in the fields of the Humanities and the Social Sciences within and through the existing public Universities.

6.6 Conditional grants to Provincial Education Departments (PEDs)

None.

7. Public-Private Partnerships (PPPs)

None.

8. Corporate governance arrangements

8.1 The Department's Risk Assessment and Fraud Prevention Plan

The Department's risk management and fraud prevention policies and strategies have been reviewed and approved by the Director-General. Risk assessments (both strategic, operational and fraud risks) are performed regularly to identify new and emerging risks for effective management. All the identified risks are monitored regularly to ensure effective implementation of the risk mitigation strategies. Management of risks is gradually being embedded into day-to-day activities of the Department and effectiveness of the function is monitored by the Risk Management Committee, Senior Management and Audit Committee of the Department for improved service delivery and realisation of the set objectives.

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

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

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 the management of risks, the audit process, the monitoring of compliance with laws and regulations as well as the Code of Business Conduct of the Department. The Audit Committee functions effectively as required by the Public Finance Management Act and

Treasury Regulations. The Audit Committee held five meetings during the period under review and was assisted by Internal Audit, which also provides secretariat services.

8.4 Management processes for minimising conflict of interest

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

8.5 Implementation of a Code of Conduct

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

8.6 Safety, health and environmental issues facing the Department

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

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

8.7 Other governance structures

- **Bid Committees**

- **Bid Specification Committee (BSC)**

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

REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2018

– **Bid Evaluation Committee (BEC)**

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

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

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

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

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

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

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

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

9. Discontinued activities/activities to be discontinued

None.

10. New/proposed activities

None.

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 Asset Register.

11.2 Indication of the extent of compliance with the minimum requirements

The asset register complies with the minimum requirements.

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

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

11.4 Indication of problems experienced with the Asset Management Reform

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

12. Events after the reporting date

None.

13. Information on predetermined objectives

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

REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2018

14. Standing Committee on Public Accounts (SCOPA) resolutions

None.

15. Prior modifications to audit reports

None.

16. Exemptions and deviations received from the National Treasury

None.

17. Interim Financial Statements

Interim Financial Statements were compiled according to the guidelines issued by National Treasury and submitted to National Treasury during the 2017/18 financial year.

18. Other

None.

19. Approval

The Annual Financial Statements, set out on pages 205 to 292, were approved by the Accounting Officer.



Mr GF Qonde

Director-General

Date: 31 May 2018

REPORT OF THE AUDIT COMMITTEE
for the year ended 31 March 2018

We are pleased to present our report for the financial year ended 31 March 2018.

Audit Committee Responsibility

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

The Effectiveness of Internal Control

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

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

Areas of concern remains in relation to the information technology environment, especially with regards to the following areas: governance, risk assessment, security management, user access management, program change management and business continuity, which all may have a direct impact on the business operations of the Department.

The system of control over performance information reporting for Programmes 3, 4, 5 and 6 still requires further improvement in effect to ensure that reports are fully supported by accurate, valid and complete evidence.

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.

REPORT OF THE AUDIT COMMITTEE

for the year ended 31 March 2018

Evaluation of Financial Statements

The Audit Committee has:

- reviewed and discussed the audited financial statements to be included in the Annual Report with the AGSA and the Accounting Officer;
- reviewed the AGSA's management report and management's response thereto;
- reviewed changes in accounting policies and practices;
- reviewed the Department's compliance with legal and regulatory provisions;
- reviewed significant adjustments resulting from the audit; and
- reviewed information on predetermined objectives to be included in the 2017/18 Annual Report.

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

Internal Audit

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

Risk Management

A Risk Management Strategy as well as a Risk Management Committee is in place. A focus on risk management has led to an updated strategic risk register.

Auditor-General South Africa

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

REPORT OF THE AUDIT COMMITTEE
for the year ended 31 March 2018

Conclusion

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



Prof DP van der Nest

Chairperson of the Audit Committee

Department of Higher Education and Training

Date: 31 July 2018

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Higher Education and Training (DHET) as set out on pages 205 to 267 which comprise the appropriation statement, the statement of financial position as at 31 March 2018, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the DHET as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard prescribed by the National Treasury (MCS) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of accounting officer for the financial statements

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

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

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

Report on the audit of the annual performance report

10. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
11. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2018:

Programmes	Pages in the annual performance report
Programme 3 – university education	73-81 and 83-85
Programme 4 – technical and vocational education and training	88-95 and 96-98
Programme 5 – skills development	101-102 and 104
Programme 6 – community education training	106-108

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

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

Programme 3 – university education

Various indicators

15. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the performance indicators due to the limitations placed on the scope of my work. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements listed below:

Indicator	Planned target for 2017/18	Reported achievement for 2017/18
Eligible university students obtaining financial aid (n)	205 000	225 950
Additional first time entrants (black and women) to academic workforce in addition to normal replacement and plans (n)	100	549

Programme 4 – technical and vocational education and training

Various indicators

16. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the indicators due to the limitations placed on the scope of my work. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements listed below:

Indicator	Planned target for 2017/18	Reported achievement for 2017/18
Qualifying TVET students obtaining financial assistance (n)	200 000	225 557
NC(V) L4 certification rates (%)	30%	41,7%
N3 certification rates (%)	55%	65,8%
N6 certification rates (%)	40%	66,1%

Programme 6 – community education training

Various indicators

17. I was unable to obtain sufficient appropriate audit evidence for the reported achievements of indicators listed below due to the limitations placed on the scope of my work. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements in the annual performance report of the indicators listed below:

Indicator	Planned target for 2017/18	Reported achievement for 2017/18
Headcount enrolments in all CET colleges (n)	310 000	273 431
Certification rate in formal CET qualifications (%)	38%	35,9%

Other matters

18. I draw attention to the matters below.

Achievement of planned targets

19. Refer to the annual performance report on pages 73-81; 83-85; 88-95; 88-95; 96-98; 101-102; 104; and 106-108 for information on the achievement of planned targets for the year and explanations provided for the under/over achievement of planned targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 15 to 19 of this report.

Adjustment of material misstatements

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

Report on the audit of compliance with legislation

Introduction and scope

21. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the department with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

22. I did not identify any instances of material non-compliance with selected specific requirements of applicable legislation, as set out in the general notice issued in terms of the PAA.

Other information

23. The accounting officer is responsible for the other information. The other information comprises the information included in the Annual Report, which includes the executive authority report, the accounting officer's report and the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
24. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
25. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
26. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

27. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.

Leadership

Oversight responsibility

28. Leadership did not exercise adequate oversight, specifically regarding reporting on the predetermined objectives by the department as well as the related controls. This resulted in material misstatements identified through the audit. Some of these misstatements were subsequently corrected but other misstatements led to the material findings reported above.

Financial and performance management

Proper record keeping

29. The department did not have appropriate record management systems to ensure that complete, relevant and accurate information is accessible and readily available to support the performance information records.

30. As a result, there were significant delays during the audit process as sufficient documentation was not submitted on initial requests for information.

Regular, accurate and complete financial and performance reports

31. The department did not adequately review the reporting on predetermined objectives prior to submission for audit. This is evidenced by the material misstatements identified through the audit process, some of which were not adequately corrected by management resulting in the material findings above.

Governance

Risk management activities and risk strategy

32. The risk identification and assessment was performed however the details of the operational risk was not properly and timeously communicated to essential parties within the department in order to allow effective responses and putting mitigating controls on the areas affected by the identified risks, therefore the institution's risk communication and reporting process could not support the enhanced decision making and accountability through dissemination of relevant, timely, accurate and complete information.

Auditor - General



A U D I T O R - G E N E R A L
S O U T H A F R I C A

Auditing to build public confidence

Auditor-General

Pretoria

Date: 31 July 2018

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the department’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the DHET’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a department to cease continuing as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

APPROPRIATION STATEMENT
for the year ended 31 March 2018

Appropriation per programme		2017/18						2016/17	
Voted funds and Direct charges	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. Administration	400 356	-	(3 898)	396 458	393 112	3 346	99.2	379 624	372 713
2. Planning, Policy and Strategy	68 298	-	-	68 298	66 975	1 323	98.1	71 584	56 816
3. University Education	41 931 721	-	(1 660)	41 930 061	41 929 092	969	100.0	39 531 687	39 515 718
4. Technical and Vocational Education and Training	7 460 198	-	61 438	7 521 636	7 521 020	616	100.0	7 031 622	7 029 987
5. Skills Development	249 357	-	(6 016)	243 341	242 508	833	99.7	181 443	180 635
6. Community Education and Training	2 197 709	-	(49 864)	2 147 845	2 143 153	4 692	99.8	1 992 319	1 981 693
Programme sub total	52 307 639	-	-	52 307 639	52 295 860	11 779	100.0	49 188 279	49 137 562
Statutory Appropriation	16 293 801	-	-	16 293 801	16 293 561	240	100.0	15 233 009	15 233 009
Skills Levy and Sector Education and Training Authorities	16 293 801	-	-	16 293 801	16 293 561	240	100.0	15 233 009	15 233 009
TOTAL	68 601 440	-	-	68 601 440	68 589 421	12 019	100.0	64 421 288	64 370 571
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				29 663				25 549	
Aid assistance				73 650				98 001	
				68 704 753	85 921			64 544 838	81 579
Actual amounts per Statement of Financial Performance (Total Revenue)				68 704 753	85 921			64 544 838	81 579
Add: Aid assistance									
Actual amounts per Statement of Financial Performance (Total Expenditure)					68 675 342				64 452 150

APPROPRIATION STATEMENT
for the year ended 31 March 2018

	2017/18							2016/17	
	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	8 669 644	(8 718)	(83)	8 660 843	8 651 940	8 903	99.9	7 932 567	7 883 158
Compensation of employees	8 282 307	(11 946)	3 411	8 273 772	8 268 038	5 734	99.9	7 563 593	7 516 591
Salaries and wages	7 388 588	(116 544)	3 490	7 275 534	7 270 927	4 607	99.9	6 744 495	6 706 231
Social contributions	893 719	104 598	(79)	998 238	997 111	1 127	99.9	819 098	810 360
Goods and services	387 337	3 228	(3 494)	387 071	383 902	3 169	99.2	368 974	366 567
Administrative fees	1 127	(39)	-	1 088	1 094	(6)	100.6	1 085	1 084
Advertising	3 592	(677)	-	2 915	2 813	102	96.5	5 108	5 105
Minor assets	5 269	(1 603)	(1 504)	2 162	2 065	97	95.5	1 839	1 867
Audit costs: External	15 245	(2 860)	-	12 385	12 384	1	100.0	11 182	11 181
Bursaries: Employees	308	(20)	-	288	288	-	100.0	272	272
Catering: Departmental activities	1 247	3 961	-	5 208	5 137	71	98.6	3 579	3 551
Communication (G&S)	11 577	(2 679)	(106)	8 792	8 686	106	98.8	8 788	8 761
Computer services	47 733	7 193	(550)	54 376	54 365	11	100.0	85 182	85 136
Consultants: Business and advisory services	15 297	(3 004)	-	12 293	11 598	695	94.3	3 310	3 284
Legal services	5 287	2 357	-	7 644	7 642	2	100.0	9 600	9 405
Contractors	390	(331)	-	59	57	2	96.6	2 129	2 167
Agency and support/outsourced services	2 316	292	-	2 608	2 607	1	100.0	14 597	14 597
Entertainment	106	(70)	-	36	35	1	97.2	38	38
Fleet services (including Government motor transport)	1 268	462	-	1 730	1 726	4	99.8	1 100	1 111
Inventory: Clothing material and accessories	125	69	-	194	-	194	-	-	-
Inventory: Fuel, oil and gas	413	-	(263)	150	150	-	100.0	76	74
Inventory: Material and supplies	2 821	(110)	-	2 711	2 706	5	99.8	2 081	2 080
Consumable supplies	4 004	(662)	(869)	2 473	2 641	(168)	106.8	3 062	3 032

APPROPRIATION STATEMENT
for the year ended 31 March 2018

Appropriation per economic classification	2017/18						2016/17		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Consumable: Stationery, printing and office supplies	63 317	2 361	(18 873)	46 805	46 032	773	98.3	30 466	30 391
Operating leases	9 287	46 982	(272)	55 997	55 948	49	99.9	5 217	52 909
Property payments	60 736	(36 224)	(41)	24 471	24 449	22	99.9	59 097	11 447
Transport provided: Departmental activity	3 529	3 518	-	7 047	7 004	43	99.4	5 539	5 499
Travel and subsistence	91 273	(9 804)	(45)	81 424	80 492	932	98.9	86 226	84 203
Training and development	16 231	(13 254)	(259)	2 718	2 710	8	99.7	2 537	2 536
Operating payments	12 437	1 092	-	13 529	13 323	206	98.5	15 653	15 636
Venues and facilities	8 547	9 917	19 288	37 752	37 740	12	100.0	11 108	11 100
Rental and hiring	3 855	(3 639)	-	216	210	6	97.2	103	101
Transfers and subsidies	59 922 245	8 718	-	59 930 963	59 930 309	654	100.0	56 478 023	56 477 360
Departmental agencies and accounts	26 695 616	183	-	26 695 799	26 695 546	253	100.0	26 819 210	26 819 212
Departmental agencies (non-business entities)	26 695 616	183	-	26 695 799	26 695 546	253	100.0	26 819 210	26 819 212
Higher education institutions	31 580 518	-	-	31 580 518	31 580 302	216	100.0	27 964 818	27 964 560
Foreign Governments and international organisations	3 489	-	-	3 489	3 306	183	94.8	2 896	2 648
Non-profit institutions	1 634 551	-	-	1 634 551	1 634 550	1	100.0	1 673 121	1 672 972
Households	8 071	8 535	-	16 606	16 605	1	100.0	17 978	17 968
Social benefits	8 071	8 535	-	16 606	16 605	1	100.0	17 978	17 968
Payments for capital assets	9 551	-	-	9 551	7 079	2 472	74.1	10 580	9 935
Machinery and equipment	7 828	302	-	8 130	7 059	1 071	86.8	10 521	9 877
Transport equipment	-	313	-	313	313	-	100.0	-	-
Other machinery and equipment	7 828	(11)	-	7 817	6 746	1 071	86.3	10 521	9 877
Software and other intangible assets	1 723	(302)	-	1 421	20	1 401	1.4	59	58
Payments for financial assets	-	-	83	83	93	(10)	112.0	118	118
Total	68 601 440	-	-	68 601 440	68 589 421	12 019	100.0	64 421 288	64 370 571

APPROPRIATION STATEMENT
Detail per programme 1 - Administration
for the year ended 31 March 2018

Details per sub-programme	2017/18						2016/17		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1. Ministry	34 892	4 516	(100)	39 308	39 060	248	99.4	39 884	39 558
2. Department Management	45 783	(16)	(725)	45 042	44 665	377	99.2	56 815	56 308
3. Corporate Services	162 443	(4 266)	(3 012)	155 165	153 514	1 651	98.9	144 528	143 098
4. Office of the Chief Financial Officer	83 704	(7 978)	(41)	75 685	75 377	308	99.6	70 375	66 443
5. Internal Audit	9 851	65	(20)	9 896	9 143	753	92.4	9 745	9 025
6. Office Accommodation	63 683	7 679	-	71 362	71 353	9	100.0	58 277	58 281
Total	400 356	-	(3 898)	396 458	393 112	3 346	99.2	379 624	372 713

Programme 1 per economic classification	2017/18						2016/17		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	394 882	945	(3 982)	391 845	390 068	1 777	99.5	373 469	366 785
Compensation of employees	219 153	(1 678)	(3 692)	213 783	212 930	853	99.6	203 246	196 833
Salaries and wages	195 227	(2 367)	(3 692)	189 168	188 491	677	99.6	177 691	174 248
Social contributions	23 926	689	-	24 615	24 439	176	99.3	25 555	22 585
Goods and services	175 729	2 623	(290)	178 062	177 138	924	99.5	170 223	169 952
Administrative fees	1 124	(67)	-	1 057	1 065	(8)	100.8	1 064	1 064
Advertising	2 489	(377)	-	2 112	2 110	2	99.9	4 748	4 745
Minor assets	2 682	(1 539)	(61)	1 082	1 073	9	99.2	1 391	1 378
Audit costs: External	15 245	(2 860)	-	12 385	12 384	1	100.0	11 182	11 181
Bursaries: Employees	308	(20)	-	288	288	-	100.0	272	272
Catering: Departmental activities	230	(20)	-	210	209	1	99.5	1 159	1 153
Communication (G&S)	5 360	(430)	(105)	4 825	4 801	24	99.5	4 622	4 669

APPROPRIATION STATEMENT
Detail per programme 1 - Administration
for the year ended 31 March 2018

Programme 1 per economic classification	2017/18						2016/17		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Computer services	33 072	(1 739)	-	31 333	31 333	-	100.0	25 356	25 354
Consultants: Business and advisory services	12 977	(4 154)	-	8 823	8 133	690	92.2	688	687
Legal services	350	(124)	-	226	226	-	100.0	5 581	5 580
Contractors	328	(275)	-	53	51	2	96.2	1 895	1 871
Agency and support/outourced services	2 197	398	-	2 595	2 594	1	100.0	13 070	13 070
Entertainment	106	(70)	-	36	35	1	97.2	38	38
Fleet services (including Government motor transport)	1 086	436	-	1 522	1 521	1	99.9	904	912
Inventory: Materials and supplies	101	(33)	-	68	66	2	97.1	-	-
Consumable supplies	1 114	(59)	(104)	951	948	3	99.7	1 136	1 135
Consumable: Stationery, printing and office supplies	6 338	(826)	-	5 512	5 443	69	98.7	5 778	5 757
Operating leases	5 671	46 872	-	52 543	52 527	16	100.0	1 898	49 541
Property payments	60 375	(38 299)	-	22 076	22 072	4	100.0	58 764	11 114
Transport provided: Departmental activity	1 316	1 415	-	2 731	2 718	13	99.5	2 597	2 589
Travel and subsistence	14 499	3 499	(20)	17 978	17 932	46	99.7	20 723	20 497
Training and development	3 154	(546)	-	2 608	2 603	5	99.8	2 467	2 466
Operating payments	2 938	(88)	-	2 850	2 811	39	98.6	3 115	3 107
Venues and facilities	2 492	1 678	-	4 170	4 167	3	99.9	1 739	1 737
Rental and hiring	177	(149)	-	28	28	-	100.0	36	35
Transfers and subsidies	152	828	1	981	975	6	99.4	901	902
Departmental agencies and accounts	-	58	1	59	54	5	91.5	449	449
Departmental agencies (non-business entities)	-	58	1	59	54	5	91.5	449	449
Households	152	770	-	922	921	1	99.9	452	453
Social benefits	152	770	-	922	921	1	99.9	452	453

APPROPRIATION STATEMENT
Detail per programme 1 - Administration
for the year ended 31 March 2018

Programme 1 per economic classification	2017/18						2016/17		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Payments for capital assets	5 322	(1 773)	-	3 549	1 983	1 566	55.9	5 254	5 026
Machinery and equipment	3 599	(1 451)	-	2 148	1 983	165	92.3	5 195	4 968
Other machinery and equipment	3 599	(1 451)	-	2 148	1 983	165	92.3	5 195	4 968
Software and other intangible assets	1 723	(322)	-	1 401	-	1 401	-	59	58
Payments for financial assets	-	-	83	83	86	(3)	103.6	-	-
Total	400 356	-	(3 898)	396 458	393 112	3 346	99.2	379 624	372 713

APPROPRIATION STATEMENT
Detail per programme 2 - Planning, Policy and Strategy
for the year ended 31 March 2018

Details per sub-programme	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Programme Management: Planning, Policy and Strategy	2 725	(30)	-	2 695	2 661	34	98.7	3 283	2 189
2. Human Resource Development, Strategic Planning and Coordination	17 812	(483)	-	17 329	17 117	212	98.8	17 127	15 770
3. Planning, Information, Monitoring and Evaluation Coordination	13 357	(218)	-	13 139	12 809	330	97.5	17 676	9 871
4. International Relations	13 347	240	-	13 587	13 270	317	97.7	13 434	11 961
5. Legal and Legislative Services	14 899	489	-	15 388	15 155	233	98.5	14 466	11 945
6. Social Inclusion in Education	6 158	2	-	6 160	5 963	197	96.8	5 598	5 080
Total	68 298	-	-	68 298	66 975	1 323	98.1	71 584	56 816

Programme 2 per economic classification	2017/18						2016/17		
	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	64 205	(65)	(1)	64 139	63 240	899	98.6	68 130	53 680
Compensation of employees	54 794	(2 095)	-	52 699	52 063	636	98.8	58 200	44 362
Salaries and wages	49 339	(2 319)	-	47 020	46 464	556	98.8	50 944	39 818
Social contributions	5 455	224	-	5 679	5 599	80	98.6	7 256	4 544
Goods and services	9 411	2 030	(1)	11 440	11 177	263	97.7	9 930	9 318
Administrative fees	-	5	-	5	4	1	80.0	-	-
Advertising	7	-	-	7	7	-	100.0	4	4
Minor assets	94	(63)	-	31	29	2	93.5	77	74
Catering: Departmental activities	49	(33)	-	16	12	4	75.0	48	45
Communication (G&S)	669	(113)	(1)	555	539	16	97.1	776	744
Computer services	328	17	-	345	340	5	98.6	30	29
Consultants: Business and advisory services	391	1	-	392	391	1	99.7	-	-
Legal services	3 961	1 698	-	5 659	5 658	1	100.0	3 868	3 674

Department of Higher Education and Training
VOTE 15
APPROPRIATION STATEMENT
Detail per programme 2 - Planning, Policy and Strategy
for the year ended 31 March 2018

Programme 2 per economic classification	2017/18						2016/17		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Contractors	5	(3)	-	2	2	-	100.0	-	-
Agency and support/outsourced services	-	-	-	-	-	-	-	246	246
Inventory: Materials and supplies	4	(3)	-	1	1	-	100.0	-	-
Consumable supplies	27	(4)	-	23	19	4	82.6	56	50
Consumable: Stationery, printing and office supplies	930	(331)	-	599	577	22	96.3	813	724
Operating leases	39	12	-	51	51	-	100.0	29	29
Property payments	6	1	-	7	6	1	85.7	-	-
Transport provided: Departmental activity	2	56	-	58	56	2	96.6	284	265
Travel and subsistence	2 520	647	-	3 167	2 976	191	94.0	3 247	2 983
Training and development	207	(171)	-	36	35	1	97.2	62	62
Operating payments	109	303	-	412	402	10	97.6	375	375
Venues and facilities	63	11	-	74	72	2	97.3	15	14
Transfers and subsidies	3 510	65	1	3 576	3 393	183	94.9	2 973	2 726
Departmental agencies and accounts	-	2	1	3	2	1	66.7	15	16
Departmental agencies (non-business entities)	-	2	1	3	2	1	66.7	15	16
Foreign Governments and international organisations	3 489	-	-	3 489	3 306	183	94.8	2 896	2 648
Households	21	63	-	84	85	(1)	101.2	62	62
Social benefits	21	63	-	84	85	(1)	101.2	62	62
Payments for capital assets	583	-	-	583	341	242	58.5	481	410
Machinery and equipment	583	-	-	583	341	242	58.5	481	410
Other machinery and equipment	583	-	-	583	341	242	58.5	481	410
Payments for financial assets	-	-	-	-	1	(1)	-	-	-
Total	68 298	-	-	68 298	66 975	1 323	98.1	71 584	56 816

APPROPRIATION STATEMENT
Detail per programme 3 - University Education
for the year ended 31 March 2018

Details per sub-programme	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Programme Management: University Education	4 578	330	-	4 908	4 871	37	99.2	4 890	4 320
2. University – Academic Planning and Management	10 268 855	20	(450)	10 268 425	10 268 255	170	100.0	11 507 340	11 504 145
3. University – Financial Planning and Information Systems	10 677	(87)	(1 000)	9 590	9 425	165	98.3	11 980	8 843
4. University – Policy and Development	27 571	(918)	(210)	26 443	26 219	224	99.2	28 287	23 838
5. Teacher Education	13 199	655	-	13 854	13 697	157	98.9	14 372	10 012
6. University Subsidies	31 606 841	-	-	31 606 841	31 606 625	216	100.0	27 964 818	27 964 560
Total	41 931 721	-	(1 660)	41 930 061	41 929 092	969	100.0	39 531 687	39 515 718

Programme 3 per economic classification	2017/18						2016/17		
	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	59 963	(35)	(1 660)	58 268	57 681	587	99.0	67 741	52 124
Compensation of employees	53 408	(23)	(927)	52 458	52 129	329	99.4	61 032	45 918
Salaries and wages	48 045	(328)	(927)	46 790	46 527	263	99.4	55 279	40 875
Social contributions	5 363	305	-	5 668	5 602	66	98.8	5 753	5 043
Goods and services	6 555	(12)	(733)	5 810	5 552	258	95.6	6 709	6 206
Administrative fees	-	15	-	15	14	1	93.3	-	-
Advertising	237	40	-	277	277	-	100.0	15	15
Minor assets	71	(18)	-	53	34	19	64.2	61	57
Catering: Departmental activities	89	48	-	137	136	1	99.3	203	202
Communication (G&S)	439	(44)	-	395	389	6	98.5	562	552
Computer services	757	-	(550)	207	130	77	62.8	187	145

APPROPRIATION STATEMENT
Detail per programme 3 - University Education
for the year ended 31 March 2018

Programme 3 per economic classification	2017/18						2016/17		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Consultants: Business and advisory services	86	(78)	-	8	8	-	100.0	-	-
Contractors	-	-	-	-	-	-	-	13	13
Agency and support/outsourced services	115	(115)	-	-	-	-	-	17	17
Fleet services (including Government motor transport)	19	(19)	-	-	-	-	-	-	-
Inventory: Materials and supplies	1	-	-	1	1	-	100.0	-	-
Consumable supplies	16	(7)	-	9	7	2	77.8	24	16
Consumable: Stationery, printing and office supplies	652	(119)	(183)	350	342	8	97.7	398	391
Operating leases	101	(20)	-	81	78	3	96.3	78	77
Transport provided: Departmental activity	109	75	-	184	177	7	96.2	176	170
Travel and subsistence	3 142	347	-	3 489	3 376	113	96.8	4 416	3 993
Training and development	18	(6)	-	12	11	1	91.7	8	8
Operating payments	219	79	-	298	279	19	93.6	225	225
Venues and facilities	484	(193)	-	291	291	-	100	326	325
Rental and hiring	-	3	-	3	2	1	66.7	-	-
Transfers and subsidies	41 871 399	35	-	41 871 434	41 871 218	216	100.0	39 463 575	39 463 316
Departmental agencies and accounts	10 255 977	12	-	10 255 989	10 255 989	-	100.0	11 490 523	11 490 525
Departmental agencies (non-business entities)	10 255 977	12	-	10 255 989	10 255 989	-	100.0	11 490 523	11 490 525
Higher education institutions	31 580 518	-	-	31 580 518	31 580 302	216	100.0	27 964 818	27 964 560
Non-profit institutions	34 904	-	-	34 904	34 904	-	100.0	8 172	8 172
Households	-	23	-	23	23	-	100.0	62	59
Social benefits	-	23	-	23	23	-	100.0	62	59

APPROPRIATION STATEMENT
Detail per programme 3 - University Education
for the year ended 31 March 2018

Programme 3 per economic classification	2017/18						2016/17		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Payments for capital assets	359	-	-	359	193	166	53.8	371	278
Machinery and equipment	359	-	-	359	193	166	53.8	371	278
Other machinery and equipment	359	-	-	359	193	166	53.8	371	278
Total	41 931 721	-	(1 660)	41 930 061	41 929 092	969	100.0	39 531 687	39 515 718

Department of Higher Education and Training
VOTE 15
APPROPRIATION STATEMENT
Detail per programme 4 - Technical and Vocational Education and Training
for the year ended 31 March 2018

Details per sub-programme	2017/18						2016/17		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1. Programme Management: Technical and Vocational Education and Training	5 562	(480)	(50)	5 032	4 996	36	99.3	4 605	4 569
2. Technical and Vocational Education and Training System Planning and Institutional Support	7 079 976	1 008	2 696	7 083 680	7 083 490	190	100.0	6 572 972	6 572 115
3. Programmes and Qualifications	9 506	2 017	(35)	11 488	11 303	185	98.4	11 053	10 860
4. National Examination and Assessment	355 499	(589)	59 022	413 932	413 832	100	100.0	437 821	437 516
5. Financial Planning	9 655	(1 956)	(195)	7 504	7 399	105	98.6	5 171	4 927
Total	7 460 198	-	61 438	7 521 636	7 521 020	616	100.0	7 031 622	7 029 987

Programme 4 per economic classification	2017/18						2016/17		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	5 944 388	(4 555)	61 433	6 001 266	6 000 761	505	100.0	5 436 236	5 434 713
Compensation of employees	5 822 490	(4 981)	41 762	5 859 271	5 858 992	279	100.0	5 290 307	5 289 339
Salaries and wages	5 035 000	(103 514)	41 657	4 973 143	4 972 956	187	100.0	4 579 429	4 578 604
Social contributions	787 490	98 533	105	886 128	886 036	92	100.0	710 878	710 735
Goods and services	121 898	426	19 671	141 995	141 769	226	99.8	145 929	145 374
Administrative fees	-	-	-	-	-	-	-	20	19
Advertising	1	98	-	99	99	-	100.0	104	104
Minor assets	560	(341)	(98)	121	120	1	99.2	165	163
Catering: Departmental activities	736	2 759	-	3 495	3 482	13	99.6	1 293	1 286
Communication (G&S)	2 653	(1 289)	-	1 364	1 354	10	99.3	1 188	1 181
Computer services	13 576	8 915	-	22 491	22 562	(71)	100.3	59 609	59 608

APPROPRIATION STATEMENT
Detail per programme 4 - Technical and Vocational Education and Training
for the year ended 31 March 2018

Programme 4 per economic classification	2017/18						2016/17		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Consultants: Business and advisory services	454	(66)	-	388	387	1	99.7	2	2
Contractors	-	1	-	1	2	(1)	200.0	7	5
Agency and support/outsourced services	4	(4)	-	-	-	-	-	819	819
Fleet services (including Government motor transport)	1	75	-	76	75	1	98.7	24	28
Inventory: Materials and supplies	-	2	-	2	1	1	50.0	-	-
Consumable supplies	825	(156)	-	669	665	4	99.4	194	190
Consumable: Stationery, printing and office supplies	23 339	11 619	-	34 958	34 944	14	100.0	19 854	19 889
Operating leases	1 839	(987)	-	852	848	4	99.5	356	407
Property payments	-	6	-	6	6	-	100.0	-	-
Transport provided: Departmental activity	1 512	1 021	-	2 533	2 525	8	99.7	2 091	2 089
Travel and subsistence	63 557	(28 015)	200	35 742	35 574	168	99.5	42 130	41 517
Training and development	-	41	-	41	41	-	100.0	-	-
Operating payments	8 680	538	-	9 218	9 148	70	99.2	11 215	11 211
Venues and facilities	4 017	6 353	19 569	29 939	29 936	3	100.0	6 858	6 856
Rental and hiring	144	(144)	-	-	-	-	-	-	-
Transfers and subsidies	1 515 150	4 555	5	1 519 710	1 519 705	5	100.0	1 593 624	1 593 620
Departmental agencies and accounts	14 366	45	5	14 416	14 411	5	100.0	13 781	13 780
Departmental agencies (non-business entities)	14 366	45	5	14 416	14 411	5	100.0	13 781	13 780
Non-profit institutions	1 495 749	-	-	1 495 749	1 495 749	-	100.0	1 566 747	1 566 747
Households	5 035	4 510	-	9 545	9 545	-	100.0	13 096	13 093
Social benefits	5 035	4 510	-	9 545	9 545	-	100.0	13 096	13 093

APPROPRIATION STATEMENT
Detail per programme 4 - Technical and Vocational Education and Training
for the year ended 31 March 2018

Programme 4 per economic classification	2017/18						2016/17		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Payments for capital assets	660	-	-	660	549	111	83.2	1 646	1 538
Machinery and equipment	660	(20)	-	640	529	111	82.7	1 646	1 538
Other machinery and equipment	660	(20)	-	640	529	111	82.7	1 646	1 538
Software and other intangible assets	-	20	-	20	20	-	100.0	-	-
Payments for financial assets	-	-	-	-	5	(5)	-	116	116
TOTAL	7 460 198	-	61 438	7 521 636	7 521 020	616	100.0	7 031 622	7 029 987

APPROPRIATION STATEMENT
Detail per programme 5 - Skills Development
for the year ended 31 March 2018

Details per sub-programme	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Programme Management: Skills Development	2 763	-	(100)	2 663	2 493	170	93.6	1 929	1 601
2. SETA Coordination	207 170	-	(3 126)	204 044	203 731	313	99.8	148 263	147 961
3. National Skills Development Services	12 504	(10)	(2 790)	9 704	9 354	350	96.4	8 113	7 935
4. Quality Development and Promotion	26 920	10	-	26 930	26 930	-	100.0	23 138	23 138
Total	249 357	-	(6 016)	243 341	242 508	833	99.7	181 443	180 635

Programme 5 per economic classification	2017/18						2016/17		
	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	117 782	(619)	(6 016)	111 147	110 604	543	99.5	101 328	100 611
Current payments	102 679	(610)	(2 595)	99 474	99 166	308	99.7	90 266	89 558
Compensation of employees	88 395	(693)	(2 411)	85 291	85 060	231	99.7	77 786	77 200
Salaries and wages	14 284	83	(184)	14 183	14 106	77	99.5	12 480	12 358
Social contributions	15 103	(9)	(3 421)	11 673	11 438	235	98.0	11 062	11 053
Goods and services	3	7	-	10	10	-	100.0	1	1
Administrative fees	-	1	-	1	-	1	-	-	-
Advertising	1 324	(25)	(1 226)	73	68	5	93.2	131	129
Minor assets	86	(18)	-	68	67	1	98.5	51	51
Catering: Departmental activities	1 055	407	-	1 462	1 434	28	98.1	1 554	1 543
Communication (G&S)	867	83	-	950	950	-	100.0	812	813
Consultants: Business and advisory services	976	1	-	977	976	1	99.9	-	-
Legal services	42	(39)	-	3	2	1	66.7	214	278
Contractors	-	-	-	-	-	-	-	218	218
Agency and support/outsourced services	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT
Detail per programme 5 - Skills Development
for the year ended 31 March 2018

Programme 5 per economic classification	2017/18						2016/17		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Fleet services (including Government motor transport)	162	(30)	-	132	130	2	98.5	172	171
Inventory: Clothing material and accessories	125	69	-	194	-	194	-	-	-
Inventory: Fuel, oil and gas	413	-	(263)	150	150	-	100.0	76	74
Inventory: Materials and supplies	2 710	(74)	-	2 636	2 635	1	100.0	2 081	2 080
Consumable supplies	1 457	(4)	(765)	688	878	(190)	127.6	1 593	1 581
Consumable: Stationery, printing and office supplies	1 357	(83)	(422)	852	828	24	97.2	609	617
Operating leases	853	(16)	(272)	565	551	14	97.5	602	602
Property payments	355	(42)	(41)	272	256	16	94.1	333	333
Transport provided: Departmental activity	183	134	-	317	316	1	99.7	313	312
Travel and subsistence	2 248	12	(173)	2 087	1 979	108	94.8	1 971	1 923
Training and development	583	(315)	(259)	9	8	1	88.9	-	-
Operating payments	159	(43)	-	116	95	21	81.9	102	100
Venues and facilities	74	(27)	-	47	45	2	95.7	162	161
Rental and hiring	71	(7)	-	64	60	4	93.8	67	66
Transfers and subsidies	130 744	619	-	131 363	131 361	2	100.0	79 077	79 078
Departmental agencies and accounts	130 680	9	-	130 689	130 688	1	100.0	78 900	78 901
Departmental agencies (non-business entities)	130 680	9	-	130 689	130 688	1	100.0	78 900	78 901
Households	64	610	-	674	673	1	99.9	177	177
Social benefits	64	610	-	674	673	1	99.9	177	177
Payments for capital assets	831	-	-	831	542	289	65.2	1 036	944
Machinery and equipment	831	-	-	831	542	289	65.2	1 036	944
Other machinery and equipment	831	-	-	831	542	289	65.2	1 036	944
Payments for financial assets	-	-	-	-	1	(1)	-	2	2
Total	249 357	-	(6 016)	243 341	242 508	833	99.7	181 443	180 635

APPROPRIATION STATEMENT
Detail per programme 6 - Community Education and Training
for the year ended 31 March 2018

Details per sub-programme	2017/18						2016/17		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1. Programme Management: Community Education and Training	1 941	(378)	-	1 563	1 496	67	95.7	1 651	1 477
2. Community Education and Training Colleges Systems Planning, Institutional Development and Support	2 025 922	849	(32 589)	1 994 182	1 991 417	2 765	99.9	1 855 110	1 849 487
3. Financial Planning	166 189	2 163	(18 275)	150 077	148 847	1 230	99.2	129 787	128 966
4. Education and Training and Development Support	3 657	(2 634)	1 000	2 023	1 393	630	68.9	5 771	1 763
Total	2 197 709	-	(49 864)	2 147 845	2 143 153	4 692	99.8	1 992 319	1 981 693

Programme 6 per economic classification	2017/18						2016/17		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	2 088 424	(4 389)	(49 857)	2 034 178	2 029 586	4 592	99.8	1 885 663	1 875 245
Compensation of employees	2 029 783	(2 559)	(31 137)	1 996 087	1 992 758	3 329	99.8	1 860 542	1 850 581
Salaries and wages	1 972 582	(7 323)	(31 137)	1 934 122	1 931 429	2 693	99.9	1 803 366	1 795 486
Social contributions	57 201	4 764	-	61 965	61 329	636	99.0	57 176	55 095
Goods and services	58 641	(1 830)	(18 720)	38 091	36 828	1 263	96.7	25 121	24 664
Administrative fees	-	1	-	1	1	-	100.0	-	-
Advertising	858	(439)	-	419	320	99	76.4	237	237
Minor assets	538	383	(119)	802	741	61	92.4	14	66
Catering: Departmental activities	57	1 225	-	1 282	1 231	51	96.0	825	814
Communication (G&S)	1 401	(1 210)	-	191	169	22	88.5	86	72
Consultants: Business and advisory services	522	1 210	-	1 732	1 729	3	99.8	1 808	1 782
Legal services	-	782	-	782	782	-	100.0	151	151
Contractors	15	(15)	-	-	-	-	-	-	-

APPROPRIATION STATEMENT
Detail per programme 6 - Community Education and Training
for the year ended 31 March 2018

Programme 6 per economic classification	2017/18						2016/17		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Agency and support/outsourced services	-	13	-	13	13	-	100.0	227	227
Inventory: Materials and supplies	5	(2)	-	3	2	1	66.7	-	-
Consumable supplies	565	(432)	-	133	124	9	93.2	59	60
Consumable: Stationery, printing and office supplies	30 701	(7 899)	(18 268)	4 534	3 898	636	86.0	3 014	3 013
Operating leases	784	1 121	-	1 905	1 893	12	99.4	2 254	2 253
Property payments	-	2 110	-	2 110	2 109	1	100.0	-	-
Transport provided: Departmental activity	407	817	-	1 224	1 212	12	99.0	78	74
Travel and subsistence	5 307	13 706	(52)	18 961	18 655	306	98.4	13 739	13 290
Training and development	12 269	(12 257)	-	12	12	-	100.0	-	-
Operating payments	332	303	-	635	588	47	92.6	621	618
Venues and facilities	1 417	2 095	(281)	3 231	3 229	2	99.9	2 008	2 007
Rental and hiring	3 463	(3 342)	-	121	120	1	99.2	-	-
Transfers and subsidies	107 489	2 616	(7)	110 098	110 096	2	100.0	104 864	104 709
Departmental agencies and accounts	792	57	(7)	842	841	1	99.9	2 533	2 532
Departmental agencies (non-business entities)	792	57	(7)	842	841	1	99.9	2 533	2 532
Non-profit institutions	103 898	-	-	103 898	103 897	1	100.0	98 202	98 053
Households	2 799	2 559	-	5 358	5 358	-	100.0	4 129	4 124
Social benefits	2 799	2 559	-	5 358	5 358	-	100.0	4 129	4 124
Payments for capital assets	1 796	1 773	-	3 569	3 471	98	97.3	1 792	1 739
Machinery and equipment	1 796	1 773	-	3 569	3 471	98	97.3	1 792	1 739
Transport equipment	-	313	-	313	313	-	100.0	-	-
Other machinery and equipment	1 796	1 460	-	3 256	3 158	98	97.0	1 792	1 739
Total	2 197 709	-	(49 864)	2 147 845	2 143 153	4 692	99.8	1 992 319	1 981 693

APPROPRIATION STATEMENT
*Detail for Direct Charges against the National Revenue Fund
for the year ended 31 March 2018*

Statutory Appropriation	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Direct charges	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Sector Education and Training Authorities	13 094 581	-	-	13 094 581	13 094 581	-	100.0	12 199 864	12 199 864
2. National Skills Fund	3 199 220	-	-	3 199 220	3 198 980	240	100.0	3 033 145	3 033 145
Total	16 293 801	-	-	16 293 801	16 293 561	240	100.0	15 233 009	15 233 009

Statutory appropriation per economic classification	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	16 293 801	-	-	16 293 801	16 293 561	240	100.0	15 233 009	15 233 009
Departmental agencies and accounts	16 293 801	-	-	16 293 801	16 293 561	240	100.0	15 233 009	15 233 009
Departmental agencies (non-business entities)	16 293 801	-	-	16 293 801	16 293 561	240	100.0	15 233 009	15 233 009
Total	16 293 801	-	-	16 293 801	16 293 561	240	100.0	15 233 009	15 233 009

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2018

1. Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in the note on Transfers and Subsidies and Annexure 1 (A-E) to the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on payments for financial assets:

Detail of these transactions can be viewed in the note to Payments for financial assets to the Annual Financial Statements.

4. Explanations of material variances from Amounts Voted (after virement):

4.1 Per programme:

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Administration	396 458	393 112	3 346	0.84
The under-spending is due mainly to attrition posts that became vacant during the year that could not be filled as projected and cost saving measures put in place with regards to the replacement of computer equipment.				
Planning, Policy and Strategy	68 298	66 975	1 323	1.94
The under-spending is due mainly to posts that became vacant during the year that could not be filled as projected and the favourable Rand/Euro Exchange rate that was applicable when payments were made to the Commonwealth of Learning.				
University Education	41 930 061	41 929 092	969	0.00
There were no material variances.				
Technical and Vocational Education and Training	7 521 636	7 521 020	616	0.01
There were no material variances.				
Skills Development	243 341	242 508	833	0.34
There were no material variances.				
Community Education and Training	2 147 845	2 143 153	4 692	0.22
The under-spending is due mainly to claims in respect of Community Education and Training lecturers that were not received on time, as well as uncertainties on the division of posts in Regional Offices and the post provisioning norms.				

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2018

4.2 Per economic classification:

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Current expenditure				
Compensation of employees	8 273 772	8 268 038	5 734	0.07
Goods and services	387 071	383 902	3 169	0.82
Transfers and subsidies				
Departmental agencies and accounts	26 695 799	26 695 546	253	0.00
Higher education institutions	31 580 518	31 580 302	216	0.00
Foreign Governments and international organisations	3 489	3 306	183	5.25
Non-profit institutions	1 634 551	1 634 550	1	0.00
Households	16 606	16 605	1	0.01
Payments for capital assets				
Machinery and equipment	8 130	7 059	1 071	13.17
Software and other intangible assets	1 421	20	1 401	98.59
Payments for financial assets	83	93	(10)	(12.05)

Compensation of Employees

The under-spending is due mainly to: 1) attrition posts that became vacant during the year that could not be filled as projected; 2) claims in respect of Community Education and Training lectures that were not received on time; and 3) uncertainties on the division of posts in Regional Offices and the post provisioning norms.

Goods and services

There were no material variances on goods and services. However, the under-spending is due mainly to outstanding invoices for goods and services rendered not received in time.

Foreign Governments and international organisations

The under-spending is due to the favourable Rand/Euro Exchange rate that was applicable when payments were made to the Commonwealth of Learning.

Payments for capital assets

The under-spending is due mainly to cost saving measures put in place with regards to the replacement of computer equipment.

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2018

		2017/18	2016/17
	<i>Note</i>	R'000	R'000
REVENUE			
Annual appropriation	1	52 307 639	49 188 279
Statutory appropriation	2	16 293 801	15 233 009
Departmental revenue	3	29 663	25 549
Aid assistance	4	73 650	98 001
TOTAL REVENUE		68 704 753	64 544 838
EXPENDITURE			
Current expenditure			
Compensation of employees	5	8 268 038	7 516 591
Goods and services	6	383 902	366 567
Aid assistance	4	31 260	60 880
Total current expenditure		8 683 200	7 944 038
Transfers and subsidies			
Transfers and subsidies	8	59 930 309	56 477 360
Aid assistance	4	54 528	20 699
Total transfers and subsidies		59 984 837	56 498 059
Expenditure for capital assets			
Tangible assets	9	7 192	9 877
Software and other intangible assets	9	20	58
Total expenditure for capital assets		7 212	9 935
Payments for financial assets	7	93	118
TOTAL EXPENDITURE		68 675 342	64 452 150
SURPLUS FOR THE YEAR		29 411	92 688
Reconciliation of Net Surplus for the year			
Voted Funds		12 019	50 717
Annual appropriation		12 019	50 717
Departmental revenue and NRF receipts	15	29 663	25 549
Aid assistance	4	(12 271)	16 422
SURPLUS FOR THE YEAR		29 411	92 688

STATEMENT OF FINANCIAL POSITION

as at 31 March 2018

		2017/18	2016/17
	<i>Note</i>	R'000	R'000
ASSETS			
Current Assets			
		685 442	391 163
Cash and cash equivalents	10	46 732	60
Prepayments and advances	11	37 844	35 391
Receivables	12	585 623	352 890
Loans	13	2 972	2 822
Aid assistance receivable	4	12 271	-
Non-Current Assets			
		13 801	17 011
Receivables	12	2 475	2 711
Loans	13	11 326	14 300
TOTAL ASSETS		699 243	408 174
LIABILITIES			
Current Liabilities			
		682 333	389 745
Voted funds to be surrendered to the Revenue Fund	14	12 019	50 717
Departmental revenue to be surrendered to the Revenue Fund	15	818	2 728
Bank overdraft	16	-	282 480
Payables	17	669 496	37 398
Aid assistance repayable	4	-	16 422
TOTAL LIABILITIES		682 333	389 745
NET ASSETS		16 910	18 429
Represented by:			
Capitalisation reserve		14 298	17 122
Recoverable revenue		2 612	1 307
TOTAL		16 910	18 429

Department of Higher Education and Training
VOTE 15
STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2018

	2017/18	2016/17
<i>Note</i>	R'000	R'000
Capitalisation Reserves		
Opening balance	17 122	19 664
Transfers:		
Other movements	(2 824)	(2 542)
Closing balance	14 298	17 122
Recoverable revenue		
Opening balance	1 307	141
Transfers:	1 305	1 166
Debts recovered (including in departmental receipts)	(10 872)	(10 326)
Debts raised	12 177	11 492
Closing balance	2 612	1 307
TOTAL	16 910	18 429

CASH FLOW STATEMENT
for the year ended 31 March 2018

		2017/18	2016/17
	<i>Note</i>	R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		68 704 253	64 544 838
Annual appropriated funds received	1.1	52 307 639	49 188 279
Statutory appropriated funds received	2	16 293 801	15 233 009
Departmental revenue received	3	25 457	22 116
Interest received	3.2	3 706	3 433
Aid assistance received	4	73 650	98 001
Net (increase)/ decrease in working capital		397 148	(31 983)
Surrendered to Revenue Fund		(82 290)	(108 410)
Surrendered to RDP Fund/Donor		(16 422)	(5 774)
Current payments		(8 683 200)	(7 944 038)
Payments for financial assets		(93)	(118)
Transfers and subsidies paid		(59 984 837)	(56 498 059)
Net cash flow available from operating activities	18	334 559	(43 544)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9	(7 212)	(9 935)
Proceeds from sale of capital assets	3.3	500	-
(Increase)/ decrease in loans		2 824	2 542
Net cash flows from investing activities		(3 888)	(7 393)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		(1 519)	(1 376)
Increase/ (decrease) in non-current payables		-	2 152
Net cash flows from financing activities		(1 519)	776
Net increase/ (decrease) in cash and cash equivalents		329 152	(50 161)
Cash and cash equivalents at beginning of period		(282 420)	(232 259)
Cash and cash equivalents at end of period	19	46 732	(282 420)

ACCOUNTING POLICIES
for the year ended 31 March 2018

Summary of significant accounting policies

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual Financial Statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1. Basis of preparation

The Financial Statements have been prepared in accordance with the Modified Cash Standard.

2. Going concern

The Financial Statements have been prepared on a going concern basis.

3. Presentation currency

Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the Department.

4. Rounding

Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).

5. Foreign currency translation

Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment/receipt.

6 Comparative information

6.1 Prior period comparative information

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

6.2 Current year comparison with budget

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

7. Revenue

7.1 Appropriated funds

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

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

The net amount of any appropriated funds due to/from the National Revenue Fund at the reporting date is recognised as a payable/receivable in the Statement of Financial Position.

7.2 Departmental revenue

Departmental revenue is recognised in the Statement of Financial Performance when received and is subsequently paid into the National Revenue Fund, unless stated otherwise.

Any amount owing to the National Revenue Fund at the reporting date is recognised as a payable in the Statement of Financial Position.

7.3 Accrued departmental revenue

Accruals in respect of Departmental revenue (excluding tax revenue) are recorded in the notes to the Financial Statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and/or penalties) is measured at amounts receivable from collecting agents.

Write-offs are made according to the Department's loss and disposal policy as well as any relevant legislative requirements.

ACCOUNTING POLICIES
for the year ended 31 March 2018

8. Expenditure

8.1 Compensation of employees

8.1.1 Salaries and wages

Salaries and wages are recognised in the Statement of Financial Performance on the date of payment.

8.1.2 Social contributions

Social contributions made by the Department in respect of current employees are recognised in the Statement of Financial Performance on the date of payment.

Social contributions made by the Department in respect of ex-employees are classified as transfers to households in the Statement of Financial Performance on the date of payment.

8.2 Other expenditure

Other expenditure (such as goods and services, transfers and subsidies as well as payments for capital assets) is recognised in the Statement of Financial Performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

8.3 Accruals and payables not recognised

Accruals and payables not recognised are recorded in the notes to the Financial Statements when the goods are received or, in the case of services, when they are rendered to the Department or in the case of transfers and subsidies when they are due and payable.

Accruals and payables not recognised are measured at cost.

8.4 Leases

8.4.1 Operating leases

Operating lease payments made during the reporting period are recognised as current expenditure in the Statement of Financial Performance on the date of payment.

The operating lease commitments are recorded in the notes to the Financial Statements.

8.4.2 Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the Statement of Financial Performance on the date of payment.

The finance lease commitments are recorded in the notes to the Financial Statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- cost, being the fair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

9. Aid Assistance

9.1 Aid assistance received

Aid assistance received in cash is recognised in the Statement of Financial Performance when received. In-kind aid assistance is recorded in the annexure to the Financial Statements on the date of receipt and is measured at fair value.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the Statement of Financial Position.

9.2 Aid assistance paid

Aid assistance paid is recognised in the Statement of Financial Performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the Statement of Financial Position.

10. Cash and cash equivalents

Cash and cash equivalents are stated at cost in the Statement of Financial Position.

Bank overdrafts are shown separately on the face of the Statement of Financial Position as a current liability.

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

11. Prepayments and advances

Prepayments and advances are recognised in the Statement of Financial Position when the Department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

Prepayments are expensed when invoices or claims for services rendered or goods received are provided.

ACCOUNTING POLICIES
for the year ended 31 March 2018

12. Loans and receivables

Loans and receivables are recognised in the Statement of Financial Position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the Department's loss and disposal policy as well as any relevant legislative requirements.

13. Financial assets

13.1 Financial assets

A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At the reporting date, the Department measures its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

13.2 Impairment of financial assets

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the Financial Statements.

14. Payables

Loans and payables are recognised in the Statement of Financial Position at cost.

15. Capital Assets

15.1 Immovable capital assets

Immovable capital assets reflected in the asset register of the Department are recorded in the notes to the Financial Statements at cost or fair value where the cost cannot be determined reliably. Immovable capital assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable capital assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

Additional information on immovable capital assets not reflected in the asset register is provided in the notes to the Financial Statements.

15.2 Movable capital assets

Movable capital assets are initially recorded in the notes to the Financial Statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

15.3 Intangible assets

Intangible assets are initially recorded in the notes to the Financial Statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the Financial Statements when the Department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

16. Provisions and Contingents

16.1 Provisions

Provisions are recorded in the notes to the Financial Statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

ACCOUNTING POLICIES
for the year ended 31 March 2018

16.2 Contingent liabilities

Contingent liabilities are recorded in the notes to the Financial Statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

16.3 Contingent assets

Contingent assets are recorded in the notes to the Financial Statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department.

16.4 Commitments

Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the Financial Statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the Department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

17. Unauthorised expenditure

Unauthorised expenditure is recognised in the Statement of Financial Position until such time as the expenditure is either:

- approved by Parliament with funding and the related funds are received; or
- approved by Parliament without funding and is written-off against the appropriation in the Statement of Financial Performance; or
- transferred to receivables for recovery.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

18. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the Financial Statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the Financial Statements when it is resolved or transferred to receivables for recovery.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

19. Irregular expenditure

Irregular expenditure is recorded in the notes to the Financial Statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefore are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

20. Changes in accounting policies, accounting estimates and errors

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with Modified Cash Standard requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the Department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with Modified Cash Standard requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with Modified Cash Standard requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the Department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

21. Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the Financial Statements.

22. Principal-Agent-arrangements

The Department is party to a principal-agent arrangement for the Technical and Vocational Education and Training College infrastructure project. In terms of the arrangement the Department is the agent. The Department has been appointed by the National Skills Fund to project manage the Technical and Vocational Education and Training College infrastructure development funded by the National Skills Fund and relevant Sector Education and Training Authorities. The beneficiaries of the project will be the respective Technical and Vocational Education and Training Colleges who will receive the new or improved Technical and Vocational Education and Training Colleges campus sites once the construction has been completed. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Any unspent funds will be returned to the National Skills Fund. Principal-Agent arrangements have been accounted for in the notes to the Financial Statements where appropriate. Additional disclosures have been provided in the notes to the Financial Statements where appropriate.

ACCOUNTING POLICIES
for the year ended 31 March 2018

23. Departures from Modified Cash Standard requirements

Management has concluded that the Financial Statements present fairly the Department's primary and secondary information. The Department complied with the Modified Cash Standard requirements.

24. Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National Revenue Fund when recovered or are transferred to the Statement of Financial Performance when written-off.

25. Related party transactions

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister's portfolio are recorded in the notes to the Financial Statements when the transaction is not at arm's length.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Department. The number of individuals and their full compensation is recorded in the notes to the Financial Statements.

26. Inventories

At the date of acquisition, inventories are recorded at cost price in the Statement of Financial Performance.

Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value at the date of acquisition.

Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.

The cost of inventory is assigned by using the weighted average cost basis.

27. Employee benefits

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

1. Annual Appropriation

1.1 Annual Appropriation

Programmes	2017/18			2016/17	
	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/not received R'000	Final Appropriation R'000	Appropriation Received R'000
Administration	396 458	396 458	-	379 624	379 624
Planning, Policy and Strategy	68 298	68 298	-	71 584	71 584
University Education	41 930 061	41 930 061	-	39 531 687	39 531 687
Technical and Vocational Education and Training	7 521 636	7 521 636	-	7 031 622	7 031 622
Skills Development	243 341	243 341	-	181 443	181 443
Community Education and Training	2 147 845	2 147 845	-	1 992 319	1 992 319
Total	52 307 639	52 307 639	-	49 188 279	49 188 279

The Department had no specifically and exclusively appropriated amounts voted for.

Note	2017/18 R'000	2016/17 R'000
------	------------------	------------------

2. Statutory Appropriation

Skills levy and sector education and training authorities

Total

16 293 801

15 233 009

16 293 801

15 233 009

Actual statutory appropriation received

16 293 801

15 233 009

3. Departmental Revenue

Sales of goods and services other than capital assets

3.1

11 710

10 262

Interest, dividends and rent on land

3.2

3 706

3 433

Sales of capital assets

3.3

500

-

Transactions in financial assets and liabilities

3.4

13 747

11 854

Total revenue collected

29 663

25 549

Departmental revenue collected

29 663

25 549

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

		2017/18	2016/17
	<i>Note</i>	R'000	R'000
3.1 Sales of goods and services other than capital assets	3		
Sales of goods and services produced by the department		11 707	10 218
Sales by market establishment		475	520
Administrative fees		3 347	2 180
Other sales		7 885	7 518
Sales of scrap, waste and other used current goods		3	44
Total		11 710	10 262
3.2 Interest, dividends and rent on land	3		
Interest		3 706	3 433
Total		3 706	3 433
3.3 Sales of capital assets	3		
Tangible assets			
Machinery and equipment		500	-
Total		500	-
3.4 Transactions in financial assets and liabilities	3		
Other receipts including recoverable revenue		13 747	11 854
Total		13 747	11 854

The main reason for the increase in other receipts is due to salary reversals for staff who resigned in the previous financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

		2017/18	2016/17
	<i>Note</i>	R'000	R'000
4. Aid Assistance			
Opening Balance		16 422	5 774
Transferred from statement of financial performance		(12 271)	16 422
Paid during the year		(16 422)	(5 774)
Closing Balance		(12 271)	16 422
4.1 Analysis of balance by source	4		
Aid assistance from RDP		(12 271)	16 422
Closing Balance		(12 271)	16 422
4.2 Analysis of balance	4		
Aid assistance receivable		(12 271)	-
Aid assistance repayable		-	16 422
Closing balance		(12 271)	16 422
4.3 Aid assistance expenditure per economic classification	4		
Current		31 260	60 880
Capital		133	-
Transfers and subsidies		54 528	20 699
Total aid assistance expenditure		85 921	81 579
4.4 Reconciliation of closing balance	4		
Revenue		73 650	98 001
Expenditure		85 921	81 579
Closing balance		(12 271)	16 422

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

<i>Note</i>	2017/18 R'000	2016/17 R'000
5. Compensation of employees		
5.1 Salaries and wages		
Basic salary	5 535 388	5 175 665
Performance award	43 550	41 631
Service based	6 244	6 095
Compensative/circumstantial	877 118	758 961
Periodic payments	418	-
Other non-pensionable allowances	808 209	723 879
Total	7 270 927	6 706 231
<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	698 187	550 525
Medical	295 999	257 386
UIF	406	386
Bargaining council	1 239	1 154
Official unions and associations	1 280	909
Total	997 111	810 360
Total compensation of employees	8 268 038	7 516 591
Average number of employees	27 270	28 200

The large increase in pension is due to the payment of R110.467 million to the Government Employees Pension Fund for TVET college staff members.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

		2017/18	2016/17
	<i>Note</i>	R'000	R'000
6. Goods and services			
Administrative fees		1 094	1 084
Advertising		2 813	5 105
Minor assets	6.1	2 065	1 867
Bursaries (employees)		288	272
Catering		5 137	3 551
Communication		8 686	8 761
Computer services	6.2	54 365	85 136
Consultants: Business and advisory services		11 598	3 284
Legal services		7 642	9 405
Contractors		57	2 167
Agency and support/outsourced services		2 607	14 597
Entertainment		35	38
Audit cost – external	6.3	12 384	11 181
Fleet services		1 726	1 111
Inventory	6.4	2 856	2 154
Consumables	6.5	48 673	33 423
Operating leases		55 948	52 909
Property payments	6.6	24 449	11 447
Rental and hiring		210	101
Transport provided as part of the departmental activities		7 004	5 499
Travel and subsistence	6.7	80 492	84 203
Venues and facilities		37 740	11 100
Training and development		2 710	2 536
Other operating expenditure	6.8	13 323	15 636
Total		383 902	366 567

The operating leases amount for 2016/17 was restated from R5.256 million to R52.909 million to include items previously classified as property payments and the property payments was restated from R59.100 million to R11.447 million to exclude operating leases previously classified as property payments.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

		2017/18	2016/17
	<i>Note</i>	R'000	R'000
6.1 Minor assets	6		
Tangible assets		2 041	1 867
Machinery and equipment		2 041	1 867
Intangible assets		24	-
Software		24	-
Total		2 065	1 867
6.2 Computer Services	6		
SITA computer services		49 371	82 862
External computer service providers		4 994	2 274
Total		54 365	85 136
6.3 Audit cost –external	6		
Regularity audits		9 656	9 276
Performance audits		510	714
Computer audits		2 218	1 191
Total		12 384	11 181
6.4 Inventory	6		
Fuel, oil and gas		150	74
Materials and supplies		2 706	2 080
Total		2 856	2 154

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

	2017/18	2016/17
<i>Note</i>	R'000	R'000
6.5 Consumables		
6 Consumables supplies	2 641	3 032
Uniform and clothing	437	173
Household supplies	1 989	1 952
Building material and supplies	-	465
Communication accessories	5	2
IT consumables	113	292
Other consumables	97	148
Stationery, printing and office supplies	46 032	30 391
Total	48 673	33 423
6.6 Property payments		
6 Municipal services	21 749	6 222
Property management fees	-	4 406
Property maintenance and repairs	1 829	193
Other	871	626
Total	24 449	11 447
6.7 Travel and subsistence		
6 Local	77 152	76 089
Foreign	3 340	8 114
Total	80 492	84 203
6.8 Other operating expenditure		
Resettlement costs	2 240	2 964
Other	11 083	12 672
Total	13 323	15 636

Other includes courier and delivery services, printing and publications and insurance payments.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

		2017/18	2016/17
	<i>Note</i>	R'000	R'000
7. Payments for financial assets			
Debts written off	7.1	93	118
Total		93	118
7.1 Debts written off			
Nature of debts written off			
Irregular expenditure written off			
Petty Cash Stolen through a Burglary at Indlela		1	2
Total		1	2
Recoverable revenue written off			
Gauteng Department of Education		6	-
South African National AIDS Council		29	-
Gauteng Department of Correctional Services		11	-
Total		46	-
Other debt written off			
Other		36	-
Salary Overpayment Debt		3	112
Salary Tax Debt		1	4
No show		6	-
Total		46	116
Total debt written off		93	118
8. Transfers and subsidies			
Departmental agencies and accounts	<i>Annex 1A</i>	26 695 546	26 819 212
Higher education institutions	<i>Annex 1B</i>	31 580 302	27 964 560
Foreign Governments and international organisations	<i>Annex 1C</i>	3 306	2 648
Non-profit institutions	<i>Annex 1D</i>	1 634 550	1 672 972
Households	<i>Annex 1E</i>	16 605	17 968
Total		59 930 309	56 477 360

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

Note	2017/18	2016/17
	R'000	R'000

9. Expenditure for capital assets

Tangible assets		7 192	9 877
Machinery and equipment	30	7 192	9 877
Intangible assets		20	58
Software	31	20	58
Total		7 212	9 935

9.1 Analysis of funds utilised to acquire capital assets – 2017/18

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	7 059	133	7 192
Machinery and equipment	7 059	133	7 192
Intangible assets	20	-	20
Software	20	-	20
Total	7 079	133	7 212

9.2 Analysis of funds utilised to acquire capital assets – 2016/17

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	9 877	-	9 877
Machinery and equipment	9 877	-	9 877
Intangible assets	58	-	58
Software	58	-	58
Total	9 935	-	9 935

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

	2017/18	2016/17
<i>Note</i>	R'000	R'000
10. Cash and cash equivalents		
Consolidated Paymaster-General Account	46 553	-
Cash receipts	-	3
Disbursements	(33)	17
Cash on hand	40	40
Investments (Domestic)	172	-
Total	46 732	60

The main reason for the increase in cash and cash equivalents is due mainly to the favourable balance on the NSF Reserves to fund the shortfalls in University Education of which certain claims are still outstanding. Investment (Domestic) are money received in the commercial bank account of the Department in April 2018 that is in respect of the previous financial year. Disbursements are cheques more than R2 000.00 that was cancelled.

11. Prepayments and advances

Travel and subsistence		53	76
Prepayments	11.2	289	2 004
Advances paid	11.1	37 502	33 311
Total		37 844	35 391

11.1 Advances paid (Not expensed)

<i>Note</i>	Balance as at 1 April 2017	Less: Amount expensed in current year	Add: Current Year advances	Balance as at 31 March 2018
	R'000	R'000	R'000	R'000
National departments	13 055	13 886	18 511	17 680
Public entities	20 256	434	-	19 822
Total	33 311	14 320	18 511	37 502

11.2 Prepayments (Not expensed)

<i>Note</i>	Balance as at 1 April 2017	Less: Amount expensed in current year	Add: Current Year prepayments	Balance as at 31 March 2018
	R'000	R'000	R'000	R'000
Goods and services	2 004	2 004	289	289
Total	2 004	2 004	289	289

The prepayments are mainly in respect of payments made to a service provider for which there was a dispute that still needs to be resolved.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

12. Receivables

	Note	2017/18			2016/17		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	12.1 Annex 3	550 355	-	550 355	326 882	-	326 882
Recoverable expenditure	12.2	16 140	-	16 140	13 007	-	13 007
Staff debt	12.3	3 801	2 475	6 276	5 075	2 711	7 786
Other debtors	12.4	15 327	-	15 327	7 926	-	7 926
Total		585 623	2 475	588 098	352 890	2 711	355 601

The classification split between current and non-current was amended in the 2017/18 financial year as follows: 2016/17: All debt older than one year were treated as non-current; 2017/18: only debt with an agreement for payment where repayment longer than one year is regarded as non-current. The current amount of 2016/17 receivables was restated from R330.797 million to R352.890 million as a result of a prior period error and the non-current amount was also restated from R24.804 million to R2.711 million. Claims recoverable includes claims for March 2018 for services rendered on behalf of the National Skills Fund, claims in respect of the NSF growth projects and the NSF infrastructure projects. Claims in respect of March 2018 were issued during April 2018.

12.1 Claims recoverable

	Note	2017/18 R'000	2016/17 R'000
National departments	12	103	159
Provincial departments		504	808
Public entities		500 954	325 374
Private enterprises		48 752	541
Higher education institutions		42	-
Total		550 355	326 882

Claims recoverable includes claims for March 2018 for services rendered on behalf of the National Skills Fund, claims in respect of the NSF growth projects and the NSF infrastructure projects. Claims in respect of March 2018 were issued during April 2018.

12.2 Recoverable expenditure (disallowance accounts)

	Note	2017/18 R'000	2016/17 R'000
Salaries	12	15 845	12 819
No Shows		230	154
Miscellaneous		65	34
Total		16 140	13 007

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

	2017/18	2016/17
<i>Note</i>	R'000	R'000
12.3 Staff debt		
	12	
Motor accidents	770	271
Other	4 761	4 631
Pension Fund	170	283
Salary tax debt	575	1 387
Salary income tax	-	1 214
Total	6 276	7 786
12.4 Other debtors		
	12	
Tax debt	80	80
Other debtors	15 247	7 846
Total	15 327	7 926
<i>Increase in other debtors includes salary overpayments in respect of staff who left the service.</i>		
12.5 Impairment of receivables		
Estimate of impairment of receivables	2 466	1 104
Total	2 466	1 104
<i>Items older than three-years were impaired.</i>		
13. Loans		
Higher education institutions	14 298	17 122
Total	14 298	17 122
Analysis of balance		
Opening balance	17 122	19 664
Repayments	(2 824)	(2 542)
Closing balance	14 298	17 122
Cape Peninsula University of Technology	1 667	2 132
Durban Institute of Technology	4 268	4 965
Nelson Mandela University	111	123
Tshwane University of Technology	4 239	4 917
Vaal University of Technology	1 349	1 690
University of Johannesburg	2 597	3 103
Stellenbosch University	67	192
	14 298	17 122
Current portion of loans	2 972	2 822

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

Note	2017/18	2016/17
	R'000	R'000
14. Voted funds to be surrendered to the Revenue Fund		
Opening balance	50 717	84 584
Transfer from Statement of Financial Performance	12 019	50 717
Paid during the year	(50 717)	(84 584)
Closing balance	12 019	50 717

15. Departmental revenue and NRF receipts to be surrendered to the Revenue Fund		
Opening balance	2 728	1 005
Transfer from Statement of Financial Performance	29 663	25 549
Paid during the year	(31 573)	(23 826)
Closing balance	818	2 728

16. Bank overdraft		
Consolidated Paymaster-General Account	-	282 480
Total	-	282 480

The decrease is due mainly to the favourable balance on the NSF Reserves to fund the shortfalls in University Education of which certain claims are still outstanding.

17. Payables - current		
Amounts owing to other entities	-	545
Advances received	17.1	665 048
Clearing accounts	17.2	179
Other payables	17.3	4 269
Total		669 496

The classification split between current and non-current was amended in the 2017/18 financial year as follows: 2016/17 all payables older than one year were treated as non-current; 2017/18: only payables with an agreement for payment longer than one year is regarded as non-current. The current amount of 2016/17 payables was restated from R34.998 million to R37.398 million as a result of a prior period error and the note on non-current payables was restated from R2.4 million to R0. The increase is due mainly to the favourable balance on the NSF Reserves to fund the shortfalls in University Education of which certain claims are still outstanding.

17.1 Advances received	17	
Public entities	Annex 5B	665 048
Total		665 048

The increase is due mainly to the favourable balance on the NSF Reserves to fund the shortfalls in University Education of which certain claims are still outstanding.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

	2017/18	2016/17
Note	R'000	R'000
17.2 Clearing accounts	17	
Salary Claims: Limpopo and Mpumalanga	29	-
Other	150	5
Total	179	5
17.3 Other payables	17	
Unidentified deposits	98	-
Other payables	1 537	783
Salary income tax	2 309	3 421
Salary: Money back	325	1 734
Salary: Pension fund	-	1 555
Total	4 269	7 493
18. Net cash flow available from operating activities		
Net surplus/(deficit) as per Statement of Financial Performance	29 411	92 688
Add back non cash/cash movements not deemed operating activities	305 148	(136 232)
(Increase)/decrease in receivables – current	(232 497)	(4 311)
(Increase)/decrease in prepayments and advances	(2 453)	4 996
Increase/(decrease) in payables – current	632 098	(32 668)
Proceeds from sale of capital assets	(500)	-
Expenditure on capital assets	7 212	9 935
Surrenders to Revenue Fund	(82 290)	(108 410)
Surrenders to RDP Funds/Donor	(16 422)	(5 774)
Net cash flow generated by operating activities	334 559	(43 544)
19. Reconciliation of cash and cash equivalents for cash flow purposes		
Consolidated Paymaster-General account	46 553	(282 480)
Cash receipts	-	3
Disbursements	(33)	17
Cash on hand	40	40
Cash with commercial banks (Local)	172	-
Total	46 732	(282 420)

Cash with commercial banks (Local) are money received in the Commercial bank account of the Department in April 2018 that is in respect of the previous financial year. Disbursements are cheques more than R2 000.00 that was cancelled.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

Note	2017/18	2016/17
	R'000	R'000

20. Contingent liabilities and contingent assets

20.1 Contingent liabilities

Liable to

Claims against the department

Annex 2B 148 941 168 501

Total

148 941 168 501

The main reason for the decrease is attributable to the payment of the majority of the 500 TVET college staff members liability during 2017/18. There is uncertainties relating to the cases of Vital vs Vista University (R4 million) as this case is dormant and it might not realise.

21. Commitments

Current expenditure

Approved and contracted

40 079 31 933

40 079 31 933

Capital expenditure (including transfers)

Approved and contracted

507 1 140

507 1 140

Total Commitments

40 586 33 073

Commitments to the amount of R1.315 million is longer than a year.

2017/18	2016/17
R'000	R'000

22. Accruals and payables not recognised

22.1 Accruals

Listed by economic classification

30 days

30+ days

Total

Total

Goods and services

20 613

2 593

23 206

22 447

Capital assets

36

-

36

213

Other

10 921

18 911

29 832

29 601

Total

31 570

21 504

53 074

52 261

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

Note	2017/18	2016/17
	R'000	R'000
Listed by programme level		
Programme 1: Administration	7 503	11 594
Programme 2: Planning, Policy and Strategy	273	337
Programme 3: University Education	430	807
Programme 4: Technical and Vocational Education and Training	18 955	21 393
Programme 5: Skills Development	7 378	1 250
Programme 6: Community Education and Training	18 080	16 880
Unallocated	455	-
Total	53 074	52 261

Reasons for material accruals:

Claims in respect of the Rennies account, Community Education and Training lectures as well as examiners and moderators were not received before closure of the financial year. Other accruals include, claims from Community Education and Training lectures as well as examiners and moderators.

2017/18	2016/17
R'000	R'000

22.2 Payables not recognised

Listed by economic classification	30 days	30+ days	Total	Total
Goods and services	536	2 130	2 666	10 981
Capital assets	6	-	6	216
Other	-	7 487	7 487	11 513
Total	542	9 617	10 159	22 710

2017/18	2016/17
R'000	R'000

Listed by programme level		
Programme 1: Administration	230	4 586
Programme 2: Planning, Policy and Strategy	27	420
Programme 3: University Education	60	49
Programme 4: Technical and Vocational Education and Training	4 764	13 881
Programme 5: Skills Development	86	199
Programme 6: Community Education and Training	4 992	3 575
Total	10 159	22 710

Reasons for material payables:

Claims in respect of the Rennies account, Community Education and Training lectures as well as examiners and moderators were not received before closure of the financial year. Other payables include, claims from Community Education and Training lectures as well as examiners and moderators.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

Note	2017/18	2016/17
	R'000	R'000
23. Employee benefits		
Leave entitlement	138 106	144 384
Service bonus (Thirteenth cheque)	197 323	184 428
Performance awards	82 048	75 383
Capped leave commitments	108 032	107 422
Other	6 261	5 108
Total	531 770	516 725

Negative leave balances

Differences in the reporting cycle for leave	488	567
--	-----	-----

Negative leave balances: Differences in reporting cycle for leave: 2016/17: R0.567 million; 2017/18: R0.488 million. The negative leave balance is due to pro-rata leave granted for the year by end of March.

24. Lease commitments

24.1 Operating leases expenditure

2017/18	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	-	6 392	6 392
Later than 1 year and not later than 5 years	-	1 671	1 671
Total lease commitments	-	8 063	8 063

2016/17	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	14 879	1 782	16 661
Later than 1 year and not later than 5 years	-	1 743	1 743
Total lease commitments	14 879	3 525	18 404

The lease agreement with the Department of Public Works includes the office accommodation for Ndinaye House and 123 Francis Baard Street. The Department cannot as yet include the lease amount for Ndinaye House and 123 Francis Baard Street as this agreement have not yet been concluded. The lease agreement for machinery and equipment is mainly in respect of photocopy machines and these contracts are for a period of three to five years and motor vehicles contracts which are mainly for one year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

<i>Note</i>	2017/18 R'000	2016/17 R'000
25. Accrued departmental revenue		
Other	-	259
	-	259

25.1 Analysis of accrued departmental revenue

Opening balance	259	-
Add: Amount recognised	(259)	259
Closing balance	-	259

The decrease is attributable to revenue received in commercial bank accounts after year-end that was journalised in 2017/18 to the Revenue Account.

26. Irregular expenditure

26.1 Reconciliation of irregular expenditure

Opening balance	94 429	30 612
Prior period error	-	-
	94 429	30 612
Add: Irregular expenditure – relating to current year	56 785	63 817
Less: Prior year amounts condoned	(2 010)	-
Irregular expenditure awaiting condonation	149 204	94 429

Analysis of awaiting condonation per age classification

Current year	56 785	63 817
Prior years	92 419	30 612
Total	149 204	94 429

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

2017/18

R'000

26.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	
Correct procurement procedures were not followed	Investigation was completed and further steps will be taken in 2018/19	228
Contract awarded to bidder not scoring the highest points in the evaluation process	Investigation was completed and the matter was referred to National Treasury	48 791
Contract awarded after bid process was advertised for two weeks	Investigation was completed and the matter was referred to Director-General in 2018/19	7 766
Total		56 785

26.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	
Correct procurement procedure were not followed due to time constraints	Condoned by the Accounting Officer	731
Procurement of supplier not listed on the database	Condoned by the Accounting Officer	933
Correct procurement procedure were not followed	Condoned by the Accounting Officer	346
Total		2 010

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

27. Related party transactions

List related party relationships

Ministerial Portfolio	Departmental Schedule	Public Entity
Higher Education and Training	3A	<p>Council on Higher Education and Training National Student Financial Aid Scheme South African Qualifications Authority Quality Council for Trades and Occupations National Skills Fund</p> <p>Sector Education and Training Authorities (SETAs): Agriculture SETA Banking SETA Chemical Industries Education and Training Authority Construction SETA Culture, Arts, Tourism, Hospitality and Sports SETA Education, Training and Development Practices SETA Energy and Water SETA Fibre, Processing and Manufacturing SETA Financial and Accounting Services SETA Food and Beverages SETA Health and Welfare SETA Insurance SETA Local Government SETA Manufacturing, Engineering and Related Services SETA Media, Information and Communication Technologies SETA Mining Qualifications Authority Public Services SETA Safety and Security SETA Services SETA Transport Education and Training Authority Wholesale and Retail SETA</p> <p>Technical and Vocational Education and Training Colleges Buffalo City College; East Cape Midlands College; Ikhala College; Ingwe College; King Hintsa College; King Sabata College; Lovedale College; Port Elizabeth College; Flavius Mareka College; Gold Fields College; Maluti College; Motheo College; Central Johannesburg College; Ekurhuleni East College; Ekurhuleni West College; Sedibeng College; South West College; Tshwane North College; Tshwane South College; Western College; Coastal College; Elangeni College; Esayidi College; Majuba College; Mnambithi College; Mthashana College; Thekwini College; Umfolozi College; Umgungundlovu College; Capricorn College; Lephalale College; Letaba College; Mopani College; Sekhukhune College; Vhembe College; Waterberg College; Ehlanzeni College; Gert Sibande College; Nkangala College; Rural College; Urban College; Orbit College; Taletso College; Vuselela College; Boland College; Cape Town College; False Bay College; Northlink College; South Cape College; West Coast College</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

List related party relationships

Ministerial Portfolio	Departmental Schedule	Public Entity
		<p>Community Education and Training Colleges</p> <p>Eastern Cape Community Education and Training College; Free State Community Education and Training College; Gauteng Community Education and Training College; KwaZulu Natal Community Education and Training College; Limpopo Community Education and Training College; Mpumalanga Community Education and Training College; Northern Cape Community Education and Training College; North West Community Education and Training College; Western Cape Community Education and Training College</p> <p>Government Departments and other entities in the same sphere of Government</p> <p>All Government departments and public entities in the same sphere of Government are related parties to the Department of Higher Education and Training</p>

The Department did not have any transactions with these entities that is required to be disclosed in terms of the Departmental Reporting Framework.

28. Key management personnel

	No. of Individuals	2017/18	2016/17
		R'000	R'000
Political office bearers	2	3 902	4 211
Officials:			
Level 15 to 16	13	15 679	14 532
Level 14	29	34 243	28 164
Total		53 824	46 907

Minister's: 2017/18: R2.252 million (excludes travel and subsistence claims that was included up to 31 March 2017); 2016/17: R2.309 million.

Deputy Minister's: 2017/18: R1.651 million (excludes travel and subsistence claims that was included up to 31 March 2017); 2016/17: R1.902 million.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

Note	2017/18	2016/17
	R'000	R'000
29. Provisions		
Rennies account	1 920	-
CET claims	9 468	9 730
KZN CET examination claim	-	1 354
	11 388	11 084

29.1 Reconciliation of movement in provisions - 2017/18

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	-	9 730	1 354	11 084
Increase in provision	1 920	5 956	-	7 876
Settlement of provision	-	(4 575)	(1 354)	(5 929)
Unused amount reversed	-	(1 643)	-	(1 643)
Closing balance	1 920	9 468	-	11 388

Provision 1: Provision in respect of Rennies account claim received during May 2018 in respect of the previous financial year for which supporting evidence is not attached. The amount included is based on claims received. There is uncertainty whether these claims will be processed and by when these claims will be processed.

Provision 2: Provision in respect of community education and training centres received in the previous financial year for which necessary appointment documents were not received. The amount included is based on claims received. There is uncertainty whether these claims will be processed and by when these claims will be processed.

Provision 3: Provision in respect of community education and training examination claim received during April 2018 in respect of the previous financial year for which supporting evidence is not attached. The amount included is based on claims received. There is uncertainty whether these claims will be processed and by when these claims will be processed.

29.2 Reconciliation of movements in provisions - 2016/17

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	5 852	2 324	-	8 176
Increase in provision	-	8 412	1 354	9 766
Settlement of provision	(5 852)	(1 006)	-	(6 858)
Closing balance	-	9 730	1 354	11 084

Provision 1: Provision in respect of examination claims received in previous financial year that were returned to marking centres as these claims were incomplete.

Provision 2: Provision in respect of community education and training centres received in the previous financial year for which necessary appointment documents were not received. The amount included is based on claims received. There is uncertainty whether these claims will be processed and by when these claims will be processed.

Provision 3: Provision in respect of community education and training examination claim received during April 2017 in respect of the previous financial year for which supporting evidence is not attached. The amount included is based on claims received. There is uncertainty whether these claims will be processed and by when these claims will be processed.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

30. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	51 992	26	6 424	2 248	56 194
Transport assets	5 026	-	313	1 090	4 249
Computer equipment	35 848	28	3 950	1 089	38 737
Furniture and office equipment	6 870	(2)	1 683	30	8 521
Other machinery and equipment	4 248	-	478	39	4 687
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	51 992	26	6 424	2 248	56 194

Movable Tangible Capital Assets under investigation

	Number	Value
		R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	11	151
1. The assets on the 7 th floor are under investigation because the user resigned and never returned them to the department. Numerous telephonic follow-ups have been made and the official promised to return these. This matter was escalated to his former supervisor who had promised to do a follow-up.		
2. The other assets from the office of the Minister are under investigation as a result of the transition when the former Minister left, most of the assets were stored in the safe and the person responsible for the safe keys has since left, following the transition and we are trying to get hold of her so that we can open and verify the assets.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

Additions

30.1 ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	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	7 192	-	-	(768)	6 424
Transport assets	313	-	-	-	313
Computer equipment	4 656	-	-	(706)	3 950
Furniture and office equipment	1 745	-	-	(62)	1 683
Other machinery and equipment	478	-	-	-	478
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	7 192	-	-	(768)	6 424

Disposals

30.2 DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	500	1 748	2 248	500
Transport assets	490	600	1 090	490
Computer equipment	-	1 089	1 089	-
Furniture and office equipment	-	30	30	-
Other machinery and equipment	10	29	39	10
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	500	1 748	2 248	500

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

Movement for 2016/17

30.3 MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	45 358	-	10 619	3 985	51 992
Transport assets	7 039	-	-	2 013	5 026
Computer equipment	28 918	-	8 572	1 642	35 848
Furniture and office equipment	6 207	-	796	133	6 870
Other machinery and equipment	3 194	-	1 251	197	4 248
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	45 358	-	10 619	3 985	51 992

Minor assets

30.4 MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	742	8 801	9 543
Additions	-	1 647	1 647
Disposals	3	195	198
TOTAL MINOR ASSETS	739	10 253	10 992

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Number of R1 minor assets	1	23 391	23 392
Number of minor assets at cost	283	6 070	6 353
TOTAL NUMBER OF MINOR ASSETS	284	29 461	29 745

Minor Capital Assets under investigation

Included in the above total of the minor capital assets per the asset register are assets that are under investigation:

Machinery and equipment

Number	Value
	R'000
-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Opening balance	743	7 794	8 537
Additions	2	1 522	1 524
Disposals	3	515	518
TOTAL MINOR ASSETS	742	8 801	9 543

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Number of R1 minor assets	-	22 330	22 330
Number of minor assets at cost	284	4 139	4 423
TOTAL NUMBER OF MINOR ASSETS	284	26 469	26 753

Movable assets written off

30.5 MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2018

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Assets written off	-	-	-
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2017

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Assets written off	4	515	519
TOTAL MOVABLE ASSETS WRITTEN OFF	4	515	519

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

31. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	11 707	(27)	20	569	11 131
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	251	-	-	6	245
TOTAL INTANGIBLE CAPITAL ASSETS	11 958	(27)	20	575	11 376

Additions

31.1 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Cash	Non-cash	(Development work-in- progress current costs)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	20	-	-	-	20
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	20	-	-	-	20

Disposals

31.2 DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Sold for cash	Non-cash disposal	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	-	569	569	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	6	6	-
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	-	575	575	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

31.3 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	11 652	-	58	3	11 707
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	251	-	-	-	251
TOTAL INTANGIBLE CAPITAL ASSETS	11 903	-	58	3	11 958

32. Agent-principal arrangements

32.1 Department acting as the agent

32.1.1 Revenue received for agency activities

	2017/18	2016/17
	R'000	R'000
National Skills Fund	-	-
	-	-

The Department has been appointed by the National Skills Fund to manage the project of TVET college Infrastructure Development project funded by the NSF and relevant SETAs. The beneficiaries of the project will be the respective TVET colleges who will receive the new or improved TVET college sites once the construction has been completed. Any unspent funds will be returned to the NSF.

32.1.2 Reconciliation of agency funds and disbursements – 2017/18

Name of principal entity	Total agency funds received	Expenditure incurred against funds	Amount remitted to the principal	Variance between amounts received and amounts remitted	Explanation of the variance
	R'000	R'000	R'000	R'000	
National Skills Fund	-	32 784	-	(32 784)	Amounts are claimed back from the NSF as claims recoverable.
Total	-	32 784	-	(32 784)	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

32.1.3 Reconciliation of carrying amount of receivables and payables – 2017/18

Receivable

Name of entity	Opening balance	Revenue principal is entitled to	Less: Write-offs/ settlements/ waivers	Cash received on behalf of principal	Closing balance
	R'000	R'000	R'000	R'000	R'000
National Skills Fund	(117 037)	-	-	32 784	(149 821)
	(117 037)	-	-	32 784	(149 821)

The Department has been appointed by the National Skills Fund to manage the project of the infrastructure spend for the TVET colleges across 16 sites country wide. Currently, active sites are Thabazimbi Campus for Waterberg TVET college, Nkandla A Campus and Bhambanana Campus for Umfolozi TVET college. The following amounts have been incurred to date at the campus:

	R'000
Thabazimbi:	187 985
Nkandla A:	235 532
Bhambanana:	155 672 (Include accruals of R5.370 million)
Project management costs:	195 678
Municipal services:	3 398



PART E

Annexures

Unaudited Supplementary Annexures



ANNEXURE 1A
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2016/17 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 %	
Education Training and Development Practices SETA	15 158	-	-	15 158	15 158	100	16 839
Council on Higher Education	47 946	-	-	47 946	47 946	100	40 928
National Student Financial Aid Scheme	10 143 091	-	-	10 143 091	10 143 091	100	11 392 674
South African Qualifications Authority	64 940	-	-	64 940	64 940	100	56 895
Direct Charge: Sector Education and Training Authorities	12 616 443	-	-	12 616 443	13 094 581	104	12 199 864
Direct Charge: National Skills Fund	3 154 111	-	-	3 154 111	3 198 980	101	3 033 145
Claims against the State	-	-	183	183	170	93	-
Quality Council for Trades and Occupations	26 920	-	-	26 920	26 920	100	23 138
Public Services SETA	103 760	-	-	103 760	103 760	100	55 727
Total	26 172 369	-	183	26 172 552	26 695 546		26 819 210

The difference between the amount included in the Appropriation Statement and the Adjusted Appropriation amount in this Annexure is the difference between actual funds received for Direct Charges and the provision to the Adjusted Estimates to the amount of R523.247 million.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

ANNEXURE 1B

STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION				TRANSFER			2016/17	
	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	R'000
Cape Peninsula University of Technology	1 074 353	-	186 705	1 261 058	1 261 058	-	100	1 102 919	1 102 919
Central University of Technology, Free State	424 382	-	175 560	599 942	599 942	-	100	452 156	452 156
Durban University of Technology	854 709	-	86 875	941 584	941 585	(1)	100	923 764	923 764
Mangosuthu University of Technology	313 572	-	204 539	518 111	518 110	1	100	369 173	369 173
Nelson Mandela University	872 631	-	166 014	1 038 645	1 038 645	-	100	1 024 451	1 024 451
North West University	1 619 454	-	151 289	1 770 743	1 770 743	-	100	1 569 910	1 569 910
Rhodes University	387 409	-	89 048	476 457	476 456	1	100	411 830	411 830
Tshwane University of Technology	1 580 477	-	221 062	1 801 539	1 801 539	-	100	1 602 319	1 602 319
University of Cape Town	1 304 648	-	130 987	1 435 635	1 435 635	-	100	1 257 912	1 257 912
University of Fort Hare	483 130	-	246 934	730 064	730 064	-	100	605 284	605 284
University of the Free State	1 008 896	-	246 788	1 255 684	1 255 684	-	100	1 127 625	1 127 625
University of Johannesburg	1 631 586	-	249 190	1 880 776	1 880 776	-	100	1 565 255	1 565 255
University of KwaZulu-Natal	1 746 606	-	231 058	1 977 664	1 977 664	-	100	1 762 733	1 762 733
University of Mpumalanga	837 163	-	3 965	841 128	841 128	-	100	870 532	870 532
Sefako Makgatho Health Sciences University	297 604	-	388 766	686 370	686 371	(1)	100	622 527	622 527
Sol Plaatje University	502 055	-	9 672	511 727	511 727	-	100	498 094	498 094
University of Limpopo	712 379	-	127 081	839 460	839 460	-	100	730 902	730 902
University of Pretoria	2 044 948	-	370 430	2 415 378	2 415 378	-	100	2 157 727	2 157 727
University of South Africa	3 157 589	-	173 479	3 331 068	3 331 068	-	100	2 850 553	2 850 553
Stellenbosch University	1 392 254	-	122 523	1 514 777	1 514 777	-	100	1 384 375	1 384 375
University of Venda	468 166	-	185 583	653 749	653 534	215	100	523 046	523 046
University of the Western Cape	800 440	-	206 557	1 006 997	1 006 997	-	100	852 539	852 539

Department of Higher Education and Training
VOTE 15
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION				TRANSFER		2016/17
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	Amount not transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
University of the Witwatersrand	1 422 617	-	223 513	1 646 130	1 646 129	1	1 404 136
University of Zululand	450 695	-	218 090	668 785	668 785	-	672 715
Vaal University of Technology	585 033	-	122 207	707 240	707 240	-	698 260
Walter Sisulu University	689 296	-	380 511	1 069 807	1 069 807	-	923 832
Higher Education Institutions: Other Grants	1 897 850	-	(1 897 850)	-	-	-	249
Interest and redemption of private and Government infrastructure loans	3 647	-	(3 647)	-	-	-	-
University infrastructure projects	2 541 903	-	(2 541 903)	-	-	-	-
Academic clinical training grants	475 026	-	(475 026)	-	-	-	-
Total	31 580 518	-	-	31 580 518	31 580 302	216	27 964 818

ANNEXURE 1C
STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENTS/INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION			EXPENDITURE		2016/17 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 %
Transfers							
Commonwealth of Learning	2 936	-	-	2 936	2 753	94	
India-Brazil-South Africa Tri-lateral Commission	553	-	-	553	553	100	
Total	3 489	-	-	3 489	3 306	2 896	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2016/17 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 %	
Sedibeng College	35 410	-	-	35 410	35 410	100	37 742
South West College	54 633	-	-	54 633	54 633	100	99 184
Tshwane North College	46 156	-	-	46 156	46 156	100	36 858
Tshwane South College	49 599	-	-	49 599	49 599	100	35 045
Western College	32 763	-	-	32 763	32 763	100	60 424
Coastal College	26 453	-	-	26 453	26 453	100	25 648
Elangeni College	22 466	-	-	22 466	22 466	100	16 792
Esayidi College	11 909	-	-	11 909	11 909	100	9 234
Majuba College	53 148	-	-	53 148	53 148	100	49 779
Mnambithi College	8 618	-	-	8 618	8 618	100	11 310
Mithashana College	7 728	-	-	7 728	7 729	100	5 629
Thekwini College	14 816	-	-	14 816	14 817	100	7 234
Umfolzi College	32 282	-	-	32 282	32 282	100	34 471
Umgungundlovu College	6 888	-	-	6 888	6 887	100	5 690
Capricorn College	30 364	-	-	30 364	30 364	100	32 313
Lephalale College	5 044	-	-	5 044	5 044	100	4 086
Letaba College	16 112	-	-	16 112	16 112	100	16 337
Mopani College	24 941	-	-	24 941	24 941	100	20 768
Sekhukhune College	11 841	-	-	11 841	11 841	100	11 204
Vhembe College	37 798	-	-	37 798	37 798	100	49 613
Waterberg College	13 735	-	-	13 735	13 735	100	11 480
Ehlanzeni College	37 144	-	-	37 144	37 144	100	49 754
Gert Sibande College	45 214	-	-	45 214	45 215	100	43 314
Nkangala College	46 669	-	-	46 669	46 669	100	52 008
Rural College	10 491	-	-	10 491	10 491	100	9 193

Department of Higher Education and Training
 VOTE 15
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
 for the year ended 31 March 2018

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2016/17 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 %	
	R'000	R'000	R'000	R'000	R'000	%	
Urban College	10 042	-	-	10 042	10 042	100	8 880
Orbit College	47 507	-	-	47 507	47 507	100	51 206
Taletso College	12 505	-	-	12 505	12 506	100	16 143
Vuselela College	11 490	-	-	11 490	11 490	100	10 515
Boland College	28 866	-	-	28 866	28 866	100	33 920
Cape Town College	46 845	-	-	46 845	46 844	100	43 787
False Bay College	37 677	-	-	37 677	37 677	100	32 842
Northlink College	48 924	-	-	48 924	48 924	100	57 075
South Cape College	23 450	-	-	23 450	23 450	100	42 164
West Coast College	31 124	-	-	31 124	31 123	100	44 961
Total	1 601 898	-	-	1 601 898	1 601 898		1 641 222

Department of Higher Education and Training
VOTE 15
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2016/17 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 %	
Transfers							
<i>Technical and Vocational Education and Training Colleges for Skills Development</i>							
Buffalo City College	568	-	-	568	568	100	572
East Cape Midlands College	636	-	-	636	636	100	640
Ikhala College	419	-	-	419	419	100	402
Ingwe College	585	-	-	585	585	100	590
King Hintsa College	450	-	-	450	450	100	446
King Sabata College	630	-	-	630	630	100	634
Lovedale College	373	-	-	373	373	100	375
Port Elizabeth College	685	-	-	685	685	100	673
Flavius Mareka College	294	-	-	294	294	100	272
Gold Fields College	337	-	-	337	337	100	321
Maluti College	563	-	-	563	563	100	541
Motheo College	952	-	-	952	951	100	946
Central Johannesburg College	852	-	-	852	852	100	797
Ekurhuleni East College	865	-	-	865	865	100	825
Ekurhuleni West College	1 091	-	-	1 091	1 091	100	1 104
Sedibeng College	826	-	-	826	826	100	823
South West College	1 171	-	-	1 171	1 171	100	1 186
Tshwane North College	1 150	-	-	1 150	1 150	100	1 084
Tshwane South College	991	-	-	991	991	100	938
Western College	697	-	-	697	697	100	705

Department of Higher Education and Training
VOTE 15
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

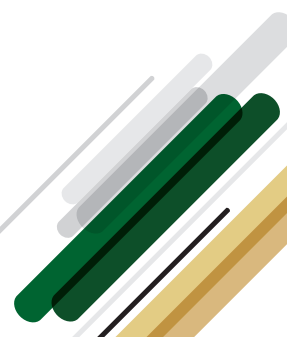
NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2016/17 Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	% of Available funds transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Coastal College	1 071	-	-	1 071	1 071	100	1 007
Elangeni College	805	-	-	805	805	100	736
Esayidi College	737	-	-	737	737	100	663
Majuba College	1 135	-	-	1 135	1 135	100	1 155
Mnambithi College	421	-	-	421	421	100	419
Mithashana College	422	-	-	422	422	100	371
Thekwini College	484	-	-	484	484	100	444
Umfolozo College	793	-	-	793	793	100	807
Umgungundlovu College	427	-	-	427	427	100	384
Capricorn College	872	-	-	872	872	100	890
Lephalale College	212	-	-	212	212	100	186
Letaba College	351	-	-	351	351	100	358
Mopani College	531	-	-	531	531	100	538
Sekhukhune College	400	-	-	400	400	100	380
Vhembe College	1 044	-	-	1 044	1 044	100	1 066
Waterberg College	401	-	-	401	401	100	381
Ehlanzeni College	659	-	-	659	659	100	663
Gert Sibande College	763	-	-	763	763	100	771
Nkangala College	779	-	-	779	779	100	786
Rural College	268	-	-	268	268	100	270
Urban College	276	-	-	276	276	100	281
Orbit College	888	-	-	888	888	100	905
Taletso College	426	-	-	426	426	100	435

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2016/17
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Vuselela College	517	-	-	517	517	100	479
Boland College	553	-	-	553	553	100	521
Cape Town College	721	-	-	721	721	100	686
False Bay College	544	-	-	544	544	100	511
Northlink College	971	-	-	971	971	100	947
South Cape College	444	-	-	444	444	100	412
West Coast College	603	-	-	603	603	100	573
Total	32 653	-	-	32 653	32 652		31 899
Total	1 634 551	-	-	1 634 551	1 634 550		1 673 121

ANNEXURE 1E
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2016/17 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 %	
Transfers							
Employee Social Benefits	8 071	-	8 173	16 244	16 244	100	16 207
Claims against the State	-	-	362	362	361	100	1 771
Total	8 071	-	8 535	16 606	16 605		17 978



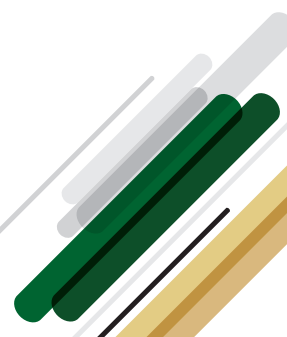
Department of Higher Education and Training
VOTE 15
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

ANNEXURE 1F
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2017/18 R'000	2016/17 R'000
Received in kind			
Kresge Foundation	Participate in the Annual Achieving the Dream Institute on student success conference in Atlanta, Georgia	-	37
Organisation for Economic Co-operation and Development (OECD)	Attending workshop on Skills Needs Indicators hosted by the OECD on 30 March 2016, in Paris.	-	22
Durban University of Technology	Attending council dinner at Durban University of Technology on 3 June 2016.	-	6
International Youth Foundation	Attending event on Generic Trade Preparation Programme in the United States of America.	-	38
United Nations	Attending the expert group meeting and second session of the Economic Commission for Africa Commission in Addis Ababa, Ethiopia	15	-
BANKSETA	Participating in the "Fact Finding Mission" in Holland, and/or Singapore, and to Denmark and Sweden	189	-
German Government	Participating in the inauguration of the Artisan Training Centre at Umfolozi TVET college in Richards Bay	5	-
Total		209	103

ANNEXURE 1G
STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING	REVENUE	EXPENDITURE	PAID BACK	CLOSING
		BALANCE			ON/BY	BALANCE
		R'000	R'000	R'000	R'000	R'000
Received in cash						
Received in cash in the PMG Account						
EU Budget Support	Career Guidance Services Project	15 044	(1 540)	23 183	-	(9 679)
EU Budget Support	Open Learning System for Post-School Education and Training	19	-	3 934	-	(3 915)
EU Budget Support	Teaching and Learning Development Sector Policy Support Programme	2 899	70 000	55 802	-	17 097
African Development Bank	Education for sustainable development in natural mineral resources management	-	1 337	1 337	-	-
USAID	Development of an updated solar energy resource map and database and the African soil micro-organism as a critical resource for Agriculture and Biotechnology	(1 540)	3 853	1 665	-	648
Total		16 422	73 650	85 921	-	4 151



Department of Higher Education and Training
VOTE 15
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDITURE R'000	PAID BACK ON/BY 31 MAR R'000	CLOSING BALANCE R'000
Received in cash in the RDP Fund						
EU Budget Support	Career Guidance Services Project	13 899	(1 540)	23 183	-	(10 824)
EU Budget Support	Open Learning System for Post-School Education and Training	17 904	-	3 934	-	13 970
EU Budget Support	Teaching and Learning Development Sector Policy Support Programme	140 189	-	55 802	-	84 387
African Development Bank	Education for sustainable development in natural mineral resources management	-	1 337	1 337	-	-
USAID	Development of an updated solar energy resource map and database and the African soil micro-organism as a critical resource for Agriculture and Biotechnology	(1 540)	3 853	1 665	-	648
Total		170 452	3 650	85 921	-	88 181
Received in kind						
Netherlands	Capacity building in Higher Education through Nuffic: Implementation of standardised Business Management System in 3 pilot TVET colleges	-	-	-	-	10 250
Total		-	-	-	-	10 250

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	2017/18 R'000	2016/17 R'000
Made in kind		
Gift bought for United States of America (USA) and Canada counterparts as a token of appreciation	-	2
Gift bought for the Hungarian Minister's visit to South Africa	-	1
Gift bought for the Chinese counterpart during the BRICS Minister's meeting	1	-
Gift bought for the best performing workshops at Indlela	2	-
Gift bought for the Finnish counterpart during the Minister's meeting	1	-
Minister's awards for TVET Imbizo	2	-
Total	6	3

ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2018 – LOCAL

GUARANTOR INSTITUTION	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2017	Guarantees drawdowns during the year	Guaranteed repayments/ cancelled/ reduced/ released during the year	Revaluations 31 March 2018	Closing balance 31 March 2018	Guaranteed interest for year ended 31 March 2018	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	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-
	Other								
University of Johannesburg	Tertiary Institutions	-	-	-	-	-	-	-	-
University of the Witwatersrand	Tertiary Institutions	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-

ANNEXURE 2B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2018

Nature of Liability	Opening Balance	Liabilities incurred during the year	Liabilities cancelled/reduced during the year	Liabilities recoverable	Closing balance
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Damaged Cars	-	170	170	-	-
Pension fund liability for TVET lecturers	113 120	-	110 467	-	2 653
Johann Raath vs Minister of Higher Education and Training	1 900	-	-	-	1 900
Vital vs Vista University	4 000	-	-	-	4 000
N Taho vs Minister of Higher Education and Training	400	-	400	-	-
Business Unity SA vs Minister of Higher Education and Training (Case JR1110/2013)	785	215	598	-	402
Business Unity SA vs Minister of Higher Education and Training (Case JR1040/16)	685	-	117	-	568
LM Mapeka (Pilane) vs Department of Higher Education and Training	973	-	-	-	973
Moses Sithole and others vs Mzukisi Dondole and others	200	-	-	-	200
Mxolisi Collin Mashabela vs Minister of Higher Education and Training and others	986	-	-	-	986
Dr Thokozani S Simelane vs Centre for Education Policy Development	1 003	-	225	-	778
Zakhele AT Zitha vs Minister of Higher Education and Training	35 468	-	30	-	35 438
Thiba Takalani vs Minister of Higher Education and Training	5 194	-	-	-	5 194
Nomsimelelo Mthintsilana vs Minister of Higher Education and Training	101	14	115	-	-
P P Gedze vs Nenga River Lodge and others	3 597	43	11	-	3 629
True Harvest (Pty) Ltd vs Minister of Higher Education and Training	50	-	-	-	50
Van Niekerk vs Department of Higher Education and Training – GPBC 1729/2016	39	-	39	-	-
Kamva Trading cc vs MEC for Basic Education and others	-	382	-	-	382
Minister of Higher Education and Training vs Public Protector SA and others	-	500	454	-	46
Transnet Soc Limited vs Minister of Higher Education and Training	-	54	15	-	39

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

Nature of Liability	Opening Balance	Liabilities incurred during the year	Liabilities cancelled/reduced during the year	Liabilities recoverable	Closing balance
	1 April 2017	Liabilities incurred during the year	Liabilities cancelled/reduced during the year	Liabilities recoverable	31 March 2018
	R'000	R'000	R'000	R'000	R'000
Matome Maphalle vs Minister of Higher Education and Training and others	-	26	22	-	4
William Resinga Tshabalala vs Minister of Higher Education and Training	-	55	-	-	55
South African Commercial Catering and Allied Workers Union and others vs Minister of Higher Education and Training	-	2 750	743	-	2 007
Jan Matsobane Komape vs Minister of Higher Education and Training	-	250	73	-	177
Motsumi Makgale Makhene vs Department of Higher Education and Training	-	35	-	-	35
Phumzile Felicia Zondo vs Department of Higher Education and Training	-	42	-	-	42
PM Venter (NO) vs ELRC and Lutaakume	-	170	-	-	170
Takalani Desmond Murathi vs Department of Higher Education and Training and the Minister of Higher Education and Training	-	30	-	-	30
South African Democratic Teachers Union vs Minister of Higher Education and Training and others	-	34	-	-	34
Josephine Naicker vs Minister of Higher Education and Training	-	25	-	-	25
Bafana Freddy Citi vs Minister of Higher Education and Training	-	240	-	-	240
Godfrey Mdluli vs Ekurhuleni East TVET college and Minister of Higher Education and Training	-	5 119	27	-	5 092
Lesetja Frans Sebopela vs Department of Higher Education and Training	-	48	48	-	-
Saliwa vs Minister of Higher Education and Training	-	85	10	-	75
Nomsa Cecilia Motaung vs Department of Higher Education and Training	-	50	-	-	50
NL Matanda vs MEC for Education (Eastern Cape) and others	-	50	-	-	50
C Mabitse and others vs Department of Higher Education and Training	-	135	135	-	-
Mr DJ Smith vs Minister of Higher Education and Training and MEC for North West Department of Education and Sports Development	-	1 703	-	-	1 703
EB Habedi, S Mophaki, CCMA vs Department of Higher Education and Training	-	45	-	-	45
Mphaphudi Lorence Mashao vs Department of Higher Education and Training and the Minister of Higher Education and Training	-	220	-	-	220

Department of Higher Education and Training
VOTE 15
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

Nature of Liability	Opening Balance	Liabilities incurred	Liabilities cancelled/reduced	Liabilities recoverable	Closing balance
	1 April 2017	during the year	during the year	31 March 2018	31 March 2018
	R'000	R'000	R'000	R'000	R'000
Vishnu Chatturgoon vs Department of Higher Education and Training	-	70	-	-	70
True Harvest TVET college vs Minister of Higher Education and Training and others	-	80 500	-	-	80 500
Nkhensani Salphina Hlungwani vs Department of Higher Education and Training	-	179	-	-	179
Norman William Ngatsheni Mkhabela vs Department of Higher Education and Training	-	157	-	-	157
Thabo Francis Lekalakala vs Department of Higher Education and Training	-	150	-	-	150
Vincent Bandile Maimane vs Department of Higher Education and Training	-	204	-	-	204
Derrick Modise Swarathe vs Department of Higher Education and Training	-	139	-	-	139
Commissioner Bheki Msiza and others vs Department of Higher Education and Training	-	250	-	-	250
Total	168 501	94 139	113 699	-	148 941



ANNEXURE 3
CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2018 R'000	31/03/2017 R'000	31/03/2018 R'000	31/03/2017 R'000	31/03/2018 R'000	31/03/2017 R'000
Department						
Department of Basic Education	-	-	7	7	7	7
Department of Justice	-	-	5	5	5	5
Department of Labour	-	-	18	18	18	18
Gauteng Department of Education	-	-	66	569	66	569
Limpopo Department of Education	-	-	137	146	137	146
Government Printers	-	-	-	2	-	2
Mpumalanga Culture, Sport and Recreation	-	-	37	42	37	42
Gauteng Department of Correctional Services	-	-	-	11	-	11
Eastern Cape Department of Roads and Public Works	-	-	6	29	6	29
Telecommunication and Postal Services	-	-	8	8	8	8
The Presidency	-	-	-	21	-	21
Department of Transport	-	-	11	1	11	1
Department of Energy	-	-	-	1	-	1
Eastern Cape Department of Education	-	-	-	42	-	42
Gauteng Department of Health	-	-	-	7	-	7
Limpopo Department of Health	-	-	-	19	-	19
Free State Department of Human Settlements	-	-	-	22	-	22
Department of Water and Sanitation	-	-	-	17	-	17
Gauteng Department of Infrastructure Development	-	-	46	-	46	-
Department of Rural Development and Land Reform	-	-	21	-	21	-
Department of Correctional Services	-	-	7	-	7	-
Free State Department of Education	-	-	25	-	25	-

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	R'000	R'000	R'000	R'000	R'000	R'000
North West Department of Education	-	-	78	-	78	-
North West Department of Education and Sports Development	-	-	45	-	45	-
North West Department of Social Development	-	-	26	-	26	-
Western Cape Department of Education	-	-	39	-	39	-
Government Technical Advisory Centre	-	-	25	-	25	-
	-	-	607	967	607	967
OTHER GOVERNMENT ENTITIES						
National Skills Fund	-	-	499 932	325 062	499 932	325 062
Services SETA	-	-	281	281	281	281
SITA	-	-	31	31	31	31
Culture, Art, Tourism, Hospitality and Sports SETA (CATHSSETA)	-	-	710	-	710	-
	-	-	500 954	325 374	500 954	325 374
Total	-	-	501 561	326 341	501 561	326 341

The difference between Note 12 and Annexure 3 is due to the fact that amounts included under Annexure 3 only refers to Government entities

ANNEXURE 4
INVENTORIES

	2017/18		2016/17	
	Quantity	R'000	Quantity	R'000
Inventory				
Opening balance	1 353	163	7 529	484
Add/(Less): Adjustments to prior year balances	-	-	-	568
Add: Additions/Purchases – Cash	6 850	2 027	112 034	1 758
Add: Additions – Non-cash	20	-	-	-
(Less): Disposals	-	-	-	-
(Less): Issues	(6 973)	(1 736)	(111 677)	(1 630)
Add/(Less): Adjustments	2 055	161	(6 533)	(1 017)
Closing balance	3 305	615	1 353	163

Additions include inventory bought through donor funds, NSF growth funds and NSF Infrastructure funds. The weighted average price variance value for inventory is R395.68

ANNEXURE 5A
INTER-ENTITY ADVANCES PAID (Note 11)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2018 R'000	31/03/2017 R'000	31/03/2018 R'000	31/03/2017 R'000	31/03/2018 R'000	31/03/2017 R'000
NATIONAL DEPARTMENTS						
Department of International Relations and Cooperation	-	-	15 620	7 489	15 620	7 489
Government Communications and Information System	-	-	2 060	5 566	2 060	5 566
Subtotal	-	-	17 680	13 055	17 680	13 055
PUBLIC ENTITIES						
National Student Financial Aid Scheme: TRC Victims Funds	-	-	19 822	20 256	19 822	20 256
Subtotal	-	-	19 822	20 256	19 822	20 256
OTHER INSTITUTIONS						
Rhodes University	-	-	6	-	6	-
Subtotal	-	-	6	-	6	-
Total	-	-	37 508	33 311	37 508	33 311



ANNEXURE 5B

INTER-ENTITY ADVANCES RECEIVED (Note 17 and Note 18)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2018 R'000	31/03/2017 R'000	31/03/2018 R'000	31/03/2017 R'000	31/03/2018 R'000	31/03/2017 R'000
PUBLIC ENTITIES						
Current						
National Skills Fund International Scholarship Grant	-	-	19 034	29 355	19 034	29 355
National Skills Fund Fees Must Fall Grant	-	-	646 014	-	646 014	-
Subtotal	-	-	665 048	29 355	665 048	29 355
Total	-	-	665 048	29 355	665 048	29 355
Current	-	-	665 048	29 355	665 048	29 355
Non-current	-	-	-	-	-	-



CONTACT

PRETORIA OFFICE

117 - 123 Francis Baard Street, Pretoria, 0002

Tel: 012 312 5911

CAPE TOWN OFFICE

103 Plein Street, Cape Town, 8001

Tel: 021 469 5175

Call Centre Toll free: 0800 872 222

Website: www.dhet.gov.za

Career Advice Helpline: 086 999 0123

Career Advice Website: www.careerhelp.org.za

Fraud Hotline: 0800 701 701

RP 341/2018

ISBN: 978-1-77018831-0