



ANNUAL REPORT

2014/15



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

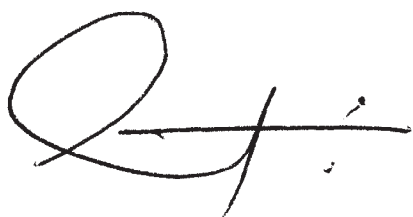
DEPARTMENT OF HIGHER EDUCATION AND TRAINING

Annual Report 2014/15

Minister of Higher Education and Training

Dr BE NZIMANDE, MP

I have the honour of submitting the Annual Report of the Department of Higher Education and Training for the period 1 April 2014 to 31 March 2015.

A handwritten signature in black ink, consisting of a large, stylized 'Q' followed by a horizontal line and a small flourish.

Mr GF Qonde

Director-General: Higher Education and Training

Date: 30 May 2015



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EKURHULENI EAST COLLEGE

of the Artisan officially launched by
Minister Mr. Mkhuluza Manana
Higher Education and Training
at Ekurhuleni East College
Kwa-Thema Campus
on 3 February 2014.



PART A

GENERAL INFORMATION

1. General Information regarding the Department

The Department of Higher Education and Training

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Fax: 012 323 0291

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Postal Address:

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Physical Address:

103 Plein Street

Cape Town

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Tel: 021 469 5175

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OTHER USEFUL CONTACTS

National Career Advisory Helpline: 086 999 0123

National Career Advisory website: www.careerhelp.org.za

sms or “please call me”: 072 204 5056

National Fraud Hotline: 0800 801 801

Departmental Call Centre (Toll free): 0800 872 2222

website: www.dhet.gov.za

2. List of Abbreviations/Acronyms

ADEA	Association for the Development of Education in Africa
AET	Adult Education and Training
AU	African Union
BRICS	Brazil, Russia, India, China and South Africa
CACH	Central Applications Clearing House
CAS	Central Application Service
CD	Chief Director
CDS	Career Development Services
CET	Community Education and Training
CHE	Council on Higher Education
COL	Commonwealth of Learning
COMEDAF	Conference of Ministers of Education of the African Union
DAFF	Department of Agriculture, Forestry and Fisheries
DDG	Deputy Director-General
DoE	Department of Education
DPME	Department of Planning, Monitoring and Evaluation
DTI	Department of Trade and Industry
EACEP	Existing Academics Capacity Enhancement Programme
ELRC	Education Labour Relations Council
EU	European Union
FET	Further Education and Training
GENFETQA	General and Further Education and Training Quality Assurance
GETC	General Education and Training Certificate
GITO	Government Information Technology Office
GPSSBC	General Public Service Sector Bargaining Council
HDI	Historically Disadvantaged Institutions
HEAIDS	Higher Education HIV/Aids Programme
HEDCOM	Heads of Education Departments Committee
HEI	Higher Education Institutions
HEMIS	Higher Education Management Information System
HEQC	Higher Education Quality Council
HEQCIS	Higher Education Quality Council Information System
HESA	Higher Education South Africa
HIV/Aids	Human Immunodeficiency Virus / Acquired Immunodeficiency Syndrome
ICT	Information and Communication Technology
ILO	International Labour Organisation
INDLELA	Institute for the National Development of Learnerships, Employment Skills and Labour Assessments
JHSEC	Joint Health Sciences Education Committee
LMIP	Labour Market Intelligence Project
MEDUNSA	Medical University of South Africa
MPU	University of Mpumalanga
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NATED	National Education
NCC	National Consumer Commission
NC(V)	National Certificate (Vocational)

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NDP	National Development Plan
nGAP	New Generation of Academics Programme
NESP	Nurturing Emerging Scholars Programme
NIHE	National Institute of Higher Education
NIHSS	National Institute for Humanities and Social Sciences
NMMU	Nelson Mandela Metropolitan University
NQF	National Qualifications Framework
NRF	National Research Foundation
NSA	National Skills Authority
NSDS	National Skills Development Strategy
NSF	National Skills Fund
NSFAS	National Student Financial Aid Scheme
OECD	Organisation for Economic Cooperation and Development
OFO	Organising Framework for Occupations
PED	Provincial Education Department
PERSAL	Personnel Salary System
PQM	Programme Qualification Mix
QCTO	Quality Council for Trades and Occupations
QEP	Quality Enhancement Project
RDG	Research Development Grants
SABC	South African Broadcasting Corporation
SADC	Southern African Development Community
SAICA	South African Institute of Chartered Accountants
SANREN	South African Research Network
SAPS	South African Police Service
SAQA	South African Qualifications Authority
SARS	South African Revenue Service
SCOPA	Standing Committee on Public Accounts
SDL	Skills Development Levy
SET	Science, Engineering and Technology
SETA	Sector Education and Training Authority
SITA	State Information Technology Agency
SMU	Sefako Makgatho Health Sciences University
SPU	Sol Plaatje University
SSAU-DP	Staffing South Africa's Universities-Development Programme
SSAUF	Staffing South Africa's Universities Framework
SSEP	Supplementary Staff Employment Programme
STI	Sexually Transmitted Infections
TB	Tuberculosis
TDG	Teaching Development Grants
The Department	Department of Higher Education and Training
TVET	Technical and Vocational Education and Training
UCCF	University Chairs of Council Forum
UK	United Kingdom
UN	United Nations
UNESCO	United Nations Educational, Scientific and Cultural Organisation
VCET	Vocational and Continuing Education and Training
WIL	Work Integrated Learning

3. Message from the Minister



It is an honour for me to present the Annual Report for the 2014/15 financial year of the Department of Higher Education and Training. This report is the fifth report since the 2009 inception of the Department and is the concluding report on the achievements of the Department's strategic goals set out in the 2010/11 to 2014/15 strategic goals.

In the year under review the Department continued on its path of building an expanded, effective and integrated post-school education and training system as articulated in the White Paper for Post-School Education and Training launched in 2014 as well as the 2014/15 Annual Performance Plan of the Department.

This report also closes a historic chapter in the history of the Department, as the Technical and Vocational Education and Training Colleges and Adult Education and Training functions will be fully incorporated into the Department as from 1 April 2015.

In the 2013/14 Annual Report, I have reported the establishment and the launch of the Sol Plaatje University in the Northern Cape Province and the University of Mpumalanga in Mpumalanga Province. These two new comprehensive universities have been set up to assist in the expansion of the current university system and make higher education more accessible to the youth in rural areas. I am proud to report that these universities are fully operational and opened their doors to their first intakes in February 2014. Large infrastructure development projects aimed at the construction of new campus facilities that will enable increased student enrolments were underway at the time of reporting. Subsequently, I have disestablished the two National Institutes for Higher Education which existed in these provinces.

I have promulgated the Sefako Makgatho Health Sciences University, which will be the first of its kind in the country in that it exclusively focuses on medicine and the broader health and allied sciences professional programmes. Further and future initiatives on the expansion of the higher education sector will be steered by the Policy for Provision of Distance Education in South Africa, which I published during the year under review.

In the past year the Department started with the review of the Sector Education and Training Authority landscape. A case study has been undertaken and recommendations will be considered in the development of the new National Skills Development Strategy during the 2015/16 financial year.

I am gratified by the Department's achievements during the past financial year and the continued strides towards maximising success in the education and training of our people. The Department will continuously look into ways and means to improve in areas where shortcomings persist.

I wish to acknowledge the work of the Deputy Minister, the Director-General and his senior management team, the staff in my office and every official in the Department. I thank them all for the past year's achievements.

I also wish to acknowledge the work done by all our institutions, entities as well as the role of organised labour and employers, towards building a coherent post-school education and training system.

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

Together, Turning Every Workplace into a Training Space!

A handwritten signature in black ink, appearing to read 'Blade Nzimande', with a stylized, cursive script.

Dr Blade Nzimande, MP

Minister of Higher Education And Training

4. Message from the Deputy Minister



The 2014/15 financial year saw the introduction of the White Paper for Post-School Education and Training which is now the cornerstone for the transformation of the system. Our policies are aimed at a positive transformation of the system and to confront racial, gender, class and other forms of inequality. This requires radical socio-economic transformation to push back the triple challenges of poverty, inequality and unemployment.

Consistent with the National Development Plan, our resolve is to create a pipeline of qualified artisans who can play a crucial role of growing the emerging sectors of our economy, thereby creating massive employment opportunities for the youth. In 2014 we declared 2014 - 2024 as the Decade of the Artisan and launched the advocacy programme in several provinces such as Mpumalanga and the Eastern Cape. The focus is on employers opening up workplaces for more artisan learners, particularly apprenticeships. To implement a single national artisan trade testing and certification system across all economic sectors quality assured by the QCTO, the Minister approved National Trade Test Regulations for implementation from 1 April 2015.

A Social Inclusion Policy Framework was launched to address amongst others, the establishment of disability units in all post-school education and training institutions. The intention of this policy framework is to ensure that all post-school institutions implement policies to overcome unfair discrimination as required by the Constitution. The policy also addresses the important issue of reasonable accommodation and access for students with disabilities.

The Higher Education HIV/Aids programme continued to implement comprehensive programmes that respond to the impact of the dual epidemics (HIV, STIs and TB). The programme continues to be rolled out to TVET College sites, but will require additional financial support to ensure its continued effectiveness and reach.

I would like to thank the Minister of Higher Education and Training, Dr BE Nzimande, for his leadership towards the transformation of the country's post-school education and training system. My sincere gratitude goes to the Director-General, Mr GF Qonde, his senior management team and the staff in my office for their support.

A handwritten signature in black ink, consisting of stylized initials and a surname, written over a horizontal line.

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

5. Accounting Officer's Overview



During the past financial year, the Department continued in its pursuit of improving the provisioning of post-school education and training opportunities. The Department has used this year to consolidate on the gains and shortcomings made in the previous years. Considerable efforts in the refinement of the legislation and policy directives aimed at improving the post-school education and training system were made.

A process commenced to develop a new National Plan for Post-School Education and Training, which will be aligned to the prescripts of the White Paper and the National Development Plan.

Since the 2009 inception of the Department, significant progress was made in terms of increasing access and success to education and training opportunities. During the 2014/15 financial year, student enrolments continued to grow in the university and TVET College sectors.

In addressing student access and economic efficiency related challenges, a Ministerial Committee was established to review the funding frameworks for the TVET Colleges as well as for the new Community Education and Training Colleges that will be established with effect from 1 April 2015. With regards to the university sector, the Minister appointed a Technical Team and Reference Group to model the recommendations of the 2014 Ministerial Report on the Review of Funding of Universities. A draft funding framework has been developed and will be released shortly for public comment in order for the new funding framework to be ready for implementation by 2017.

In addressing the current low articulation levels in the system, a draft National Articulation Policy and Guidelines were developed and published for public comment.

I wish to sincerely thank the Minister of Higher Education and Training, Dr BE Nzimande and the Deputy Minister, Mr MC Manana for their visionary stewardship and support in guiding the Department towards realising its strategic goals and predetermined objectives. I also need to express my appreciation to the senior management team and all staff members in the Department for their devotion and hard work.

I hereby present the Annual Report for the 2014/15 financial year to the Minister and the Deputy Minister and invite them to table it in Parliament.

A handwritten signature in black ink, consisting of a large, stylized 'Q' followed by a horizontal line and a small flourish.

Mr GF Qonde
Accounting Officer

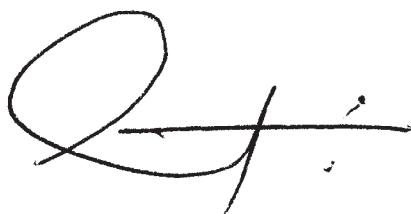
6. Statement of Responsibility and Confirmation of the Accuracy of the Annual Report

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 document.
- 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 2015.

Yours faithfully



Mr GF Qonde
Accounting Officer
Date: 30 May 2015

7. Strategic Overview

7.1 Vision

Our vision is of a South Africa in which we have a differentiated and fully inclusive post-school system that allows all South Africans to access and succeed in relevant post-school education and training, in order to fulfil the economic and social goals of participation in an inclusive economy and society.

7.2 Mission

It is the mission of the Department of Higher Education and Training to develop capable, well-educated and skilled citizens that are able to compete in a sustainable, diversified and knowledge-intensive international economy, which meets the developmental goals of our country.

The Department will undertake this mission by reducing the skills bottlenecks, especially in priority and scarce skills areas; improving low participation rates in the post-school system; correcting distortions in the shape, size and distribution of access to post-school education and training; and improving the quality and efficiency in the system, its sub-systems and its institutions.

7.3 Value Statement

The Department is committed to:

- Distinction and excellence in all our work efforts to develop a skilled and capable workforce for the country;
- Honesty, perseverance and commitment in providing differentiated education and training opportunities for all the people of South Africa;
- Efficiency of work habits and proficiency of all the Department employees in fulfilling the mandate of the Department;
- Teamwork, cooperation and solidarity in working with our partners in higher education and training to achieve the shared goals; and
- Transformation imperatives by addressing social inequality, race, gender, age, geography, HIV/Aids and disability issues in all our higher education and training institutions in order to normalise our institutions.

7.4 Strategic outcome orientated goals

- Strategic Goal 1:** Increase the number of skilled youth by expanding access to education and training for the youth
- Strategic Goal 2:** Adequately capacitated individual institutions for effective provision or facilitation of learning
- Strategic Goal 3:** Increase the number of students successfully entering the labour market on completion of training
- Strategic Goal 4:** Expand research, development and innovation capacity for economic growth and social development
- Strategic Goal 5:** A college curriculum that is responsive to the demands of the market place and can transform and adapt quickly and effectively to changing skills needs, with a special emphasis on artisan training
- Strategic Goal 6:** A credible institutional mechanism for skills planning to support an inclusive economic growth path
- Strategic Goal 7:** Ensure a highly effective, professional and efficient administration based on good corporate governance practices

8. Legislative and other Mandates

8.1 Constitutional Mandates

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

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

8.2 Legislative Mandates

Legislation	Principal Minister	Relevant to the Minister of Higher Education and Training
Adult Education and Training Act, 2000 (Act No. 51 of 2000) (AET Act)	Minister of Higher Education and Training	Repealed
Continuing Education and Training Act, 2006 (Act No. 16 of 2006), (CET Act) [Further Education and Training Colleges Act, 2006 (Act No. 16 of 2006) (FET Act) was renamed] Provides for the governance and funding of both Community Education and Training (CET) Colleges, Technical and Vocational Education and Training (TVET) Colleges and related matters in providing continuing education and training	Minister of Higher Education and Training	Entire Act
General and Further Education and Training Act, 2001 (Act No. 58 of 2001) (GENFETQA Act) Provides for the General and Further Education and Training Quality Assurance Council and for quality assurance of continuing education and training in TVET and CET Colleges	Entire Act assigned to the Minister of Basic Education – except those sections relevant to continuing education and training assigned to the Minister of Higher Education and Training	In as far as public TVET and CET Colleges as well as private colleges offering continuing education; Relevant sections: 2(b) and (c), 3, 16 to 21, 23, 26 and 28
Higher Education Act, 1997 (Act No. 101 of 1997) (HE Act) Provides for a unified and nationally planned system of higher education and for the statutory Council on Higher Education (CHE)	Minister of Higher Education and Training	Entire Act
National Qualifications Framework Act, 2008 (Act No. 67 of 2008) (NQF Act) Provides for the National Qualifications Framework (NQF), the South African Qualifications Authority (SAQA) and the Quality Councils (CHE, QCTO and Umalusi), for the issuing and quality assurance of qualifications required on the sub-frameworks of the NQF	Minister of Higher Education and Training	Entire Act

Legislation	Principal Minister	Relevant to the Minister of Higher Education and Training
National Student Financial Aid Scheme Act, 1999 (Act No.56 of 1999) (NSFAS Act) Provides for the granting of loans and bursaries to eligible students attending public higher education institutions, as well as for the administration of such loans and bursaries	Minister of Higher Education and Training	Entire Act
Skills Development Levies Act, 1999 (Act No. 9 of 1999) (SDL Act) Provides for the imposition of skills development levies and matters in relation thereto	Minister of Higher Education and Training	Entire Act
Skills Development Act, 1998 (Act No. 97 of 1998) (SD Act) Provides for the National Skills Authority, the Quality Council for Trades and Occupations (QCTO), regulates apprenticeships, learnerships and matters related to skills development	Entire Act assigned to the Minister of Higher Education and Training – except those sections relevant to labour matters assigned to the Minister of Labour	Entire Act, except the following sections assigned to the Minister of Labour: Sections 2(1) g and h, 2(2)(a)(v), (vi) and (xii), 5(4) (only with respect to 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; as well as 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)

9. Policy Mandates

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

Sole legislative imperatives

1. The Higher Education Act, 1997 (Act No. 101 of 1997) (HE Act) provides for a unified and nationally planned system of higher education. It furthermore provides for a statutory Council on Higher Education (CHE) which advises the Minister, while being responsible for quality assurance and promotion. The Higher Education Act, and the Education White Paper 3: A Programme for the Transformation of Higher Education (1999), formed the basis for the transformation of the higher education sector with implementation being guided by the National Plan for Higher Education (2001) and the White Paper for Post-School Education and Training, 2013.
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 subsequent administration of said loans and bursaries.
3. The Continuing Education and Training Colleges Act, 2006 (Act No. 16 of 2006) (CET Act) [formerly referred to as the Further Education and Training Colleges, 2006 (FET Act)] provides for the regulation of continuing education and training, the establishment of governance structures and the funding of public Technical and Vocational Education and Training (TVET) Colleges and Community Education and Training (CET) Colleges, the registration of private colleges and the promotion of quality in continuing education and training.
4. The National Qualifications Framework Act, 2008 (Act No. 67 of 2008) (NQF Act) provides for the National Qualifications Framework (NQF), the South African Qualifications Authority (SAQA) and the Quality Councils. The National Qualifications Framework comprises the principal instrument through which national education and training qualifications are recognised and quality assured.
5. The Skills Development Levies Act, 1999 (Act No. 9 of 1999) (SDL Act) provides for the imposition of the skills development levy and matters connected therewith. The administration powers and functions originally entrusted to the Minister of Labour by the Skills Development Levies Act and the Skills Development Act, excluding the provisions dealing with Productivity South Africa and employment services were transferred to the Minister of Higher Education and Training, effective from 1 November 2009, by way of the Presidential Proclamation 56 of 2009.
6. It is relevant to note that the Adult Education and Training Act, 2000 (Act No. 51 of 2000) (AET Act) has been repealed as of 1 April 2015.

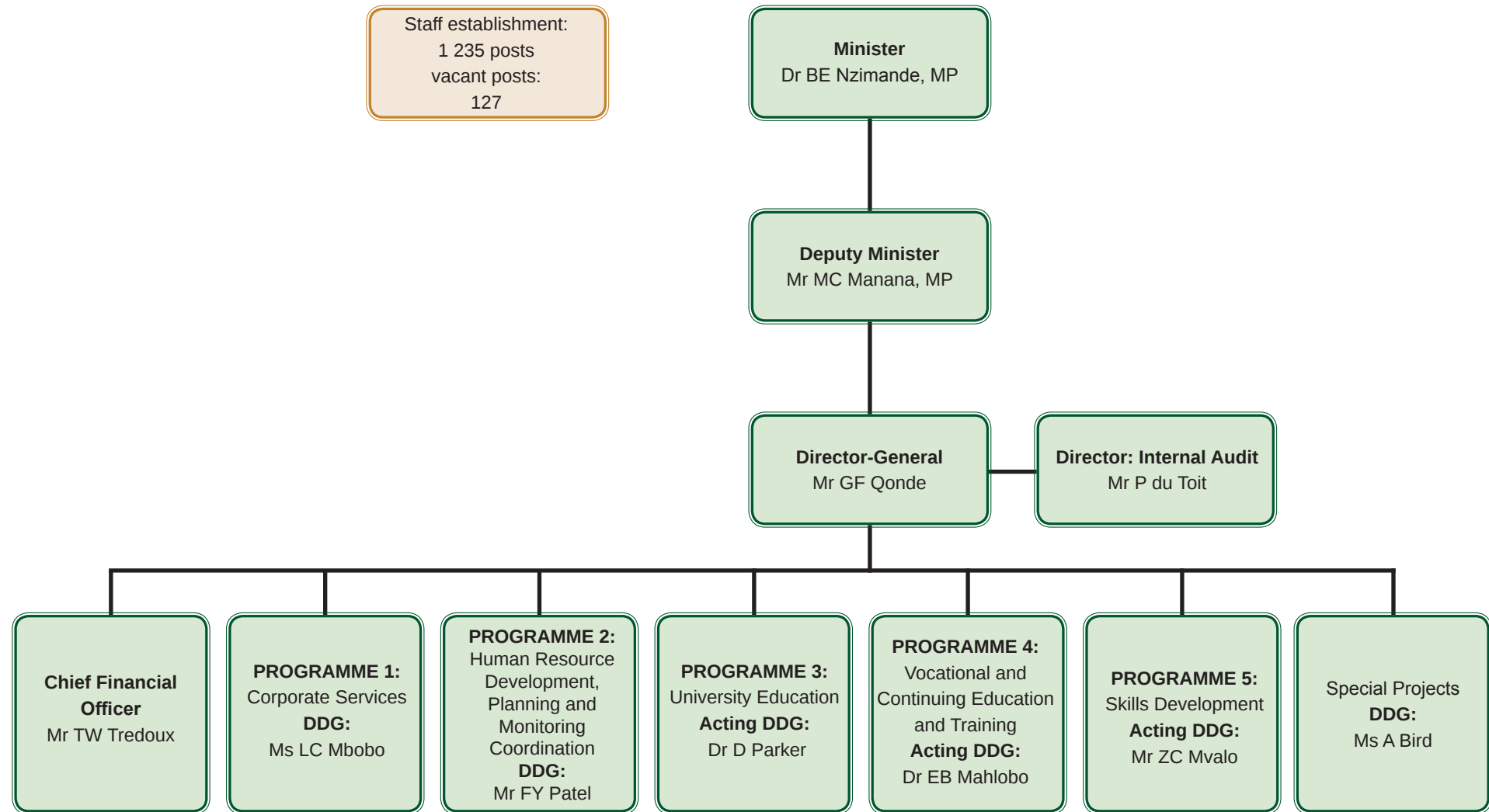
Shared legislation imperatives

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 these strategies within the National Skills Framework, to provide for learnerships that lead to the recognition of occupational qualifications, to provide for the financing of skills development by means of a skills development levy and the National Skills Fund.
8. The National Education Policy Act, 1996 (Act. No. 27 of 1996), in-so-far as the administration, relevant powers and functions pertain to the determination of policy for public and private centers offering adult education and training, established as envisaged in the Adult Education and Training Act, 2000, and public and private colleges providing technical and vocational education and training as envisaged in the

CET Act, 2006, were transferred to the Minister of Higher Education and Training. The Act was designed to inscribe in law the policies, as well as the legislative and monitoring responsibilities of the Minister of Education and to formalise the relationship between national and provincial authorities. It provided the foundation for the establishment of the Council of Education Ministers, as well as the Heads of Education Departments Committee (HEDCOM), as inter-governmental forums aimed at collaborating on the development of a new education system. As such, it serves as a structure for the formulation of national policies in general and further education and training, for curriculum assessment, language policy as well as quality assurance. The Act embodies the principle of cooperative governance, as underpinned in Schedule 3 of the Constitution.

9. The Employment of Educators Act, 1998 (Act No. 76 of 1998) in-so-far as the administration, relevant powers and functions pertaining to adult education centers, the South African Council for Educators Act, 2000 (Act No. 31 of 2000) in-so-far as the administration, relevant powers and functions pertaining to the relevant powers and functions of the South African Council for Educators in relation to adult learning centers; the General and Further Education and Training Quality Assurance Act, 2001 (Act No. 58 of 2001) in-so-far as the administration, powers and functions pertain to the relevant powers and functions entrusted to Umalusi in relation to public and private centers offering adult education and training as envisaged in terms of the Adult Education and Training Act, 2000, and public and private TVET Colleges comprise a number of legislative imperatives that were partially transferred to the Minister of Higher Education and Training.
10. The applicable provisions of the National Education Policy Act, the Employment of Educators Act and the South African Council for Educators Act have since been incorporated in the principal Acts by way of the Higher Education Laws Amendment Act, 2010 (Act No. 26 of 2010) (HELA).

10. High-Level Organisational Structure



11. 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
Culture, Arts, Tourism, Hospitality and Sport 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
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	It 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 Institutes through intellectual engagement
Chemical Industries Education and Training Authority (CHIETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the chemical industries sector
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
Education and Training and Development Practices Sector Education and Training Authority (ETDPSETA)	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
Financial and Accounting Services Sector Education and Training Authority (FASSET)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the financial and accounting 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

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Name of entity	Legislation	Financial Relationship	Nature of Operations
Fibre Processing and Manufacturing Sector Education and Training Authority (FP&MSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the fibre processing and manufacturing sector
Health and Welfare Sector Education and Training Authority (HWSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the health and welfare sector
Insurance Sector Education and Training Authority (INSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the insurance sector
Local Government Sector Education and Training Authority (LGSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the local government sector
Manufacturing, Engineering and Related Services Sector Education and Training Authority (MERSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the manufacturing, engineering and related services sector
Media, Information and Communication Technologies SETA (MICTS)	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	It is responsible for administering loans and bursaries and allocating these to eligible students, developing criteria and conditions for the granting of loans and bursaries to eligible students in consultation with the Minister of Higher Education and Training, raising funds, recovering loans, maintaining and analysing a database for loans and bursary administration, undertaking research for the better utilisation of financial resources and advising the Minister on matters relating to student financial aid
Public 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 service sector

Name of entity	Legislation	Financial Relationship	Nature of Operations
Qualification Council for Trades and Occupations (QCTO)	NQF Act 2008 and Skills Development Act of 2008	Transfer payments Agency services are provided	To develop and quality assure occupational qualifications that are responsive to the labour market and developmental state initiatives
Safety and Security Education and Training Authority (SASSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the safety and security sector
Services Sector Education and Training Authority (SERVICES SETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the services sector
South African Qualifications Authority (SAQA)	SAQA Act 58 of 1995	Transfer payments	SAQA focuses on upholding the principles of the National Qualifications Framework, including 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&R SETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the wholesale and retail sector







PART B

PERFORMANCE INFORMATION

1. Auditor-General's Report on Predetermined Objectives

The Auditor-General's findings on the annual performance information are reported in Part E (Financial Information) of this Annual Report.

2. Overview of Departmental Performance

2.1. Service Delivery Environment

2.1.1 Introduction

During the financial year ending 31 March 2015, the Department of Higher Education and Training, hereafter referred to as the Department, made significant progress towards the achievement of its strategic goals as set out in its 2010/11 to 2014/15 Strategic Plan and the 2014/15 Annual Performance Plan. The attainment of the predetermined objectives and targets set out in the year under review, were commissioned through the Department's five programmes: **Programme 1:** Administration; **Programme 2:** Human Resource Development, Planning and Monitoring Coordination; **Programme 3:** University Education; **Programme 4:** Vocational and Continuing Education and Training and **Programme 5:** Skills Development.

2.1.2 University Education

The higher education sector comprises two clearly delineated focal areas namely, the public sector (University Education consisting of universities and national higher education institutes) and the private sector (consisting of private Higher Education Institutions (HEIs)). The service delivery environment covers both these sectors, although the public sector is the larger of the two and has the greatest focus here. The following overview considers each sector respectively.

a) An overview of the public university education service delivery environment

The total student headcount enrolment at the 23 fully established universities reached 983 698 in the 2013 academic year, which includes both full-time and part-time enrolments for contact and distance studies. This is a 17.4% growth in university headcount enrolments from the baseline of 837 776 in 2009, a notable improvement towards the national aim of increasing the total headcount enrolments to 1.6 million by 2030 as envisaged by the National Development Plan (NDP) and the White Paper for Post-School Education and Training (PSET), 2013.

The total number of university graduates per annum for this period has also increased by 24.3%, from 145 428 in the 2009 academic year to 180 823 in the 2013 academic year. This increase is significant and signals that the system is improving its outputs, since the increase in graduates is greater than the increase in headcount enrolments. Notably, the number of Research Masters and Doctoral (PhD) graduates increased at a higher percentage than the overall graduations rate which is critical, because it is especially post-graduates on whom the country depends for its future generation of academics, researchers and other leaders in knowledge-intensive professions. The number of Research Masters' graduates increased by 54.6% from 4 179 in the 2009 academic year to 6 460 in the 2013 academic year, while Doctoral graduates increased by 48.6% from 1 380 PhD graduates to 2 051 during the same period.

Linked to the expansion of the university system is the successful start-up of two new comprehensive universities namely, Sol Plaatje University (SPU) in Kimberley, Northern Cape Province and the University of Mpumalanga (MPU) in Mbombela, Mpumalanga Province, which the Minister of Higher Education and Training established as juristic persons in August 2013. SPU and MPU with refurbished infrastructure, successfully opened their doors to their first intake of students in February 2014. Significant progress has been made towards implementing their ten-year development plans during the 2014/15 financial year. Both universities have established full councils

in August 2014 and have since appointed their executive management teams, including Vice-Chancellors. Significant progress has also been made towards the implementation of ten-year infrastructure development programmes for these universities.

The implementation of the first phase of infrastructure development activities at SPU and MPU which are aimed at increasing student capacity to 7 500 students for SPU and 18 000 students for MPU (15 000 on the Main Campus and 3 000 on the Siyabuswa Campus), were underway by October 2014. By the fourth quarter of the year under review, five construction cranes towered over the City of Kimberley and similar construction activities were being undertaken at Mbombela and Siyabuswa. Thirteen new multi-storey buildings are currently under construction to enable an enrolment of 1 160 students at MPU and 700 students at SPU during the 2016 academic year. This represents a significant increase from the initial enrolments of 140 students at MPU and 130 students at SPU in the 2014 academic year. In addition, MPU successfully incorporated the Lowveld Agricultural College on 1 January 2015.

The Minister disestablished the two National Institutes for Higher Education (NIHE) in the Northern Cape and Mpumalanga Provinces on 31 March 2015. The respective mandates of these institutes, initially established to coordinate higher education activities in the two provinces, were absorbed by SPU and MPU. The dissolution process was managed by an administrator and all assets and responsibilities of the institutes were transferred to the new universities. The process culminated in one NIHE in the country, the National Institute for Humanities and Social Sciences (NIHSS), which was established in 2013 and became operational during 2014.

In May 2014 the Minister promulgated the third new university in South Africa, the Sefako Makgatho Health Sciences University (SMU) and on 1 January 2015, SMU successfully incorporated the Medunsa campus of the University of Limpopo. The University opened its doors to 5 034 students in January 2015 and is set to grow to 7 000 students by 2019 and 10 000 students by 2024. As a comprehensive health and allied sciences university, it is the first of its kind in South Africa. It will offer a broad range of programmes from higher certificates to PhDs, medicine and broader health and allied sciences professional programmes as well as related programmes in medical law, health sciences education, humanities and bio-engineering. The University will recruit students from communities with the greatest health care needs and provide innovative training programmes, including distance programmes which will provide students from all over the country with access to quality health care education. A new academic architecture suitable for a comprehensive university offering health and allied sciences programmes in the South African context, recognising the national health needs and international competitive standards, is under development. Initial steps have been taken to develop new courses with the contribution of international universities such as the Johns Hopkins University.

These achievements have changed the shape of the university education system from 23 to 26 universities, differentiated into 11 general academic universities; 9 comprehensive universities and 6 universities of technology and from 3 national institutes reduced to one. Over time, this expansion in the number of universities will contribute to increased capacity catering for contact students' needs within the system.

The expansion of the higher education sector, in line with the NDP and the White Paper, will be assisted through the implementation of the *Policy for the Provision of Distance Education in South African Universities in the Context of an Integrated Post-school System*, which was published in the Government Gazette in July 2014. The policy provides for contact universities to embark on distance provisioning and will enable universities to diversify their mode of delivery and assist with the expansion of the system, especially at the post-graduate level. The Department is working with the Council on Higher Education (CHE) and the universities to ensure that the policy is implemented in a responsible manner and that quality issues related to distance education are effectively dealt with by this expansion.

A draft policy framework for differentiation of the higher education and training system has also been developed and was published for public comment during 2014. A consultative process towards finalising this policy framework for implementation by March 2017 will commence in the 2015/16 financial year. It is expected that when finalised,

it will enable more effective steering of the system towards offering more diverse post-school opportunities to the South African citizenry.

The expansion of the public system is also bolstered by the Department's infrastructure and efficiency programme. The Minister approved infrastructure projects amounting to R6 billion across the initial 23 established institutions for the 2012/13 to 2014/15 infrastructure cycle, in line with departmental priorities and criteria during the 2012/13 financial year. During the 2014/15 financial year, R2.2 billion was disbursed towards a range of infrastructure projects across these 23 universities, with a emphasis on historically disadvantaged campuses and student housing. A strategic decision was taken to change the process for the allocation of infrastructure and efficiency funds for the 2015/16 to 2017/18 cycle. Universities were requested to undertake infrastructure, maintenance and disability audits and develop campus master plans for the next 20 years. All universities had submitted their plans and audits by September 2014. The Department established a team of experts to analyse the plans and develop a macro-infrastructure framework plan for the university education system. The process towards developing the twenty-year infrastructure development and maintenance plan for the system is well underway and the Department expects to publish the plan during the 2015/16 financial year. The institutional audits and plans will guide the prioritisation of infrastructure projects and the allocation of funds to institutions for the 2015/16 to 2017/18 infrastructure funding cycle and beyond. It is expected that during this cycle the focus will mainly be centred on backlog maintenance, refurbishment of older infrastructure, information technology infrastructure and new student housing.

In relation to the infrastructure programme for SPU and MPU, a total amount of just over R3.1 billion has been made available over the 2015 Medium Term Expenditure Framework (MTEF) for the establishment and development of both institutions. New infrastructure will be built in phases in line with ten-year spatial development programmes and academic expansion plans.

The Report of the Ministerial Committee regarding the Review of Funding of Universities was approved and published during the final quarter of 2013/14. During the 2014/15 financial year a Task Team and Reference Group modelled the implications of the recommendations and has developed a draft revised funding framework for the university system. Once approved by the Minister, this will be published for public comment. The framework as reviewed has taken into account the policy direction of the White Paper for PSET. Once public comments and wide consultation on the proposed revisions have taken place, a final revised funding framework will be developed and submitted to the CHE for advice, as required by the amended Higher Education Act of 1997. It is expected that the final framework will be published during 2016 and implemented during the 2017 academic year.

A new major initiative, the transformative Staffing South Africa's Universities Framework (SSAUF) was approved by the Minister in January 2015 subsequent to full consultation across the sector. The set of proposals that make up the SSAUF will make a significant contribution to the effectiveness, composition and sustainability of the university system. The SSAUF consists of 4 core programmes linked to the academic development pathway. The programmes are: the Nurturing Emerging Scholars Programme (NESP); the New Generation of Academics Programme (nGAP); the Existing Academics Capacity Enhancement Programme (EACEP) and the Supplementary Staff Employment Programme (SSEP). The Staffing South Africa's Universities Development Programme (SSAU-DP) cuts across the core programmes and supports teaching and research development needs in each programme.

The first phase of the SSAUF, the nGAP, is currently being implemented. By the end of February 2015, universities had submitted over 500 applications for nGAP posts. These were reviewed and 125 posts were accordingly allocated in March 2015. Recruitment processes to fill the posts will be undertaken in the 2015/16 financial year.

Government has made significant progress in terms of increased access for students from the poor and working class into higher education. Despite massive increases in the National Student Financial Aid Scheme (NSFAS) budget, the available funds still fall far short of the ever-increasing demand for student financial aid to students in Technical and Vocational Education and Training (TVET) Colleges and universities. While NSFAS and the

Department continue to lobby for further funding in realising the aim of ensuring that all academically deserving indigent and working class students are able to access opportunities in higher education via adequate financial aid, the system has to manage as best it can within additional, allocated resources. Subsequent to a Colloquium hosted in July 2014, key stakeholders agreed to set up a National Policy Dialogue to explore these critical issues. This could have implications for the service delivery platform in future.

NSFAS has implemented a new loans and bursaries management system, which it has piloted at 6 universities and 5 TVET Colleges during the 2014 academic year. The aim of the new student centred system is to provide efficient and effective financial aid to students through establishing a direct relationship with students. An important aspect of the new system is that it aims to combat fraud. NSFAS will be able to establish the validity of information provided by applicants through linkages with the Department of Home Affairs, the South African Revenue Services (SARS) and the South African Social Security Agency.

The Department is in the process of developing the Central Application Service (CAS), which is planned to become operational by 2018. This will have a major impact on the service delivery platform, enabling streamlined access into the Post-School Education and Training system. The first phase of the service, the Central Applications Clearing House (CACH), was implemented for the third consecutive year from January to March 2015, with approximately 14 000 users registered and a placement rate of 29% by the end of March 2015. The development of the CAS is progressing well with the expansion of its enterprise architectural and business systems design, including the governance structure and related management and human resource requirements.

The Ministerial Enrolment Planning Statement for 2014/15 to 2019/20 was approved and published in September 2014. A strategic decision was taken to change aspects of the enrolment planning process to ensure improved integrated planning for a diverse and differentiated university sector integrated within the Post-School Education and Training system. The enrolment planning cycle period was increased from the traditional 3 to 6 years, with a mid-term review that will take place in 2016. Universities were requested to develop their enrolment plans in an integrated fashion, taking into consideration infrastructure planning, research development, teaching development, staff development as well as realistic expansion possibilities within a restricted fiscal environment. The national enrolment plan indicates that the system will continue to grow at a moderate pace, with headcount enrolments expected to increase from 983 698 in the 2013 academic year to approximately 1 087 000 by the 2019 academic year, representing an annual average growth of 1.9%. Over the same period the number of graduates is expected to increase from 180 823 in 2013 to approximately 217 500 in 2019, an annual average growth of 3.9%. The system is working toward improved efficiency and ensuring better success rates, with the annual average growth in graduates expected to outstrip the increase in enrolments.

b) An overview of the private higher education service delivery environment

The Department continues to recognise the importance of the private higher education sector in providing qualifications, mostly within the undergraduate space. The effective integration of private higher education into the system as a whole, is linked to the quality assurance system of the Higher Education Quality Committee (HEQC) of CHE, together with the work of the Department in registering institutions to enable them to legally offer accredited programmes. The CHE and Department are working closely 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.

The Department has intensified its efforts to raise public awareness on the importance of verifying the status of an institution before registering over the past year. This has been achieved through publishing lists of 'bogus' colleges on the *Register of Private Higher Education Institutions* published and updated monthly on the Department's website; visible policing in partnership with the South African Police Service (SAPS) and oversight of the system including site visits to institutions reportedly operating illegally. The Department has also created links with authorities in the United Kingdom (UK) and the United States of America and is working closely with them to combat 'bogus' colleges and degree fraud linked to institutions operating from those countries. At least

39 'bogus' colleges have so far been shut down, either directly by the SAPS and the Department, or through the legal process of the courts.

In order to improve the oversight processes in ensuring that only legitimate, registered and quality assured private providers operate within the country, it is necessary to improve the legislative and regulatory environment, so that it better supports legitimate providers, while at the same time ensuring effective regulation of the system to protect an unsuspecting public from unscrupulous providers. To this effect, the Department published draft revised regulations governing private HEIs in terms of the amended Higher Education Act 101 of 1997, for public comments. Parallel to this process, the Review of the amended Higher Education Act No. 101 of 1997, which was completed during the financial year and will be taken through the parliamentary process during 2015 for possible promulgation, has also proposed improvements to the service delivery environment of private HEIs. It is expected that once the Higher Education Bill is promulgated, the final amended regulations will be published. This will enable an improved service delivery environment and greater integration of private higher education into the Post-School Education and Training system as a whole, as envisaged by the White Paper.

c) Reflection on successes and significant developments

The most important successes over the 2014/15 financial year include:

- the successful start-up of the first 2 new universities since 1994, re: Sol Plaatje University (SPU) and the University of Mpumalanga (MPU); the establishment of their first full councils, appointments of their Vice Chancellors, executive management and human resources and the commencement of the first phase of major new infrastructure developments in line with their ten-year spatial development plans;
- the promulgation of the third new university since 1994, re: Sefako Makgatho Health Sciences University (SMU) in Gauteng, the first specialised comprehensive university in South Africa;
- the successful incorporation of the Medunsa Campus of the University of Limpopo into SMU on 1 January 2015;
- the successful incorporation of the Lowveld College of Agriculture into MPU on 1 January 2015;
- the successful disestablishment of the National Institutes for Higher Education in the Northern Cape and Mpumalanga Provinces on 31 March 2015;
- the successful implementation of the guidelines contained within the *Ministerial Statement on the Management and Utilisation of the Teaching Development Grant* (TDG), the approval of three-year Teaching Development Plans (TDPs) for universities in line with the guidelines and the improved monitoring and evaluation process. In addition to enhancing the effectiveness of the TDGs, the process enabled reprioritisation of significant funding in the system to support teaching and learning improvements via the implementation of the 'New Generation of Academics' Programme (nGAP) which represents the first phase of the implementation of the 'Staffing South Africa's Universities' Framework (SSAUF), as approved by the Minister in January 2015;
- the successful implementation of the *Criteria for the use and Management of the Research Development Grant* (RDG) to Universities and the approval of three-year Research Development Plans for universities in line with the criteria;
- the establishment of a scholarships management office to manage international scholarship opportunities, an inter-branch scholarships committee to govern the processes and a website advertising international scholarship opportunities;
- the approval of a set of financial indicators that will be utilised in future to assess the financial health of universities on an annual basis;

- the successful implementation of a capacity building programme for university council members through 6 regional council training workshops in partnership with the University Chairs of Council Forum (UCCF);
- a Joint Health Sciences Education Committee (JHSEC) has been established successfully by the Directors-General of the Department and Department of Health to ensure coordinated planning and funding for the development of health sciences professionals and para-professionals within the South African Health system;
- Ministerial approval of the Task Team report on a model and funding for a permanent South African BRICS Think Tank;
- the Technical Team and Reference Group appointed to model the recommendations of the Ministerial Report on the funding of universities and develop a revised draft funding framework that will be published for public comment after Ministerial approval;
- the Task Team established to review the amended Higher Education Act 1997, finalised its work for the Minister's approval and submission for the 2015 legislative programme;
- the Working Group established to conduct a feasibility study and advise on a suitable model aimed at community service for graduates in South Africa, finalised its report in March 2015 for Ministerial approval;
- the publication of the following policies for implementation:
 - Regulations for Reporting by Public Higher Education Institutions (Government Gazette Vol. 588, Notice No. 37726, 9 June 2014);
 - Policy for the Provision of Distance Education in South African Universities in the Context of an Integrated Post-School System (Government Gazette Vol. 535, Notice No. 37811, 7 July 2014);
 - Research Outputs Policy (Government Gazette Vol. 597, Notice No. 38552, 11 March 2015); and
 - Policy on Programmes Leading to Qualifications for Educators and Lecturers in Community and Adult Education and Training (Government Gazette Vol. 597, Notice No. 38612, 27 March, 2015).
- the publication of the following draft policies for public comment:
 - Draft Policy Framework on Differentiation in the South African Post-School System (Government Gazette Vol. 717, Notice No. 37997, 15 September 2014); and
 - Amended Regulations of Private Higher Education Institutions (Government Gazette Vol. 592, Notice No. 38128, 31 October 2014).
- the development of a draft policy on the evaluation of creative outputs produced by public higher education institutions for approval by the Minister to publish in the Government Gazette for public comments; and
- the publication of *Woza Sizokwakha - Building Higher Education: Infrastructure renewal, revitalisation and development* in November 2014, a book focusing on the development of university infrastructure funded or partially funded by Government since the introduction of the infrastructure and efficiency grant in 2006/07. The publication was produced as part of the Department's contribution to celebrating twenty years of democracy and showcases a selection of infrastructure projects across the university sector.

d) The most significant developments during the 2014/15 financial year that will impact on the work of the Programme in the future

The most significant developments include:

- the approval of a process for the development of a new National Plan for Post-School Education and Training (NP-PSET) aligned within the White Paper for PSET. The draft NP-PSET will be developed during the 2015/16 financial year for consultation and finalisation during the 2016/17 financial year. The new plan will replace the *National Plan for Higher Education* (DoE, 2003) and will define the work of the Department and in particular, the university education programme over the next ten to fifteen years;

- the Minister approved that the National Institute for Humanities and Social Sciences (NIHSS) be appointed as the permanent home of the South African BRICS Think Tank (SABTT) to lead South Africa's engagement in the BRICS Think Tanks Council (BTTC) and coordinate South Africa's participation in the BRICS Academic forums in the future;
- the approval of a new 5-year European Union sector budget support programme, the Teaching and Learning Development Capacity Improvement Programme (TLCCIP), that will enable substantial resources directed towards strengthening teacher education for a range of sub-sectors over the next five years. In particular this programme will support the development of the capacity of higher education to produce TVET College lecturers and CET College lecturers;
- an inter-departmental Task Team has been established to make recommendations on the transfer of Agricultural Colleges from the concurrent responsibility of the Department of Agriculture, Forestry and Fisheries (DAFF) and their provincial counterparts to the Department;
- an inter-departmental Task Team to make recommendations on the expansion of Veterinary Sciences and the establishment of a second Faculty of Veterinary Sciences for the country has been established between the Department and DAFF;
- a national Policy Dialogue on student financial aid and the call for free higher education, involving the Department, NSFAS, HESA, the South African Students Union, the CHE, National Treasury, the Department of Planning, Monitoring and Evaluation (DPME) and the University Council Chairs Forum (UCCF), has been established. This dialogue will inform the development of improved policy and regulations governing NSFAS, a sustainable process for allocating limited funds available towards poor students in accessing higher education and will feed into the review of the NSFAS Act. It therefore has significant implications for the work of the programme in future; and
- the Operation Pakhisa: Ocean Economy initiative, for which the Department is leading the skills development aspect. This will have significant implications for the work of the programme. It is already taking up significant human resources of the University Education branch and has led to the establishment of the South African International Institute for Maritime Industry at the Nelson Mandela Metropolitan University (NMMU), which will support the Department in this undertaking and will require significant financial resources going forward.

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

The most significant challenge that impacted on the service delivery of the Programme relates to the restricted operational budgets available for all sections to carry out their monitoring and evaluation functions. In particular this had the effect of restricting site visits to institutions to qualitatively monitor the infrastructure development projects at universities, as well as the effective use of other earmarked grants. Financial constraints will remain a major impediment to the work of the Branch going forward. In order to mitigate the challenges linked to this, the Minister approved a *Sector Planning, Monitoring, Evaluation and Support Programme* supported through an earmarked grant and managed in partnership with a selected university, to enable a more robust monitoring process and effective oversight of the earmarked grants. This programme will be implemented during the 2015/16 financial year.

Funding also remains a major constraint with respect to NSFAS. The demand for financial aid far outstrips the amount available in the fund and therefore not all financially needy but academically capable university students can be supported through loans. While substantial additional funds have been allocated from 2010 to 2012, the increase in the quantum of annual funds available through the Department from the Vote has tapered off and is not keeping up with higher education inflation. At the same time the need to support full-cost funding for poor academically capable students is increasing and therefore fewer students can be supported.

The Department is unable to ensure that increased numbers of indigent university and TVET College students are supported, while at the same time the demand for free higher education for the poor is increasing. The risks for

the system as a whole are high. The Department and the Minister, recognising the risks for the 2015 registration period, proactively worked with HESA and the UCCF to engage students and universities in communicating the constraints in the system and attempting to minimise violent student protests and destruction of university property. This resulted in a far less volatile beginning to the academic year when compared to 2014. However, the system remains under immense pressure due to the political expectation by students that all academically successful, but financially constrained students will be supported by the State.

2.1.3 Vocational and Continuing Education and Training

The Vocational and Continuing Education and Training (VCET) Branch is responsible for the vocational education and training (VET) sector comprising 50 public multi-campus TVET Colleges, as well as the reforming adult education and training (AET) sector, which comprises the newly established Community Education and Training (CET) Colleges and Public Adult Learning Centres as delivery sites of the CET Colleges. In respect of private colleges, the Department through the Branch, only regulates private college registrations and further provides for the national examinations in these colleges. This overview therefore considers each sector respectively.

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

During the year under review, the VCET Branch continued to facilitate policy development and institutional oversight, monitoring and support work aimed at improving both the AET and the TVET College sectors among other activities, while the Branch:

- responded to policy positions of the White Paper for Post-School Education and Training on the development of an integrated and coordinated Post-School Education and Training system, which provides a range of accessible education and training alternatives for young and older people in all the post-school education and training institutions, by facilitating the formal establishment of partnerships between the University of South Africa (UNISA) and 12 TVET Colleges through the signing of Memoranda of Agreement and enabling TVET Colleges to offer UNISA qualifications under its authority;
- administered the establishment of 9 new CET Colleges aimed at providing out-of-school youth and adults with learning opportunities;
- facilitated, in collaboration with various function shift task teams, the shifting (in full) of the TVET and AET sectors from a provincial to a national competence;
- organised the hosting of a TVET Summit in November 2014 which was aimed at reflection on past and current achievements and challenges in the sector;
- ensured compliance of TVET Colleges with the DHET-TVET bursary disbursement guidelines and regulations;
- assisted with the establishment of a Ministerial Committee to review the funding frameworks for TVET Colleges and CET Colleges during June 2014;
- improved participation in vocational education and training for indigent students by increasing the number of student bursary recipients in TVET Colleges;
- employed sector-wide and sector-specific interventions aimed at improving the TVET College sector's output by increasing the year-on-year certification rate of TVET College students;
- managed and administered a credible and efficient examinations and assessment system for TVET and AET institutions;
- continued to improve financial management systems of the TVET Colleges through a partnership with the South African Institute of Chartered Accountants (SAICA) towards building capacity of college Chief Financial Officers and the establishment of sound financial systems; and

- continued to manage the construction of the planned 12 new TVET College campuses and refurbishment of 4 existing campus sites. Construction of 3 campuses commenced in the year under review, in conjunction with a process of appointing service providers for the remaining campuses.

b) An overview of the private college service delivery environment during the past year

Given that the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) grants anyone the right to establish their own education and training institution on condition that they are registered with the State (the Department), there is always a chance that some private education and training institutions operate without complying with this provision, thereby contributing to the existence of bogus private colleges. It is, therefore, the responsibility of the Department to identify and work with law-enforcement agencies and other relevant role-players to ensure compliance by all private education and training institutions with the concomitant legislation. In this way, 'bogus' private colleges will be eliminated. The Department therefore promulgated the Continuing Education and Training Act, 2006 (Act No. 16 of 2006) (CET Act). The alignment of the Regulations for the Registration of Private Further Education and Training Colleges, 2007 with the provisions of the CET Act will be concluded in the 2015/16 financial year.

In dealing with private colleges that contravene Section 28 of the CET Act, the Department as a custodian of the regulatory framework for the registration of private colleges, continued with its initiative of engaging with law-enforcement agencies, primarily the SAPS and other key role-players, in the continuing education and training space.

Key role-players supporting the Department regarding this initiative are:

- The Association of Private Providers of Education, Training and Development;
- The National Prosecuting Authority (NPA);
- The National Consumer Commission (NCC) in the Department of Trade and Industry (DTI);
- The Council for Quality Assurance in General and Further Education and Training (Umalusi);
- The Quality Council for Trades and Occupations (QCTO);
- The South African Police Service (SAPS); and
- The South African Qualifications Authority (SAQA).

Engagement with these role-players culminated in the establishment of a Stakeholder Forum which was established in 2012. The primary aim for this Forum is to enlist the services of each role-player in curbing illegal education and training services by private colleges and other irregular practices in which registered private colleges may be involved. Role-players have to address illegal activities and practices by private colleges in the manner and the extent to which they are permitted by their respective capacities, mandates and legal frameworks. There has been a formal agreement among role-players to act collaboratively and swiftly in preventing further harm from being caused to students by unscrupulous education institutions.

The close working relationship that the Department has forged with SAPS over the years has resulted in the following outcomes:

- the establishment of the SAPS National Structure within the National Commercial and Financial Intelligence unit, that acts as the centre coordinating the Provincial Structures dealing with illegally operating private education institutions within their respective provinces;
- the categorisation of private education institutions' illegal practices and activities as commercial crimes; and
- the prioritisation and investigation of illegal practises/activities by Commercial and Financial Crime Intelligence (CFCI) unit investigators.

The NPA forms part of the group of law-enforcement agencies with whom the Department has forged strong working relationships in its quest to eliminate the illegal provision of continuing education and training in the country. The NPAs' understanding and interpretation of the legislation related to registrations and relevant prescripts have proven essential in securing convictions regarding cases brought before the courts. The Department has on an ongoing basis briefed the NPA about the registration legislation, consequential offences and concomitant punishment to be meted out to offenders as provided for in Section 48 of the CET Act and is exploring alternative avenues for legislative interpretation related to the crimes filtering to the courts where cases are adjudicated.

The working relationship between the Department and the NCC seeks to provide students who are victims of fraudulent activities by private education institutions with recourse. The NCC is an entity that operates under the auspices of the Department of Trade and Industry. The NCC assists by mediating disputes between students (consumers) and registered private colleges (suppliers/providers of services) that still conduct illegal practices where conflict between the parties is apparent. Aggrieved students approach the Department with their complaints and the Department, on assessment of the complaints, directs justified disputes to the NCC for subsequent action.

The Department, as the custodian of the registration legislation, continued mobilising, capacitating and engaging law-enforcement agencies aimed at ensuring that the legislation is appropriately enforced and adequately complied with. Awareness-raising campaigns undertaken by the Department regarding the registration of private education institutions among students, parents and members of the public was also undertaken. In this regard, the Department has reached out to the public by way of the following interventions:

- electronic and print media - the Department has reached out to the public and communities via education and awareness campaigns, utilising both print and electronic media. Interviews are given to the SABC regional and community radio stations across the country regarding the registration and illegal operation of private education institutions. Participation in SABC TV and eTV education and investigative programmes, such as Speak Out, Yilungelo Lakho comprised other avenues by which the Department reached out to the public. Radio and Television programmes have a vast reach that is substantiated by the large numbers of enquiries that the Department received after participating in these programmes, as well as the volume of calls that the Departmental Call Centre received where students and the public enquired about the registration status of private institutions;
- the Department collaborated with various print media houses, in responding to various media requests for information about the registration of private education institutions;
- flyers - to cater for those who want something concise to read on the subject of registration regarding private education institutions, the Department has developed flyers that succinctly address the question of what students should look for when they enroll at private education institutions prior to committing themselves to any contractual agreements. The flyers, given their portability and easy-to-read nature, were distributed to learners attending Nelson Mandela Career Guidance Days and the Department has started to distribute these flyers at schools, especially targeting Grade 12 learners; and
- In an effort to make advisory services on private colleges and their registration status available, the Department manages a Call Centre which is staffed by adequately trained officials, whose responsibilities, among others, comprise responding to telephone enquiries relating to the registration of private education institutions and assisting with ascertaining for clients, whether a particular private institution is registered or not. The callers use the Toll Free Number: 0800 872 2222. The National Register of Private Colleges is updated on a regular basis and published on the website of the Department. The Register of Private Colleges can be accessed by logging onto www.dhet.gov.za.

c) The impact of established close working relationships

The effort that the Department has made in forging close working relationships with the critical role-players mentioned above, has yielded significant positive results. These include the following:

- a total of 95 illegally operating private institutions, from July 2010 to date, have been closed down by SAPS, the majority of which have since re-opened after complying with registration legislation;
- greater awareness about the registration of private education colleges has been created among the public, parents and the public at large, as was evidenced by an increase in Call Centre enquiries from 1 028 in 2011 to 6 475 in 2014;
- some employers, including Government Departments, normally enquire from the Department whether the colleges from which their prospective employees obtain their qualifications are registered with the Department;
- there has been a significant decrease in the number of complaints from the public, parents and students about illegally operating private colleges. The number of complaints decreased from 2 021 in 2011 to 560 in 2014; and
- there have been 15 instances where students were refunded, with the assistance and intervention of the NCC.

d) Reflection on successes and significant developments

On 6 October 2014 the President of the Republic of South Africa signed a Proclamation, which was published on 8 October 2014 in the Government Gazette No. 38072. The Proclamation put into effect certain amending sections of the Further Education and Training (FET) Colleges Act No. 1 of 2013. Subsequent to the Proclamation, the FET Act No. 16 of 2006 (as amended) is now referred to as the Continuing Education and Training Act No. 16 of 2006.

In line with the above legislative changes, the Department took a decision to rename and rebrand colleges in a manner that will reflect the progressive developments that have occurred in the TVET Colleges in recent years. Consequently, FET Colleges have been renamed as TVET Colleges.

e) Challenges that might have impacted on the performance of the Programme in the implementation of the Strategic Plan and Annual Performance Plan**Challenges on the Enforcement of Legislation**

While the Department, through its close working relationship with role-players involved in the curbing of illegally operating private colleges, has registered notable progress in dealing with illegal provisioning of continuing education and training, there remain challenges that require subsequent attention. The challenges are:

- the established stakeholder forum dealing with illegal operations has not been functioning optimally;
- it is still a struggle to secure convictions of illegal private institutions whose cases are brought before the courts because of inadequate capacity of the prosecuting authority regarding legislative interpretation;
- some cases are struck from the court roll due to a lack of evidence;
- investigations of directors and management of illegal colleges are not proceeding at the expected pace, which lead to cases not being brought before courts; and
- the Department struggles to reach deep rural and township areas with its awareness campaigns and indications are that suspicious private colleges are now targeting these areas.

2.1.4 Skills Development

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

Building on the successful “Decade of the Artisan” programme that was launched in the previous financial year, artisan development has been a flagship project for the Branch and also remains a high priority for the country as referenced in the NDP and White Paper for Post-School Education and Training towards sustaining industry labour needs in support of economic growth of the country.

The review of the current Sector Education and Training Authority (SETA) landscape was also prioritised in the 2014/15 financial year and a Business Case Study in this regard was presented to the Minister with the aim of ensuring that a revised SETA landscape and National Skills Development Strategy will be in place by 1 April 2016.

b) Reflection on successes and significant developments

The “Decade of the Artisan” advocacy programme continues to be highly effective in raising awareness among young people regarding artisans and also focuses on employers opening up workplaces for more artisan learners, particularly apprenticeships. The programme reached full circle during the 2014/15 financial year, with the Deputy Minister of Higher Education and Training launching it in several provinces, such as the Mpumalanga, Eastern Cape and Gauteng provinces.

The first-ever National Trade Test regulations were approved by the Minister for implementation with commencement from 1 April 2015. The regulations aim to implement a single national artisan trade testing and certification system across all economic sectors, as quality assured by the QCTO.

In order to ensure improved access to SETA services, the Minister of Higher Education and Training instructed SETAs to open offices in all 50 TVET Colleges, particularly in those located in rural and township areas. To date, 43 offices have been launched.

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

Due to poor planning some SETAs still failed to fully spend funds by the end of the financial year with the result that all targets are not being met. In order to circumvent such anomalies, SETA grant regulations were accordingly developed. All surplus funds from SETAs have been channeled to the National Skills Fund (NSF) in order for funds to be reallocated and utilised as deemed necessary in advancing the PSET system. The SETA sector approach to artisan development remains a challenge due to a lack of capacity in some SETAs and an inability to implement the approved national funding policy.

The Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority (CATHSSETA) and the Safety and Security Sector Education and Training Authority (SASSETA) experienced major governance challenges which hindered their performance. In order to address the challenges encountered, CATHSSETA and SASSETA were respectively placed under administration during October 2014 and February 2015.

Another major challenge has been identified as the absence of an online IT reporting system. As a result, problems are being experienced with the quality of data.

2.1.5 Service Delivery Improvement Plan

The Director-General launched a Departmental Service Delivery Charter which mirrors the commitments made by the State. It specifies the services and standards that customers can expect from the Department, as well as the procedure to follow, should the agreed services not be rendered efficiently. The Charter was placed in the Department's reception area and in all other public spaces, including TVET Colleges where the Department has a physical presence.

The following tables reflect the components of the Service Delivery Improvement Plan as well as progress made regarding the implementation of the plans.

a) Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Dealing with queries and complaints lodged through the Hotline/ Toll-Free number and Facebook page	General public, students, departmental staff members, TVET Colleges, Universities and Public Entities	Employers	Answer all calls (80%) Phone rings 3 times and then is routed to the next available agent. Log all calls and provide an acceptable response within: • 1 day • 2 days • 5 weeks	Calls get attended to as per the service standard
Dealing with queries and complaints lodged through the website	General public, students, departmental staff members, TVET Colleges, Universities and Public Entities	Employers	Address lists Lists of Institutions Updated content	All website queries are resolved within the service standards Contact details of institutions are regularly updated through the website

b) Consultation arrangements with customers

Type of arrangement	Actual customers	Potential customers	Standard of service	Actual achievement
Ministerial Izimbizo	General public, students, departmental staff members, TVET Colleges, Universities and Public Entities	General Public	Stakeholder engagement forums through Izimbizo as determined by the Presidency	Quarterly stakeholder engagement through meetings and Izimbizo
Minister's business breakfast meetings with stakeholders	General public, students, departmental staff members, TVET Colleges, Universities and Public Entities	General public and viewers	Transparency on policy mandates and vision	1 meeting held in 2014

Type of arrangement	Actual customers	Potential customers	Standard of service	Actual achievement
Publication of policy proposals and legislation	General public, students, departmental staff members, TVET Colleges, Universities and Public Entities	General public, students and departmental staff members	All policies are published through a Government Gazette for consultation and public comment	All policies and legislative amendments were gazetted

c) Service information tool

Type of information tool	Actual achievement
website	Website has been reviewed and content regularly updated
Facebook page	Queries and complaints addressed through Facebook

d) Complaints mechanism

Complaints mechanism	Actual achievement
Walk-ins/visits to the Department	All clients visiting the walk-in centre received assistance
Central Applications Clearing House (CACH)	All students using the CACH were referred to an institution
Usage of toll-free services and Presidential Hotline	99% resolution of queries and complaints

2.2 Organisational Environment

2.2.1 People Management

a) Staffing

As at 31 March 2015, the Department had a total of 1 235 posts on the staff establishment with 1 108 posts being filled. The vacancy rate is therefore 10.28%. The Department through its Internship programme provided access to 7% Interns compared to the national target of 3%. Graduates and student Interns exposed to the working environment at the Department as per the programme comprised 134 and 29 incumbents respectively.

The Department's overall African representation on the staff complement is above 75%. With regards to disability representation, the Department is currently at 1.2% of the entire staff complement.

The 2014/15 Work Skills Plan (WSP) was developed and submitted to the relevant SETAs.

The high level of unfunded vacancies creates a challenge for resourcing within the Department, resulting in capacity gaps not being addressed. Based on an organisational development exercise approved by the Minister, the Department has established that 2 600 posts will accordingly be required to meet its needs. The challenge lies in sourcing additional funds to activate the additional posts.

The transfer of staff from TVET Colleges and AET centres will see the Department expanding to just about 40 000 employees from 1 April 2015 going forward. While the Department needs to optimise performance using existing capacity, an analysis of the current resources should be undertaken. This growth has put additional pressure on

corporate and financial support services and if it continues to expand without due consideration for the need to recruit skilled staff, it could lead to a total collapse of the administration system of the Department.

During 2014/15 the management of the Human Resource (HR) unit was strengthened and expanded to a fully-fledged Chief Directorate with 3 directorates, including the recruitment of 2 directors. The HR unit was able to finalise the organisational design process including job evaluations. The establishment of the 2 additional directorates has, however, not had an impact on the overall performance of the Chief Directorate due to insufficient capacity at operational level.

b) Labour Relations

There has been progress in resolving departmental labour cases and most grievances have been finalised within the stipulated time-frame. Disciplinary cases managed were finalised within the 90-day turnaround time. During 2014/15, the Department registered 16 disciplinary cases, of which 11 have been finalised and 5 are still outstanding.

The Labour Relations function was also elevated into a fully-fledged Labour Relations Directorate, including the Collective Bargaining Unit that previously resided within the VCET Branch. This has resulted in collective bargaining and labour relations issues from TVET Colleges being managed by the Human Resource Management, Chief Directorate within Corporate Services Branch.

In respect of employee health and wellness, a total of 164 employees participated in the HIV Counselling and Testing campaign and 86 employees were tested for HIV. Glucose and blood pressure tests were administered to 678 employees. A total number of 74 employees received treatments for sporadic injuries and 6 internal interventions were finalised for the period under review. Five officials were screened for Tuberculosis (TB) and 30 were referred for clinical diagnosis. Although GEMS does not always facilitate TB screening for employees and the matter has been escalated to senior management, TB screening remains a key priority for HIV counselling and testing. GEMS continues to service the Department on a monthly basis.

The Department also participated in the *Unite 4 Mandela Day* organised by the Department of Sport and Recreation.

c) Function Shift (Staff Transfer)

The Function Shift process has been progressing smoothly and by 31 March 2015, all employees affected by the shift were consulted by means of staff information sessions, both in CET and TVET Colleges.

Out of a total of 19 209 TVET College employees, 17 074 were identified for transfer and 1 281 remained under the employ of colleges. Job evaluations for Deputy Principals were initiated for completion in January 2015.

The creation of 117 posts for the TVET units and 352 AET posts was approved by the Minister of Higher Education and Training. The draft regional structure was developed and discussed with senior management.

In order to determine the Service Delivery Model and functions required at national, regional and institutional levels the terms of reference for a Business Process Mapping, were approved and advertised.

For operational support to colleges and the Department on the Function Shift migration, the business plan for the extension of the South African Institute for Chartered Accountants (SAICA) HRM Generalists spanning 12-months was developed and approved with effect from 15 January 2015 and 15 HRM Generalists were interviewed and offered employment.

The draft Delegations of Authority on Human Resources for TVET Colleges was developed for approval in the first quarter of 2015/16 financial year as per the Public Service Act and Public Service Regulations.

2.2.2 Security Services

The current assessment of security compliance is fair in terms of progress made to fully establish a functional Occupational Health and Safety Committee.

There has been substantial improvement with regard to compliance with the Minimum Information Security Standards as all structures and committees were established, including the Occupational Health and Safety Committee.

The biometric access control system has been re-installed. A service provider was appointed by the landlord to maintain and service the system in the Department. Specifications for a new system at the Department's Ndinaye House and 123 Francis Baard buildings were also developed and advertised.

The pre-screening and vetting of candidates has gradually improved and the State Security Agency has recommended a dedicated unit for vetting and screening.

Security at INDLELA continues to be a challenge. As a response, the Department increased security and constructed a razor wire fence, as well as installed flood lights at the premises.

2.2.3 Communications and Media Liaison

The following activities are notable achievements:

- The successful provision of the brand management, media relations and stakeholder coordination services during the TVET College conference on 18 and 19 November 2014;
- The successful facilitation of branding and media services during the China-SA Conference on Infrastructure Development for universities;
- The coordination of stakeholder management and media relations services during the 'Decade of the Artisan' events; and
- The coordination of communication activities focusing on key programmes of Government such as the 16 Days of Activism on Violence against Women and Children and commemoration of the passing of the late former State President, Mr Nelson Mandela.

The Department's Call Centre received 15 875 enquiries that were resolved satisfactorily during the year under review (99.5%).

2.2.4 Financial Management

Due to the current economic environment and the limited budget available to the Department, branches in the Department managed their operations within the allocated budget and the final expenditure outcome was consequently close to 100%. The Department effected the National Treasury instructions on cost containment and austerity measures under the stewardship of the Director-General with a view to ensuring that the Department remains within its available resources.

The Department managed to submit all compliance related documents for the 2014/15 financial year timeously, despite work that was added in relation to the function shift. Annual Financial Statements for the 2014/15 financial year were submitted on time and the Department received an unqualified Audit Opinion.

Function shift related activities were performed without additional staff members being appointed.

Despite limited capacity, the Department successfully monitored and evaluated its public entities and institutions and further provided the necessary support towards ensuring good corporate governance.

The overall budget allocation for Compensation of Employees and normal operational activities remains inadequate and places immense pressure on the current capacity, as well as the management of the Department's cash flow.

3. Key Policy Developments and Legislation Changes

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

The Further Education and Training Colleges Act, 2006 (Act No. 16 of 2006), has been replaced with the Continuing Education and Training Act No. 16 of 2006. This replacement was aimed at amending definitions related to provisions regarding the:

- establishment of public colleges i.e. TVET and CET, and a private college;
- establishment of the South African Institute for Vocational and Continuing Education and Training and provision for the composition, functions and functioning of the Institute; and
- provision of transitional arrangements and the repeal of the Adult Education and Training Act, 2000 (Act No. 51 of 2000), alongside the amendment of other laws connected therewith.

4. Strategic Outcome-Oriented Goals

4.1 Outcome 5 of Government's Performance Monitoring and Evaluation System

In pursuit of the 2030 NDP directives of increasing access to education and training of the highest quality and the attainment of an education, the training and innovation system that has clear linkages between schools, AET centres, TVET Colleges, universities and other providers of education and training caters for different needs and producing highly skilled individuals. As part of the implementation of Outcome 5 of Government's Performance Monitoring and Evaluation System, i.e. *A Skilled and Capable Workforce to Support an Inclusive Growth Path*, the Department in terms of the 2009 to 2014 Medium Term Strategic Framework (MTSF) undertook to deliver the following strategic goals:

- expand access to education and training for the youth;
- capacitate education institutions for the effective provision or facilitation of learning;
- increase the number of students successfully entering the labour market on completion of training;
- expand the research, development and innovation capacity for economic growth and social development;
- ensure a college curriculum that is responsive to the demands of the market place and can transform and adapt quickly and effectively to changing skills needs, with a special focus on artisan training; and
- a credible institutional mechanism for skills planning in support of an inclusive economic growth path.

During the year under review, the fore-mentioned strategic goals were refined to be consistent with the 2014 to 2019 MTSF as follows:

- providing a credible institutional mechanism for labour market and skills planning;
- increasing access and success in programmes leading to intermediate and high-level learning;

- increasing access to and efficiency of high-level occupationally directed programmes in required areas; and
- increasing access to occupationally-directed programmes in required areas and thereby expanding the availability of intermediate level skills, with a specific focus on artisan skills.

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

The following tables reflect those actions and related achievements (against set targets) in relation to the fore-mentioned outcomes that were undertaken and recorded during the year under review:

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

Action	Indicator	Target	Progress up to end March 2015
1. Establish a Centralised Application System	Centralised Application System developed	Functional and business requirement specifications for the Central Application System (CAS) for universities developed by March 2015	Functional and business requirement specifications for the CAS for universities were developed
		Initialise the development of the technology platform for the Central Application System by March 2015	Initial development of the CAS technology platform prototype has been completed. Prototype is now being enhanced and expanded in terms of modular development
		Initialise research into the requirements of the PSET system for a Central Application System by March 2015	The process of conducting the PSET requirements analysis for the CAS was initiated through an enterprise architecture being conducted. A service provider was contracted during March 2015 to fully operationalise the system by March 2018 as planned

Action	Indicator	Target	Progress up to end March 2015
2. Develop an implementation strategy on the Open Learning System and distance education	Implementation strategy approved and implementation commencing from 1 April 2016	Draft implementation strategy developed by March 2015	Draft implementation strategy on open learning developed for 5 programme areas in PSET
		Prototype of a learning management system for Open Learning System developed by March 2015	Prototype learning management system for Open Learning developed
		Two programmes identified for implementation on the Open Learning System by March 2015	Two programmes identified for the Open Learning System These are: - Occupational Certificate: Electrician - Open Online Diagnostic Tests and Preparation Programme for South African TVET College Students

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

Action	Indicator	Target	Progress up to end March 2015
3. Identify sites for the establishment of CETCs	Number of CETCs to be established and expanded	Nine public institutions identified for declaration as CETCs approved by the Minister by 31 March 2015	Nine institutions have been established by the Minister
4. Develop infrastructure and maintenance plans for CETCs	Infrastructure and maintenance plans for CETCs developed Service delivery model and governance standards finalised	Draft CETCs service delivery model and governance standards developed by December 2014	Draft document developed
5. Provision of support to improve success for students	Throughput rates for TVET Colleges Number of students accommodated in public TVET Colleges	5 000 Students accommodated in public TVET Colleges by December 2019	From a survey on 42 TVET Colleges, 10 120 (unaudited) college students are currently accommodated in TVET College residences
		200 000 NC(V) and Report 191 students awarded bursaries per annum by 31 March 2019	262 046 (unaudited) Students funded
6. Strengthen TVET College examination and certification systems	Percentage of public TVET College centres conducting national examinations and assessments in compliance with national policy by 31 March 2016	98% by March 2015	100% compliance. None of the 50 public TVET Colleges reported irregularities of a technical or administrative nature during the 2015 supplementary examination cycle

c) Sub-outcome 3: Increase access to and efficiency of high-level occupationally directed programmes in needed areas

Action	Indicator	Target	Progress up to end March 2015
7. Improve qualifications of university academic staff	Percentage of university academic staff with PhDs	39% (2013 academic year, verified by 31 October 2014)	41% (2013 academic year, verified by 31 October 2014)
8. Produce and retain a new generation of university academics, transforming the historical and social composition of the academic work force	Number of university academics (black and women) in academic work force	8 375 Blacks (2013 academic year, verified by 31 October 2014) 8 051 Females (2013 academic year verified by 31 October 2014)	8 382 Blacks (African, Indian and Coloured) (2013 academic year, verified by 31 October 2014) 8 056 Females (2013 academic year, verified by 31 October 2014)
9. Increase spaces for Foundation programmes	Number of students in Foundation programmes	16 900 (2013 academic year, verified by 31 October 2014)	17 960 First year students in foundation programmes in 2013 (audited progress reports)
10. Increase the number of Doctoral graduates from universities	Number of Doctoral graduates from universities	1 950 (2013 academic year verified by 31 October 2014) Throughput report on 2010 student cohort (academic period 2010 to 2018) 2018 academic year, reported and verified by 31 October 2019); Throughput rates to be determined by March 2015	2 052 (2013 academic year, verified by 31 October 2014) Updates run on 2005 to 2008 first entering cohorts and a draft report is in progress
11. Quality Enhancement Project (QEP) as proposed by CHE implemented	Phases of QEP completed (Institutional reports delivered)	Institutions will be submitting baseline data and 2 workshops are planned by March 2015	A content analysis has been carried out on the submissions produced by the public HEIs in September 2014. A draft document, comprising the content analysis and other sections that provide a wider context, has been produced. The completed document will be published once approved. In March 2015 two QEP institutional workshops were held. Twelve universities participated in the first workshop and eleven in the second workshop
12. Expand access to communication technology	Average amount of bandwidth per SANReN site per annum	2 800 Mbps average bandwidth capacity available per SANReN site by 31 March 2015	2 820 Mbps average bandwidth capacity has been achieved

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Action	Indicator	Target	Progress up to end March 2015
13.Awarding of research infrastructure grants to higher education institutions, science councils and national facilities	Number of research infrastructure grants awarded	60 Research infrastructure grants awarded to higher education institutions, science councils, and national facilities of the NRF by March 2015	69 Research infrastructure grants have been awarded to higher education institutions, science councils, and national facilities of the NRF
14.Increasing the number of research grants awarded to researchers	Total number of researchers awarded research grants through NRF managed programmes as reflected in the NRF project reports	3 876 Researchers awarded research grants through NRF managed programmes as reflected by the NRF project reports by 31 March 2015	4 064 Researchers awarded research grants through NRF managed programmes as reflected by the NRF project reports by 31 March 2015

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

Action	Indicator	Target	Progress up to end March 2015
15.Finalise and monitor standards of good governance for SETAs	Proportion of SETAs meeting standards of good governance	Draft Charter for Good Governance by March 2015	First draft on good governance charter has been developed for internal comments
16.Increase opportunities for workplace-based learning and experience	Number workplace-based learning opportunities by 31 March 2019	37 000 workplace-based learning opportunities by 2014/15	110 164 workplace-based learning opportunities have been made available to learners

5. Performance Information by Programme

5.1 Programme 1: Administration

5.1.1 Purpose

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

There are six budget sub-programmes:

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

5.1.2 Strategic Objectives

- To improve efficiency by implementing the necessary information technology infrastructure and systems.
- To provide effective and efficient human resource planning and management services.
- Ensure adherence to policies and standards on supply chain management services.

5.1.3 Significant achievements during the 2014/15 financial year

The 2014/15 Work Skills Plan was developed and submitted to the relevant SETAs.

A revised Recruitment and Selection policy was approved on 2 February 2015 and the related Standard Operating Procedures on Recruitment and Selection is in process. The implementation is aimed at improving the turn-around time on appointing staff.

The public profiles of the Department's political principals, particularly their reputations, have been carefully managed through media profiling, outreach programmes and stakeholder forums. Career guidance exhibitions increased in number and both the quantity and quality of information made available to learners and stakeholders improved. The political principals' Izimbizo programme has covered all provinces and ensured that different communities, particularly rural communities, had easy access to the Department's information.

The Information and Communication Technology (ICT) services were effective and available throughout the period under review. This includes email availability and internet services.

The bid for the TVET College Examination System was advertised by the State Information Technology Agency (SITA). The Department in conjunction with SITA evaluated the proposals received from bidders and the successful bidder will be appointed to develop the TVET College Examination System in 2015/16.

The Department's Call Centre received 15 875 enquiries and all queries were positively responded to with 15 830 resolved. The number of toll-free calls received totalled 11 323 and were all accordingly resolved. Out of 4 552 website enquiries received, 4 507 were resolved and the Department received 326 via the Presidential Hotline of which 324 cases were addressed.

There has been progress in resolving departmental dispute cases and grievances were finalised within the stipulated time-frame.

As in previous years, the Department's assets were managed effectively and no material audit finding was received regarding asset management functions. In view of previous audit findings in relation to the Annual Performance Plan (APP) and Strategic Plan (SP), the Internal Audit unit performed a review regarding adherence to the Framework for the SP and APP, as well as the SMART (Specific, Measurable, Achievable, Relevant and Time-bound) principles. The Office of the Auditor-General expressed its satisfaction that the APP and the SP for the new reporting period adhere to the relevant frameworks and principles.

5.1.4 Changes to performance indicators during the year

Programme 1 pursued all the initially planned strategic objectives, performance indicators and targets. No changes on the planned outputs were effected.



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

Strategic Objective	Performance Indicators	Actual Achievement 2013/14	Planned Target for 2014/15	Actual Achievement 2014/15	Deviation from planned targets to actual achievement 2014/15	Comments on deviation; both over and under achievement
4.2.2.1 To improve efficiency by implementing the necessary Information Technology infrastructure and systems	Number of ICT governance framework components implemented	ICT governance maturity level 3	Two ICT governance framework components implemented by 31 March 2015	One ICT governance framework component approved for implementation by 30 September 2014	Target not achieved Below target by one component	Implementation of the one ICT component is yet to be reviewed and reported
4.2.2.2 To provide effective and efficient human resource planning and management services	An average period it takes to fill a funded vacancy from the date of advertisement to date of approval by the delegated authority	Four months	Four months to fill a funded vacancy from the date of advertisement to date of approval by the delegated authority	An average of six months to fill a funded vacancy from the date of advertisement to the date of approval by the delegated authority	Target not achieved It took almost two months more than planned to achieve the set target	The variance is due to cancelations of short listing and/or interview sessions by panel members The pressure to fill function shift vacancies and the migration of TVET Colleges and CET Colleges is an additional pressure to the Department
4.2.2.3 To ensure adherence to policies and standards on Supply Chain Management services	Average period it takes to award a bid from the date of receiving the draft bid specifications from programme managers	New indicator	Three months from date of submission of draft bid specifications by programme managers to the awarding of the bid	Six months from date of submission of draft bid specifications by programme managers to the awarding of the bid in the first six months of the financial year	Target not achieved It took three months more than planned to achieve the set target	The finalisation of bid submissions is subject to various factors outside the control of the SCM Unit. In many cases, bid specifications had to be rejected by the Bid Adjudication Committee and recommendations from Bid Evaluation Committees were also not accepted in all cases. These delays, however, were critical in order to ensure that the final recommendations to the Accounting Officer were the most appropriate under the circumstances. In addition, due to limited staff capacity in the Department, members of the Bid Committees are not always available when invited to attend proposed meetings due to other pressing issues. The postponement of meeting dates to ensure quorums causes delays in awarding the bids and SCM has no direct control over this

5.1.6 Strategy to deal with underperformance

The Branch has reported a negative deviation from planned targets in as far as the filling of funded vacancies from the date of advertisement to the date of approval by the delegated authority is concerned. The Department is considering the appointment as a recruitment agency regarding the filling of posts. The implementation of an e-recruitment system is also being investigated. There is a need for additional capacity (personnel), training and induction of human resource practitioners, selection panels and their chairpersons.

One of two targets of the ICT Governance framework components scheduled to be implemented by 31 March 2015 could not be achieved, due to changes in the policy development processes. The other was implemented by 30 September 2014.

The Department is considering the development of training guidelines for members of bid committees to assist with curtailing delays during the adjudication of documentation. Furthermore, officials nominated to serve on the bid committees are sensitised by the relevant Branch Heads to avoid unnecessary delays. Branch Heads should consider the activities of officials serving on Bid Committees as Key Performance Areas (KPAs) to be included in their performance agreements.

5.1.7 Linking programme performance with budgets

SUB-PROGRAMME	2014/15			2013/14		
	Final Ap-propriation	Actual Ex-penditure	(Over)/ Under Ex-penditure	Final Ap-propriation	Actual Ex-penditure	(Over)/ Under Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	32 416	32 408	8	29 753	29 733	20
Department Management	38 408	38 400	8	35 643	35 570	73
Corporate Services	80 467	80 230	237	65 012	64 725	287
Office of the Chief Financial Officer	40 488	40 483	5	34 594	34 300	294
Internal Audit	6 056	6 051	5	5 561	5 554	7
Office Accommodation	36 526	36 525	1	33 166	33 162	4
Total	234 361	234 097	264	203 729	203 044	685

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

5.2.1 Purpose

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

There are six budget sub-programmes:

- Programme Management
- Human Resource Development, Strategic Planning and Coordination
- Planning, Information, Monitoring and Evaluation Coordination

- International Relations
- Legal and Legislative Services
- Social Inclusion in Education

5.2.2 Strategic Objectives

- Establish and maintain an integrated education and training management information system, linking all providers of education and training into a single system to provide accurate data on skills supply and demand in the country.
- Establish and maintain a coherent Career Development Service by March 2017.
- Pursue and strengthen bilateral relations with priority countries in Africa, Middle East, South and the North, as well as with multilateral agencies such as the Conference of Ministers of Education of the African Union (COMEDAF), Southern African Development Community (SADC), African Union (AU), United Nations Organisation for Education, Science and Culture (UNESCO), International Labour Organisation (ILO), Organisation for Economic Cooperation and Development (OECD) and the Commonwealth.

5.2.3 Significant achievements during the 2014/15 financial year

Two information standards were developed, approved and published by means of Government Gazette: (i) the Department 008 – TVETMIS File Specifications as a unit record-based information system that stores and maintains unit records of TVET College data related to colleges and their campuses, programmes, subjects, staff and students; and (ii) the Data Dissemination Standard that provides guidelines and procedures on the processes to be followed by the Department in disseminating data and statistics on the Post-School Education and Training sector to the public.

The 2013 Data and Statistics on Post-School Education and Training in South Africa were published on the Departmental website on 28 March 2015. The six-themed Labour Market Intelligence Partnership (LMIP) project, a collaborative effort by the Department and the Human Sciences Research Council (HSRC) aimed at supporting Government's objective of building a credible institutional mechanism for skills planning, The Development Policy Research Unit at the University of Cape Town, the Research in Education and Labour Centre at the Witwatersrand University, research institutes, universities and independent consultants are also involved in the project under the leadership of the HSRC.

Under *Theme 1* the following projects have been completed:

- a website (www.lmip.org.za) that contains all studies and research completed on the LMIP;
- the following research activities have been completed –
 - an architecture for Skills Planning: Lessons and Options for Reform in South Africa; and
 - approaches and methods for understanding what occupations are in high demand and recommendations for moving forward in South Africa;
- roadmap for the Implementation of a Skills Planning Unit;
- high level audit of administrative datasets; and
- indicators and data to support Skills Planning in South Africa.

Career development services have been established in the Department and include a National Career Advisory Helpline, National Career Advice Portal, an Information Hub as well as training and support services to departments, provinces and institutions. A draft CDS policy has been developed. The Mandela Day Career Development Festival took place at Sedibeng TVET College, Sebokeng campus and attracted more than 8 000

learners and guests. Another significant achievement has been the establishment of the National Open Learning System (NOLS) and two programmes identified for the pilot of the system.

In addition, The Medium Term Strategic Framework (MTSF) requires the Department to produce an annual report on analysis of skills supply and demand in South Africa. The Directorate: Planning, Monitoring and Evaluation Coordination has been given the responsibility for developing the publication of the Annual Report on Skills Supply and Demand in South Africa: Trends, Projections and Policy Implications. A framework on skills supply and demand, which lays out the structure of the Annual Report on Skills Supply and Demand in South Africa, has been approved by the Minister which is to be published for public comment.

The Strategic Coordination and Secretarial Support Directorate is responsible for the coordination of strategic planning and reporting and ensures a credible planning process for the Department on an annual basis. For the 2014/15 financial year, an APP for 2015/16 and SP 2015/16 to 2019/20 were developed with indicators and approved by the Minister of Higher Education and Training. The annual production of four quarterly performance progress reports on the implementation of the SP was efficiently coordinated. The Directorate also continued to provide secretarial services to the Ministry, senior management and HEDCOM meetings during the 2014/15 financial year.

The International Relations Engagement plan provided an enhanced strategic focus tool with which to monitor progress more effectively. Support was provided for the new and dedicated office to manage scholarship programmes that strengthened the Department's responsiveness to both scholarship offers and queries from the public and has opened up possibilities for an increasing number of scholarship opportunities to become available for South Africans.

The Ministerial Guidelines 2014/15, which provides the strategic direction for the South African Qualifications Authority (SAQA) and the three Quality Councils, were published during October 2014 after a period of consultation. The Ministerial Guidelines for 2015/16 were submitted for approval by 30 January 2015.

The draft Recognition of Prior Learning (RPL) policy was submitted on 30 January 2015. Once approved, the policy will be released for public comment and finalisation in 2015/16.

The Articulation Committee report of SAQA Principles on Articulation were published for public comment in a Government Gazette in June 2014. Comments received have been collated and final consultation is taking place within the Department to inform the draft Articulation Policy and Guidelines.

The Minister has required SAQA to establish a register to record all instances of misrepresentation of and claims to invalid qualifications. SAQA has to report every two months. SAQA is seeking legal advice as to the extent of publishing the register in a Government Gazette.

Various queries from members of the public were resolved which highlighted the need to simplify the NQF with regard to issues related to quality assurance, access, mobility, RPL, articulation and certification. The review of the NQF Act will aim to strengthen the policy framework in each of these areas, with a view to simplify the processes and operations of the NQF and the organisations involved in the further development and implementation of the NQF.

All monitoring and evaluation reports on the work of SAQA and the three Quality Councils have been completed within the scheduled time frames.

The Department gazetted a list of occupations in high demand in October 2014. The list took into account comments received by close to 80 individuals/organisations. The list has been published on the Department's website for use by both the Department as well as stakeholders.

A research Colloquium on Post-School Education and Training, organised jointly by the Department and SETAs, took place in November 2014. It was attended by 120 people from a range of organisations, including research organisations, universities, and entities of the Department.

The Department's White Paper provides a solid policy framework for its work moving forward. Consequently, all legislation pertaining to higher education and training will be reviewed and aligned with the White Paper. This year the Higher Education Bill, 2015 will be introduced to the Parliamentary Programme. Amendments to the Skills Development Act, 1998; National Qualifications Framework Act, 2008; and the Continuing Education and Training Act, 2006 are envisaged and a new Act will be developed by way of a draft Bill for the Central Application Service. During the next five years the Department will concentrate on amendments to legislation and their implementation by developing 34 and reviewing 19 legislative frameworks (including new policies, Acts, guidelines, models and regulations) by March 2020, in order to enhance the current system and to steer the Post-School Education and Training system.

The Social Inclusion Policy Framework was finalised and approved by the Minister for public comment. Final inputs are pending from the Council on Higher Education (CHE).

The Minister appointed a Ministerial Committee to develop the Strategic Disability Policy Framework for the post-school sector. The Committee held three meetings before the end of the financial year and it is anticipated that they will be able to finalise their activities within the prescribed time.

5.2.4 Changes to performance indicators during the year

Programme 2 pursued all the initially planned strategic objectives, performance indicators and targets. No changes on the planned outputs were affected.



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

Strategic Objective	Performance Indicators	Actual Achievement 2013/14	Planned Target for 2014/15	Actual Achievement 2014/15	Deviation from planned targets to Actual Achievement 2014/15	Comments on deviation; both over and under achievement
Programme 2: Human Resource Development, Planning and Monitoring Coordination						
4.4.2.1 Establish and maintain an integrated education and training management information system, linking all providers of education and training into a single system, to provide accurate data on skills supply and demand in the country	Percentage of public institutional data integration into the education and training management information system according to the data specifications list of fields as approved by the HETMIS Standards Committee	100% (50 Public TVET Colleges, 23 HE institutions and 21 SETAs) (31 March 2014)	100% of public institutional data (50 Public TVET Colleges, 23 HE institutions and 21 SETAs) integrated into education and training management information system by 31 March 2015	100% of public institutional data (50 Public TVET Colleges, 23 HE institutions and 21 SETAs) integrated into education and training management information system by 31 March 2015	Target achieved	None
4.4.2.2 Establish and maintain a coherent Career Development Services by March 2017	A draft and a final career development policy and implementation strategy developed, consulted and gazetted	Career management and information system modules developed and approved by the Director-General (31 March 2014)	Draft career development policy communicated and consulted with stakeholders by 31 March 2015	Draft career development policy communicated and consulted with stakeholders	Target achieved	None
4.4.2.3 Pursue and strengthen bilateral relations with priority countries in Africa, Middle East, South and the North as well as with multilateral agencies such as COMEDAF, SADC, AU, ADEA, UNESCO, ILO, OECD and the Commonwealth	Engagement plans developed and implementation report compiled	Engagement plans developed and implementation report compiled	Engagement plans developed and implementation report compiled and approved by the Director-General by 31 March 2015	Engagement plans developed and implementation report compiled	Target not achieved within the time-frame set as approval by the Director-General was obtained during April 2015	The submission was routed to and acknowledged by the Office of the Director-General on 30 March 2015

5.2.6 Strategy to deal with underperformance

The target that relates to the Engagement Plans developed and implementation report compiled and approved by the Director-General was not achieved within the time frame set. It was envisaged that the report would be approved by the Director-General by 31 March 2015. However, it has since been approved during April 2015 and no further action is required.

5.2.7 Linking programme performance with budgets

SUB-PROGRAMME	2014/15			2013/14		
	Final Ap- propriation	Actual Ex- penditure	(Over)/ Under Ex- penditure	Actual Ex- penditure	Actual Ex- penditure	(Over)/ Under Ex- penditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Management	2 965	2 933	32	3 674	3 656	18
Human Resource Development, Planning and Monitoring Coordination	11 730	11 584	146	11 259	11 198	61
Planning, Information, Monitoring and Evaluation Coordination	7 203	6 854	349	7 486	7 419	67
International Relations	10 822	10 775	47	10 347	10 268	79
Legal and Legislative Services	9 624	9 386	238	7 226	7 183	43
Social Inclusion in Education	4 167	4 151	16	3 835	3 811	24
Total	46 511	45 683	828	43 827	43 535	292

5.3 Programme 3: University Education

5.3.1 Purpose

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

There are six budget sub-programmes:

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

5.3.2 Strategic Objectives

- Expand the higher education sector in order to increase equitable access with success;
- Improve success rates in higher education studies at public institutions and therefore increase graduate outputs by 2014;
- Monitor good governance and management of the public Higher Education system in order to build capacity and efficiency;
- To develop and enhance the research capacity and productivity of universities; and
- To maintain and enhance the Higher Education Management Information System (HEMIS).

5.3.3 Significant achievements during the 2014/15 financial year

There were 26 planned targets in the 2014/15 annual performance plan. Of these, 19 (73%) were fully achieved within the set time-frame. A further three targets were achieved within the financial year, but not within the planned time-frame. This brings the achievement of targets to 85%, a significant improvement in performance when compared to previous financial years.

5.3.4 Changes to performance indicators during the year

The set target of the HEMIS audited success rate of students enrolled at universities for the 2013 academic year, verified by October 2013 was erroneously captured in the 2014/15 APP as 76%. This percentage should have been 74.6% in line with the Ministerial Statement on Enrolment Planning which was determined through a consultative process with universities. An explanation has since been provided to the Minister.

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

Strategic Objective	Performance Indicators	Actual Achievement 2013/14	Planned Target for 2014/15	Actual Achievement 2014/15	Deviation from planned targets to Actual Achievement 2014/15	Comments on deviation; both over and under achievement
Programme 3: University Education						
4.4.2.4 Expand the Higher Education sector in order to increase equitable access with success	Number of students enrolled in higher education studies at universities	953 373 (2012 academic year, verified by October 2013)	972 000 HEMIS audited student enrolments in higher education studies at universities in the 2013 academic year, verified by October 2014	983 698 (HEMIS audited data verified Oct 2014)	Target achieved The system enrolled 11 698 students more than targeted	This is 1.2% above the target, which is within the agreed 2% acceptable variation in enrolment targets, as indicated in the Ministerial Statement of University Funding
	Number of first time enrolments at universities	169 765 (2012 academic year, verified by October 2013)	178 000 HEMIS audited first-time enrolments at universities for the 2013 academic year, verified by October 2014	158 389 (HEMIS audited data verified by October 2014)	Target not achieved There were 19 611 fewer first-time enrolments at universities than targeted	This is 11.0% below the target. The reason for the variation from the actual first-time enrolments is due to the fact that UNISA enrolled far fewer students than originally planned. This was after UNISA introduced an improved application process linked to the implementation of their admission policy designed to steer students into more relevant qualifications. This was in line with the directive in the White Paper to deliver more quality graduates and to ensure that the drop-out rate in the first year cohorts is reduced
	Number of African student enrolments at universities	662 066 (2012 academic year, verified by October 2013)	676 000 HEMIS audited African student enrolments at universities for the 2013 academic year, verified by October 2014	689 503 (HEMIS audited data, verified by October 2014)	Target achieved The system enrolled 13 503 more African students than targeted	This is 1.99% above the target, which is within the agreed 2% acceptable variation in enrolment targets, as indicated in the Ministerial Statement of University Funding. This overachievement is welcomed as it is in line with the transformation agenda for Higher Education It should be noted that HEMIS makes provisions for an unknown race category as universities cannot insist on students indicating their race group if they do not want to reveal it. It is within their constitutional right to do so. Also foreign students and in particular students from Namibia do not identify race. Therefore the numbers reported here may be undercounted

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Strategic Objective	Performance Indicators	Actual Achievement 2013/14	Planned Target for 2014/15	Actual Achievement 2014/15	Deviation from planned targets to Actual Achievement 2014/15	Comments on deviation; both over and under achievement
	Number of female students at universities	554 840 (2012 academic year, verified by October 2013)	564 000 HEMIS audited female enrolments at universities for the 2013 academic year, verified by October 2014	573 698 (HEMIS audited data, verified by October 2014)	Target achieved The system enrolled 9 698 more female students than targeted	This is 1.72% above the target, which is within the agreed 2% acceptable variation in enrolment targets, as indicated in the Ministerial Statement of University Funding
	Proportion of higher education enrolments in Science, Engineering and Technology (SET) Business Science and Humanities		Proportion of enrolments in SET: Business Science: Humanities of 29:29:42 for the 2013 academic year, HEMIS audited and verified by October 2014	29:28:43 (2013 HEMIS audited data, verified by October 2014)	Target not achieved The proportion of humanities students was 1% higher than targeted and of Business Science 1% lower than targeted	The reason for the variation is due to the high growth achieved within Teacher Education programmes, which forms part of the Humanities. This resulted in the deviation of a 43% enrolled in Humanities in relation to the planned 42%. Since 2003, concerted efforts have been made to increase the number of enrolments in education due to the need for qualified teachers. There was a Summit on teacher education in 2003 which resulted in a National Policy Framework for initial teacher education in 2007 and the introduction of the Funza Lushaka Bursary Scheme in 2008. From 2007 onwards an intervention in terms of funding for infrastructure on teacher education was introduced. In 2009 a National Summit was hosted, which culminated in the development of the Integrated Strategic Planning Framework for Teacher Education and Development (2011-2015). The Department has been implementing this initiative since 2011, focused on the growth of the system. The universities have responded positively to the former Department of Education and the new Department of Higher Education's efforts to promote the need for qualified teachers by increasing their enrolments and graduates

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Strategic Objective	Performance Indicators	Actual Achievement 2013/14	Planned Target for 2014/15	Actual Achievement 2014/15	Deviation from planned targets to Actual Achievement 2014/15	Comments on deviation; both over and under achievement
	Number of public higher education institution established	Two	One new university established as a juristic person in terms of the Higher Education Act by 31 March 2015	SMU was established as a juristic person in terms of the Higher Education Act on 15 May 2014	Target achieved	None
	A monitoring report on the use of the earmarked grant to support the development of each of the newly established universities	New indicator	A monitoring report on the use of the earmarked grant to support the development of each of the newly established universities (University of Mpumalanga (MPU) and Sol Plaatje University (SPU)) produced and approved by the Director-General by 31 March 2015	The Director-General approved the monitoring report on the use of the earmarked grant to support the development of MPU and SPU. The report was approved on 31 March 2015	Target achieved	None

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Strategic Objective	Performance Indicators	Actual Achievement 2013/14	Planned Target for 2014/15	Actual Achievement 2014/15	Deviation from planned targets to Actual Achievement 2014/15	Comments on deviation; both over and under achievement
	Number of universities supported to offer programmes for FET College lecturers in line with new FET lecturer qualification policy	18 Universities have indicated interest to develop FET College lecturer qualifications. Two Universities have submitted programmes for evaluation and will be likely to start offering it in 2015. Other universities are at various stages of development in preparation to offer the programmes	Five universities have submitted applications for PQM approval to offer the qualification programmes for FET College lecturers by 31 March 2015	Two universities have submitted applications for PQM approval. 17 other universities are busy with programme development processes	Target not achieved Three fewer universities submitted applications for PQM approval than targeted	The main reason for this target not being achieved was due to the Department not being able to secure necessary funds in time to support the universities to develop the new programmes. While universities have been responsive to the call to design, develop and offer TVET lecturer qualifications in line with the new policy, they have required financial support in order to carry out this new development work The Department did not budget for the development of TVET lecturer qualifications as it was assumed that the universities would be able to develop new curricula within their own budgets. However, since this was a completely new area that needs to be developed universities did not have the budgets to develop the new curricula. The Department has learnt from this experience and going forward will have to provide seed funding for development where curricula that need to be developed are totally new. This is one of the areas that will be looked at in the development of the criteria for proposed Development Grant that is likely to be introduced in the 2017/18 financial year and will be formed from an amalgamation of the current Teaching Development and Research Development Grants
	A national Policy on Professional Qualifications for Educators in Community and Adult Education and Training is published in the Government Gazette	The draft policy was finalised and submitted to the Minister for approval to be published for public comment	A National Policy on Professional Qualifications for Educators in Community and Adult Education and Training is published in the Government Gazette by 31 March 2015	Policy on Professional Qualifications for Educators in Community and Adult Education published in Gazette No. 38612 on 27 March 2015	Target achieved	None

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Strategic Objective	Performance Indicators	Actual Achievement 2013/14	Planned Target for 2014/15	Actual Achievement 2014/15	Deviation from planned targets to Actual Achievement 2014/15	Comments on deviation; both over and under achievement
	Amount (in Rand value) of infrastructure grants disbursed to universities for the improvement of different projects	R2 billion	R2.2 billion disbursed to universities by 31 March 2015	R2.2 billion disbursed to universities	Target achieved	None
	A monitoring report on the effective use of infrastructure grants by each university produced	New indicator	A monitoring report on the effective use of infrastructure grants by each university (23) produced and approved by the Director-General by 31 March 2015	Monitoring report on the effective use of infrastructure grants by 23 universities approved by the Director-General on 16 March 2015	Target achieved	None
4.4.2.5 Improve success rates in Higher Education studies at public institutions and therefore increase graduate outputs by 2014	Number of university teaching development plans (3-year) and monitoring reports for each produced and approved by the Director-General	One report on the effective use of teaching development funds at universities approved by the Director-General (14 April 2014)	24 University teaching development plans (3-year) produced and approved by the Director-General by June 2014	23 University teaching development plans (3-years) for each university submitted and approved by the Director-General by May 2014 The 24 th plan was approved in March 2015	Target not achieved One university teaching development plan not approved within the specified time frame	UNISA's proposal was originally rejected, as it did not meet the Department's funding criteria. After considerable engagement with the Department, the university reworked its proposal and resubmitted it in February 2015. It was eventually approved in March 2015 thereby making it an achievement within the financial year, but not in the set time frame i.e. June 2014

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Strategic Objective	Performance Indicators	Actual Achievement 2013/14	Planned Target for 2014/15	Actual Achievement 2014/15	Deviation from planned targets to Actual Achievement 2014/15	Comments on deviation; both over and under achievement
	Total number of students in Foundation provisioning programmes at universities	14 518 (2012 academic year, verified by October 2013)	16 900 Enrolments in Foundation provisioning programmes at universities for the 2013 academic year, verified by October 2014	17 960 First year foundation students (2013 progress reports audited)	Target achieved	This is 6.02% above the target. The quality of the schooling system and poor throughput rates at universities, may have prompted universities to enrol more students into extended curriculum and foundation provisioning programmes
	Percentage success rate in higher education studies at public institutions	76% (2012 academic year, verified through HEMIS audits by October 2013)	76% HEMIS audited success rate of students enrolled at universities for the 2013 academic year, verified by October 2014 (Error: target was to be 74.6%)	74% (2013 HEMIS audited data, verified by October 2014)	Published target not achieved 2% below the targeted success rate Target not achieved because it is 0.6% below the corrected target	The planned target of 76% was an error. The corrected target is 74.6%. Therefore, the deviation from the corrected target is 0.6% below target The target has been corrected in line with the Ministerial Statement on Enrolment Planning which was determined through a consultative process with universities. An explanation has been provided to the Minister for his approval The Branch acknowledges that the APP indicates 76%. However, the negotiated target with the universities in terms of the enrolment plan was 74.6%. Since targets are usually rounded down, the Department accepts that universities achieved the target they set for themselves in the Ministerial statement on enrolment planning (2011/12 - 2013/14) but did not achieve the higher success rate of 76% that was stated in the APP. This could be for various reasons, for example the quality of the students coming from the schooling system, dropouts from the university system, some universities may have exceeded their individual target whereas others may have not. There was clearly an error in setting the APP target at 76% given that the actual negotiated target for the system was 74.6%

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Strategic Objective	Performance Indicators	Actual Achievement 2013/14	Planned Target for 2014/15	Actual Achievement 2014/15	Deviation from planned targets to Actual Achievement 2014/15	Comments on deviation; both over and under achievement
	Annual monitoring report on the outputs of scarce skills graduates from public universities with recommendations for interventions	New indicator	Annual monitoring report on the outputs of scarce skills graduates from 23 universities with recommendations for interventions produced and approved by the Director-General by 31 March 2015	Approved monitoring report on the outputs of scarce skills graduates from 23 universities with recommendations for interventions	Target achieved	None
4.4.2.6 Monitor good governance and management of the public Higher Education system in order to build capacity and efficiency	A set of key financial, performance, and governance indicators developed to evaluate the governance and management of public higher education institutions	New indicator	A set of key financial indicators are developed to evaluate the financial health of public higher education institutions and approved by the Director-General by March 2015	A set of key financial indicators to evaluate the financial health of public higher education institutions approved by the Director-General in March 2015	Target achieved	None
	Annual report on the financial health of each of the 25 universities with recommendations for improvements	New indicator	An annual report on the financial health of 25 universities with recommendations for improvements produced and approved by the Director-General by 31 March 2015	An annual report on the financial health of 25 universities with recommendations for improvement approved by the Director-General on 31 March 2015	Target achieved	None

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Strategic Objective	Performance Indicators	Actual Achievement 2013/14	Planned Target for 2014/15	Actual Achievement 2014/15	Deviation from planned targets to Actual Achievement 2014/15	Comments on deviation; both over and under achievement
	Revised regulations for Private Higher Education Institutions (PHEIs) developed and approved for implementation	New indicator	Draft revised regulations for PHEIs are approved and published in the Government Gazette for public comment by September 2014	Draft regulations were approved on 13 October 2014 and published in the Government Gazette on 17 October 2014	Target not achieved within the specified time frame	Not achieved within time-frame. However, the target was subsequently achieved within the 2014/15 financial year. Submissions require processing through a number of relevant officials at various levels in the organisation and in some instances also have to pass through other branches. This was one of the submissions that had to all pass through another branch. This process often will result in changes to the submission and these changes are referred back to the official from where the original process started and then the procedure starts again. It is therefore difficult to predict exactly when a submission will be signed off by the Minister. In this case while the submission was generated earlier it was only signed off by the Minister after 30 September 2014, and therefore could only be published in the Government Gazette in October 2014
	An annual monitoring report on the compliance of PHEIs	New indicator	An annual monitoring report on the PHEIs compliance with regulatory criteria with recommendations for improvement produced and approved by the Director-General by 31 March 2015	Monitoring report on PHEIs' compliance with the regulatory criteria with recommendations for improvement, approved by the Director-General	Target achieved	None
4.4.2.7 To develop and enhance the research capacity and productivity of universities	Number of post-graduate graduates	45 598 (2012 academic year, verified through HEMIS audits by October 2013)	48 100 Post-graduate graduates for the 2013 academic year, verified through HEMIS audits by October 2014	50 773 (2013 HEMIS audited data, verified October 2014)	Target achieved The system graduated 2 673 more post-graduate graduates than targeted	This is 5.56% above the target which, while it is above the agreed upon 2% acceptable variation in enrolment targets, as indicated in the Ministerial Statement of University Funding, is welcomed as it indicates that the system is performing better than expected and funding is being utilised more effectively

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Strategic Objective	Performance Indicators	Actual Achievement 2013/14	Planned Target for 2014/15	Actual Achievement 2014/15	Deviation from planned targets to Actual Achievement 2014/15	Comments on deviation; both over and under achievement
	Number of Doctoral graduates	1 879 (2012 academic year, verified through HEMIS audits by October 2013)	1 950 Doctoral graduates for the 2013 academic year, verified through HEMIS audits by October 2014	2 051 (2013 HEMIS audited data verified by October 2014)	Target achieved The system graduated 101 more Doctoral candidates than targeted	This is 5.18% above the target which, while it is above the agreed 2% acceptable variation in enrolment targets, as indicated in the Ministerial Statement of University Funding, is welcomed as it indicates that the system is performing better than expected and funding is being utilised more effectively. This is particularly good news as it accelerates the growth in Doctoral graduates in line with the NDP Post-graduate and doctoral increase – The increase in post graduate and Doctoral targets were a combined target for the Minister of the Department and the Minister of DST which had to be monitored and reported on a quarterly basis to the DPME. A Memorandum of Cooperation was signed by the two Departments which resulted in a programme of action being established and this in turn led to a closer collaboration between the two Ministries. During the course of the 2013/14 and 2014/15 financial years there was more active engagement between the two Departments with regular meetings taking place where issues of commonality were discussed and relevant action taken. For example, funding was made available for the establishment of laboratories and more research focused laboratories, which would enable universities to house research equipment funded by the NRF, an entity of the DST. This could be one possible reason for the improvement of the post-graduate outputs as the aim was to improve throughput and the students would have the relevant research equipment made available to them to undertake their research

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Strategic Objective	Performance Indicators	Actual Achievement 2013/14	Planned Target for 2014/15	Actual Achievement 2014/15	Deviation from planned targets to Actual Achievement 2014/15	Comments on deviation; both over and under achievement
						There are interventions from the side of DST such as funding through the NRF for post-graduate studies. One of the projects undertaken by DST was a tracking process of students from UG degrees to Honours and then to Masters and Doctoral studies in order for the DST to understand why students do not continue on to post-graduate studies and thereby enable them to provide interventions at post-graduate level. The Department has also been encouraging universities with the capacity to focus on improving post-graduate output, through investments in teaching development and research development to push the improvement of research outputs
	An improved Policy on the measurement of research outputs of universities published in the Government Gazette for implementation	New indicator	An improved Policy on the measurement of research outputs of universities is approved by the Minister and published in the Government Gazette for implementation by 31 March 2015	The Research Output Policy (2015) was approved by the Minister on 28 January 2015 and subsequently published in the Government Gazette 38552 on 11 March 2015	Target achieved	None
	An annual report on improved research productivity of universities published	New indicator	An annual report on the research outputs of 23 universities published by 31 March 2015	Report on the research outputs of 23 universities published by 31 March 2015	Target achieved	None

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Strategic Objective	Performance Indicators	Actual Achievement 2013/14	Planned Target for 2014/15	Actual Achievement 2014/15	Deviation from planned targets to Actual Achievement 2014/15	Comments on deviation; both over and under achievement
	Number of research development plans (3 years) and monitoring reports for each university produced and approved by the Director-General		24 University research development plans compiled in line with RDG criteria approved by the Director-General by 30 June 2014	24 University research development plans compiled in line with RDG criteria and approved by the Director-General during the third quarter of the year under review	Target not achieved within the specified time frame	Not achieved within the time frame. However, the target was achieved within the 2014/15 financial year. Research development plans and monitoring reports – As the allocation of funds is part of this process, the directorate responsible for this target is required to ensure the universities have complied with all the relevant criteria for the awarding of the grant. This requires a thorough examination of the submissions and audit reports from the universities as well as going back to the prior year's submissions and then interaction with the universities. Only once this has been completed, the Directorate responsible can proceed with the submission of the monitoring reports to the Director-General. Submissions require processing through a number of relevant officials at various levels in the organisation and in some instances also have to pass through other branches. This was one of the submissions that had to pass through all other branches. This process often will result in changes to the submission and these changes are referred back to the official from where the original process started and then the procedure starts again. It is therefore difficult to predict exactly when a submission will be signed off by the Director-General but it was concluded in the relevant financial year
To maintain and enhance the Higher Education Management Information System (HEMIS)	Number of updates on the HEMIS for audited student and staff data	Two updates for 23 universities	Two (1 student and 1 staff) updates for 23 universities by 31 March 2015	Two (1 student and 1 staff) updates for 23 universities done in October 2014	Target achieved	None
	Number of updates on the HEMIS system for final building space data from the Universities	One annual update for 24 universities	One annual update for 23 universities by 31 March 2015	One annual update for 23 universities done in October 2014	Target achieved	None

5.3.6 Strategy to deal with underperformance

Of the 26 APP targets, seven were not achieved, comprising university system targets, specifically within the following activities:

- 178 000 HEMIS audited first time enrolments at universities for the 2013 academic year, verified by October 2014;
- proportion of enrolments in SET: Business Science: Humanities of 29:29:42 for the 2013 academic year, HEMIS audited and verified by October 2014; and
- 76% HEMIS audited success rate of students enrolled at universities for the 2013 academic year, verified by October 2014.

Reasons for the non-achievement of each of these targets are highlighted in the table above. It is recognised that while the Department engages with universities on an ongoing basis and that targets are set within the negotiated enrolment planning process, the actual achievement of the targets are beyond the control of the Department. However, the Department is working with universities in developing better planning mechanisms to improve their integrated planning capabilities and is in the process of moving towards a mechanism ensuring that institutions achieve within a 2% variation of their agreed targets in terms of headcount enrolments. In future the Department will not set system targets within its own APP and it will monitor system targets agreed to within the enrolment plan and ensure public accountability of institutions through its various steering mechanisms under its control.

Three targets were not achieved within the time frame set, but were still achieved within the 2014/15 financial year. These are:

- draft revised regulations for private HEIs approved and published in the Government Gazette for public comment by September 2014 and approved and gazetted on 17 October 2014;
- 24 University teaching development plans (3-year) produced and approved by the Director-General by June 2014; and
- 24 University research development plans compiled in line with RDG criteria approved by the Director-General by 30 June 2014. 23 University RDG plans were signed during the third quarter of the year under review and the last plan was signed on 25 February 2015.

Since all three of these targets have been achieved within the financial year, no strategy is required to deal with underperformance.

Another target that was also not achieved, relates to the number of universities having submitted applications for PQM approval to offer the qualification programmes for TVET College lecturers, by 31 March 2015. It was envisaged that as of 31 March 2015, five universities would have developed programmes and submitted them for PQM clearance. However, only two institutions managed to develop and submit their programmes by the end of the financial year and 18 universities are at various stages of completing TVET College lecturer programmes.

The main reason for this target not being achieved is a result of the Department being unable to timeously secure necessary funds to support the universities in developing new programmes. While universities have been responsive to the call to design, develop and offer TVET lecturer qualifications in line with the new policy, they have required financial support in order to carry out this new development work effectively.

This problem has now been resolved as funds have been secured from two sources namely:

- the Education, Training and Development Practices Sector Education and Training Authority (ETDPSETA) has partnered with the Department to support universities to collaboratively develop the Advanced Diploma in Technical and Vocational Teaching. Eighteen universities are currently involved in this process; and
- the Department has successfully negotiated a budget support programme with the European Union. A large component of the Teaching and Learning Development Capacity Improvement Programme will be focussed on supporting universities to develop new qualification programmes for TVET College lecturers.

Mitigating measures have already been put in place and rapid progress within this area is anticipated in the new financial year.

5.3.7 Linking programme performance with budgets

SUB-PROGRAMME	2014/15			2013/14		
	Final Ap-propriation	Actual Ex-penditure	(Over)/Under Ex-penditure	Final Ap-propriation	Actual Ex-penditure	(Over)/Under Ex-penditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Management	1 961	1 959	2	1 791	1 786	5
University Academic Planning and Management Support	6 249 120	6 249 117	3	5 870 908	5 870 868	40
University Financial Planning and Information Systems	7 560	7 556	4	8 723	8 685	38
University Policy and Development	19 742	19 736	6	20 272	20 226	46
Teacher Education	10 498	10 494	4	9 046	8 947	99
University Subsidies	24 155 093	24 155 093	-	22 388 767	22 388 767	-
Total	30 443 974	30 443 955	19	28 299 507	28 299 279	228

5.4 Programme 4: Vocational and Continuing Education and Training

5.4.1 Purpose

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

There are four budget sub-programmes:

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

5.4.2 Strategic Objectives

- Increase access to and improve success in programmes leading to intermediate and high-level learning by 2014; and
- Strengthen the institutional capacity of TVET institutions to improve their performance and efficiency.

5.4.3 Significant achievements during the 2014/15 financial year

The Branch targeted five annually measured strategic outputs which were aimed at expanding access to intermediate and high-level learning through increasing the number of headcount enrolments at TVET Colleges and the creation of new multi-campus CET Colleges, an institutional model conceptualised to serve both youth and adults who never attended school or did not complete their schooling. Another strategic objective pursued was aimed at improving success (certification and pass) rates of TVET College students. Paragraph 6.4.5 provides details of the branch's performance against the planned objectives.

The Department's thrust to increase access to TVET Colleges programmes have in the recent years yielded more than the expected outputs. TVET College enrolments continued to increase and have more than doubled over the past five years, surpassing set targets. It is only during 2014 that this trajectory got derailed and the 2014/15 APP target of 800 000 was not met. In the year under review, 709 533 (unaudited) students have enrolled in public TVET Colleges representing an increase of 39 048 students from the 670 455 headcount enrolments reported for 2013.

In the quest to provide financial support to academically deserving students from poor households, the Department ensured the provision of financial assistance through NSFAS from 273 679 in 2013 to 267 856 TVET College students during 2014.

During the year under review, the Department continued to implement its Turnaround Strategy aimed at capacitating TVET Colleges to deliver on their mandate. The Strategy is focussed on Management, Governance and Leadership, Financial Management, Human Resource Management, Teaching and Learning as well as Student Support Services. The Department in collaboration with SAICA continued to support TVET Colleges through the deployment of chartered accountants to colleges in pursuance of improved financial management.

5.4.4 Changes to performance indicators during the year

Programme 4 pursued all the initially planned strategic objectives, performance indicators and targets. No changes on the planned outputs were effected.

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

Strategic Objective	Performance Indicators	Actual Achievement 2013/14	Planned Target for 2014/15	Actual Achievement 2014/15	Deviation from planned targets to actual achievement 2014/15	Comments on deviation; both over and under achievement
Programme 4: Vocational and Continuing Education and Training						
4.5.2.1 Increase access to and improve success in programmes leading to intermediate and high-level learning by 2014	Number of TVET Colleges annual headcount enrolments on Ministerial approved and occupationally directed programmes in an academic year	670 455	800 000 Headcount enrolments in TVET Colleges by 31 December 2014	709 535 (unaudited) student headcount enrolments on both the ministerially approved i.e. the National Certificate Vocational (NC(V)) and Report 190/1 programmes and occupationally directed programmes offered at TVET Colleges have been achieved	Target not achieved There is a negative variation of 90 465 student headcount enrolments	645 421 of the total enrolments were on Ministerially approved programmes while 64 114 were on occupationally directed programmes The reported underachievement is attributed to physical (infrastructure) and human resource (teaching staff) limitations at TVET Colleges. Another factor contributing to this underperformance is the insufficient student and programme funding in the sector

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Strategic Objective	Performance Indicators	Actual Achievement 2013/14	Planned Target for 2014/15	Actual Achievement 2014/15	Deviation from planned targets to actual achievement 2014/15	Comments on deviation; both over and under achievement
	Certification rates on exit levels in the Report 190/1 and NCV qualifications in an academic year	GETC:38.6% NC(V) L2:32.8% NC(V) L3:30.2% NC(V) L4:37.1% N1-N3:54.4% N4-N6:45%	NC(V) L4: 57% N1-N3: 50% N6: 50%	NC(V) L4: 34.4% N1-N3: 59.5% N6: 42.7%	Overall target not achieved The achieved N1-N3 certification rate is 9.5% above target, whereas the both the NC(V) L4 and N6 rates are below target by 22.6% and 7.3% respectively	Promotion requirements of N and NCV programmes* The lack of performance in Mathematics and Mathematics Literacy has had a compounded effect on the overall NC(V) performance, hence the poor certification rates The comments below highlight some of the cross-cutting factors contributing to the college sector's failure to achieve the set targets, even though the Department employed sector wide and specific success rates improvement initiatives throughout the academic year: a) Student related: - poor class attendance and disruptions caused by strikes; - poor profiling of students for awarding of bursaries due to inadequate application of bursary guidelines. Non performing students end up being bursary recipients - poor student proficiency in English and numeracy b) Lecturer related: - inappropriate or lack of pedagogical training - unsuitable teaching and learning and management practices c) High staff turnover and the inability to recruit suitable teaching staff d) Curriculum related: - most subjects of the N programmes are outdated and the curricula are poorly formulated - lack of systematic screening of teaching and learning materials

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Strategic Objective	Performance Indicators	Actual Achievement 2013/14	Planned Target for 2014/15	Actual Achievement 2014/15	Deviation from planned targets to actual achievement 2014/15	Comments on deviation; both over and under achievement
	Pass rate in the NCV Levels 2 to 4 Maths and Maths Literacy programmes in an academic year	Maths: NC(V) L2: 45% NC(V) L3: 39% NC(V) L4: 41% Maths Literacy: NC(V) L2: 67.4% NC(V) L3: 80.3% NC(V) L4: 82.2%	Maths: NC(V) L2: 52% NC(V) L3: 46% NC(V) L4: 56% Maths Literacy: NC(V) L2: 72% NC(V) L3: 82% NC(V) L4: 87%	Maths: NC(V) L2: 47.2% NC(V) L3: 46.4% NC(V) L4: 35% Maths Literacy: NC(V) L2: 70.5% NC(V) L3: 82.4% NC(V) L4: 78.7%	Overall target not achieved Mathematics L3 targeted pass rate has been achieved by 0.4% Performance of the L2 and L4 Mathematics cohorts fell short of targets by 4.8% and 21% respectively With regards to the Mathematics Literacy cohorts, L2 performance is 1.5% under target, L3 is 0.4% above target and L4 is 8.3% below target	
	Certification rates for bursary recipients enrolled in the Report 190/1 and NCV qualifications in an academic year	NC(V) L2: 31% NC(V) L3: 34% NC(V) L4: 39% N1-N3: 23% N4-N6: 38%	NC(V) L4: 59% N1-N3: 52% N4-N6: 52%	NC(V) L4: 39% N1-N3: 43% N4-N6: 43%	Overall target not achieved NC(V) L4 variance: -20% N1-N6 variance: -9%	

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Strategic Objective	Performance Indicators	Actual Achievement 2013/14	Planned Target for 2014/15	Actual Achievement 2014/15	Deviation from planned targets to actual achievement 2014/15	Comments on deviation; both over and under achievement
4.5.2.2 Strengthen the institutional capacity of TVET institutions to improve their performance and efficiency	Number of public institutions identified for declaration as community colleges and piloted	Nine	Nine public institutions identified for declaration as community colleges approved by the Minister by 31 March 2015	Nine community colleges established from identified institutions	Target achieved	None

* The pass rate requirements for NC(V) qualifications are higher than the N qualifications. NC(V) candidates are required to achieve 50% in their four vocational subjects while N candidates only need to achieve 40%. NC(V) candidates have to offer seven subjects (four vocational plus three fundamental) per level in contrast to the four required per level for N programmes. It is important to note that the NC(V) certification rate is calculated on completion of all seven subjects. The NC(V) cohort under-performed significantly lower in comparison to the N cohorts.

5.4.6 Strategy to deal with underperformance

From the five 2014/15 strategic targets, the Branch only attained one. Targets not achieved are fully dependent on the performance of the TVET Colleges which are currently insufficiently capacitated and resourced in some areas.

The following areas of underperformance were noted and in each case, strategies to deal with the challenges are indicated where appropriate.

Increasing access

The reported 709 535 (unaudited) annual headcount enrolments in TVET Colleges fall short of the targeted 800 000 by 11.3%. The following measures to mitigate future underperformance on the expansion of access have been undertaken and are to be implemented in future:

- Bidding for additional funding: The Department will continue to submit bids to the National Treasury for the required additional funding;
- TVET Colleges have been requested to increase their enrolment on the occupationally directed programmes which are provided collaboratively with the Sector Education and Training Authorities (SETAs) and industry;
- In line with the current declining growth rate in enrolments, 725 000 as opposed to the initial 1 000 000 headcount enrolments have been planned for in the 2015 academic year; and
- Increasing infrastructure capacity: A 2012 project initiated to build 12 new TVET College campuses and refurbish four existing campus sites is currently underway.

Increasing success

Another key category where there is a negative variance between the planned and actual performance outputs articulated in the above table, is related to improving success rates of the TVET College-enrolled students. Both the certification rates in exit levels (including certification rates for bursary holders) in the Report 190/1 (NATED or N) and NC(V) qualifications and subject pass rates for NC(V) Mathematics and Mathematical Literacy have not been achieved as planned, even though there have been sector-wide and specific interventions driven by the Department throughout the academic year. There are existing pockets of achievements which can be deduced from the results.

The Department has in the past highlighted the importance of specific interventions in Mathematics and Mathematics Literacy through the facilitation of academic seminars. Significant work was done with Colleges to introduce Mathematics hubs complemented by “maths toolkits”. However, the Department could not fund the implementation of this initiative and the uptake of these interventions as reflected by the results, has been slow.

The N6 results require in-depth subject analysis to provide definitive explanations regarding the underperformance. Contributing to this underperformance is the fact that most subjects of the N programmes are outdated and the curriculum poorly formulated. The QCTO has resumed reviewing these qualifications. In addition to the fore-mentioned challenge the lack of systematic work on screening of textbooks has compounded the problem. This, together with the absence of sound curriculum documents, makes implementation difficult. In the third quarter of the year under review, subject content frameworks have been developed and has had an impact on the pass rate of these particular subjects.

Work will continue on the development of content/curriculum frameworks. However, a balance should be maintained between the programmes being reworked by QCTO and the funding available to the Department aimed at enabling the review of all frameworks simultaneously.

Academic performance of bursary recipients

None of the three cohorts of bursary recipients (i.e. NC(V) Level 4, N1-3 and N4-6) met the national performance targets for 2014/15 and while the two N cohorts marginally underperformed, the NC(V) Level 4 cohort significantly underperformed. This suggests that TVET Colleges are not applying the second eligibility criteria for bursary recipients namely the academic merit criteria. In terms of the *Rules and Guidelines for the Administration and Management of the DHET-TVET College Bursary Scheme*, measures will be put in place to ensure that Colleges apply both the Means Test to determine student financial eligibility, as well as student academic performance and potential for satisfactory academic performance in order to arrive at those who qualify for the bursary.

It is evident that student support must entail more than financial support, but the provision of holistic student support services should contribute to improved academic performance. In this regard, Colleges will be monitored and assisted in ensuring that both on-course academic support and non-academic support become compulsory, especially for bursary recipients to ensure that there are targeted interventions aimed at improving results of bursary recipients.

5.4.7 Linking programme performance with budgets

SUB-PROGRAMME	2014/15			2013/14		
	Final Ap-propriation	Actual Ex-penditure	(Over)/Under Ex-penditure	Final Ap-propriation	Actual Ex-penditure	(Over)/Under Ex-penditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Management	9 105	9 104	1	8 165	8 120	45
Planning and Institutional Support	5 832 634	5 832 631	3	5 488 878	5 488 861	17
Programmes and Qualifications	15 965	15 964	1	16 290	16 230	60
National Examinations and Assessment	178 132	178 102	30	173 473	173 177	296
Total	6 035 836	6 035 801	35	5 686 806	5 686 388	418

5.5 Programme 5: Skills Development

5.5.1 Purpose

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

There are four budget sub-programmes

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

5.5.2 Strategic Objectives

- Provide a dynamic interface between the workplace and learning institutions and to promote quality learning at work and for work by 2017.

5.5.3 Significant achievements during the 2014/15 financial year

Over and above meeting 83% of its APP targets, the following significant achievements are apparent:

- the launch of the artisan advocacy programme in several provinces by the Deputy Minister of Higher Education and Training;
- the approval of National Trade Test regulations;
- the opening of 43 SETA offices within TVET Colleges in rural and township areas; and
- the National Skills Authority (NSA) continued to advise the Minister on the performance of SETAs in fulfilling its statutory obligations and implementing the National Skills Development Strategy (NSDS) III.

5.5.4 Changes to performance indicators during the year

None

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

Strategic Objective	Performance Indicators	Actual Achievement 2013/14	Planned Target for 2014/15	Actual Achievement 2014/15	Deviation from planned targets to Actual Achievement 2014/15	Comments on deviation; both over and under achievement
Programme 5: Skills Development						
4.6.2.1 Provide a dynamic interface between the workplace and learning institutions and to promote quality learning at work and for work by 2017	Number of artisan learners registered nationally	27 670	27 000 Artisan learners registered nationally by 31 March 2015	28 301 Artisan learners registered nationally by 31 March 2015	Target achieved Above target by 1 301 learners	Target exceeded due to increased funding from SETAs. Consequently, more learners than expected were registered. A larger cohort of these learners were enrolled in the first three quarters of the year under review
	Number of artisan candidates found competent nationally	18 110	13 000 Artisan candidates found competent nationally by 31 March 2015	14 389 Artisan candidates found competent nationally by 31 March 2015	Target achieved Above target by 1 389 candidates	Target exceeded due to lower number of drop-outs, thereby increasing the completion rate
	Number of graduates and students receiving Structured Work Place Learning	27 346	37 016 Graduates receiving Structured Work Place Learning by 31 March 2015	40 399 Graduates receiving Structured Work Place Learning by 31 March 2015	Target achieved Above target by 3 383 graduates	Target exceeded due to increased funding from SETAs. Consequently, more learners than expected received Structured Work Place Learning
	Percentage of INDLELA national artisan learners passing trade test	45%	48% of INDLELA national artisan learners pass trade test by 31 March 2015	52% of INDLELA national artisan learners pass trade test by 31 March 2015	Target achieved 4% above targeted pass rate	Target exceeded due to lower number of drop-outs thereby increasing the pass rate
	Number of audits conducted at SETA or QCTO accredited trade training or trade test centres	46	50 Audits conducted at SETA or QCTO accredited trade test centres by 31 March 2015	60 Audits conducted at SETA or QCTO accredited trade test centres by 31 March 2015	Target achieved Above target by 10 audits	Target exceeded due to effective planning and managing of audits Audit scheduling times were improved to ensure targets are achieved
	Number of TVET Colleges that entered into partnership agreements with SETAs	A total of 284 partnerships have been entered into by SETAs	30 TVET Colleges that entered into partnership agreements with SETAs by 31 March 2015	42 TVET Colleges that entered into partnership agreements with SETAs by 31 March 2015	Target achieved Above target by 12 partnership agreements	SETAs in their Annual Performance Plans have committed to enter into partnership agreements with colleges

5.5.6 Linking programme performance with budgets

SUB-PROGRAMME	2014/15			2013/14		
	Final Ap- propria- tion	Actual Ex- penditure	(Over)/ Under Ex- penditure	Final Ap- propria- tion	Actual Ex- penditure	(Over)/ Under Ex- penditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Management	1 414	1 413	1	1 324	1 223	101
SETA Coordination	75 053	75 044	9	69 231	69 062	169
National Skills Development Services	6 365	6 361	4	7 729	7 691	38
Quality Development and Promotion	23 167	23 167	-	21 747	21 747	-
Total	105 999	105 985	14	100 031	99 723	308

6. Transfer Payments**6.1 Transfer payments to Public Entities****Public Entities****Table 1: Transfer payments to Public Entities**

Name of Public Entity	Services rendered by the Public Entity	Amount transferred to the Public Entity 2013/14 R'000	Amount transferred to the Public Entity 2014/15 R'000
Council on Higher Education (CHE)	It advises the Minister of Higher Education and Training on all higher education policy matters, implements the system of quality assurance for all higher education, monitors the state of the higher education system and contributes to the development of higher education through intellectual engagement	41 888	42 689
National Student Financial Aid Scheme (NSFAS)	It is responsible for administering loans and bursaries and allocating these to eligible students, developing criteria and conditions for the granting of loans and bursaries to eligible students in consultation with the Minister of Higher Education and Training, raising funds, recovering loans, maintaining and analysing a database, undertaking research for the better utilisation of financial resources and advising the Minister on matters relating to student financial aid	5 769 405	6 138 832

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Name of Public Entity	Services rendered by the Public Entity	Amount transferred to the Public Entity 2013/14 R'000	Amount transferred to the Public Entity 2014/15 R'000
South African Qualifications Authority (SAQA)	SAQA focuses on upholding the principles of the National Qualification Forum, including ensuring access, quality, redress and development for all learners through an integrated national framework of learning achievements	49 401	55 008
Quality Council for Trades and Occupations (QCTO)	To develop and quality assure occupational qualifications that are responsive to the labour market and developmental state initiatives	21 747	23 167
National Skills Fund (NSF)	To fund national skills development priority projects as identified in the NSDS and projects related to achieving the purpose of the Act as determined by the Accounting Authority	2 416 368	2 767 774
Sector Education and Training Authorities			
Agriculture Sector Education and Training Authority (AGRISSETA)	Provision of relevant, quality and accessible education, training and development in both primary and secondary agriculture sectors	261 707	295 008
Banking Sector Education and Training Authority (BANKSETA)	Provision of relevant, quality and accessible education, training and development in the banking and micro-finance sector	457 535	648 671
Construction Education and Training Authority (CETA)	Provision of relevant, quality and accessible education, training and development in the construction industry	436 397	567 443
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	206 825	232 133
Education, Training and Development Practices Sector Education and Training Authority (ETDPSETA)	Provision of relevant, quality and accessible education, training and development in the education, training and development sector	325 635	357 082
Financial and Accounting Services Sector Education and Training Authority (FASSET)	Provision of relevant, quality and accessible education, training and development in the financial and accounting services sector	396 236	396 459
Food and Beverages Sector Education and Training Authority (FOODBEV)	Provision of relevant, quality and accessible education, training and development in the food and beverages sector	247 754	285 107
Health and Welfare Sector Education and Training Authority (HWSETA)	Provision of relevant, quality and accessible education, training and development in the health and welfare sector	303 907	343 370
Chemical Industries Education and Training Authority (CHIETA)	Provision of relevant, quality and accessible education, training and development in the chemical industries sector	431 724	443 032

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Name of Public Entity	Services rendered by the Public Entity	Amount transferred to the Public Entity 2013/14 R'000	Amount transferred to the Public Entity 2014/15 R'000
Transport Education and Training Authority (TETA)	Provision of relevant, quality and accessible education, training and development in the transport sector	543 392	647 408
Public Service Sector Education and Training Authority (PSETA)	Provision of relevant, quality and accessible education, training and development in the public service sector	1 399	6 169
Insurance Sector Education and Training Authority (INSETA)	Provision of relevant, quality and accessible education, training and development in the insurance sector	326 267	377 964
Media, Information and Communication Technologies SETA (MICTS)	Provision of relevant, quality and accessible education, training and development in the information system, electronics and telecommunications technologies sector	580 263	680 402
Manufacturing, Engineering and Related Services Sector Education and Training Authority (MERSETA)	Provision of relevant, quality and accessible education, training and development in the manufacturing, engineering and related services sector	1 157 926	1 274 093
Mining Qualifications Authority (MQA)	Provision of relevant, quality and accessible education, training and development in the mining and minerals sector	859 647	959 773
Safety and Security Education and Training Authority (SASSETA)	Provision of relevant, quality and accessible education, training and development in the safety and security sector	211 423	221 656
Service Sector Education and Training Authority (SERVICES SETA)	Provision of relevant, quality and accessible education, training and development in the services sector	1 237 704	1 430 039
Culture, Arts, Tourism, Hospitality and Sport Education and Training (CATHSSETA)	Provision of relevant, quality and accessible education, training and development in the tourism, hospitality and sport sector	253 541	273 917
Wholesale and Retail Sector Education and Training Authority (W&R SETA)	Provision of relevant, quality and accessible education, training and development in the wholesale and retail sector	752 680	828 194
Local Government Education and Training Authority (LGSETA)	Provision of relevant, quality and accessible education, training and development in the local government sector	408 352	480 332
Fibre Processing and Manufacturing Sector Education and Training Authority (FP&MSETA)	Provision of relevant, quality and accessible education, training and development in the fibre processing and manufacturing sector	273 504	332 773

The Department received written assurance in terms of Section 38(1)(j) certificates from all public entities that each implemented effective, efficient and transparent financial management and internal control systems during 2014/15.

With regard to the monitoring of expenditure, quarterly reports for all public entities including the SETAs, were duly received as legally required.

6.2 Transfer payments to all organisations other than Public Entities

Transfer payments (excluding Public Entities)

Table 2: Transfer payments (Excluding Public Entities)

Name of Transferee	Purpose for which funds were used	Compliance with section 38(1)(j) of the PFMA	Amount Transferred R'000
Universities			
Cape Peninsula University of Technology	Subsidy	Yes	1 023 075
Central University of Technology, Free State	Subsidy	Yes	435 196
Durban University of Technology	Subsidy	Yes	834 386
Mangosuthu University of Technology	Subsidy	Yes	336 101
Nelson Mandela Metropolitan University	Subsidy	Yes	846 906
North West University	Subsidy	Yes	1 349 974
Rhodes University	Subsidy	Yes	386 770
Tshwane University of Technology	Subsidy	Yes	1 624 084
University of Cape Town	Subsidy	Yes	1 184 724
University of Fort Hare	Subsidy	Yes	480 873
University of Free State	Subsidy	Yes	1 060 682
University of Johannesburg	Subsidy	Yes	1 416 621
University of KwaZulu-Natal	Subsidy	Yes	1 580 763
University of Mpumalanga	Subsidy	Yes	206 695
Sefako Makgatho Health Science University	Subsidy	Yes	255 257
Sol Plaatje University	Subsidy	Yes	77 969
University of Limpopo	Subsidy	Yes	916 638
University of Pretoria	Subsidy	Yes	1 827 973
University of South Africa	Subsidy	Yes	2 040 581
University of Stellenbosch	Subsidy	Yes	1 274 626
University of Venda	Subsidy	Yes	462 596
University of Western Cape	Subsidy	Yes	776 569
Witwatersrand University	Subsidy	Yes	1 692 582
University of Zululand	Subsidy	Yes	527 937
Vaal University of Technology	Subsidy	Yes	626 730
Walter Sisulu University	Subsidy	Yes	860 642
National Institute for Higher Education: Mpumalanga	Subsidy	Yes	17 645
National Institute for Higher Education: Northern Cape	Subsidy	Yes	30 498
Foreign Government and International Organisations			
Commonwealth of Learning	Contribution	No	2 432
India-Brazil-South Africa Trilateral Commission	Contribution	No	551

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Name of Transferee	Purpose for which funds were used	Compliance with section 38(1)(j) of the PFMA	Amount Transferred R'000
Non-Profit Institutions			
Higher Education South Africa (HESA)	Earmarked funds for HIV/ Aids project	Yes	7 420
Buffalo City College	Subsidy	Yes	54 828
East Cape Midlands College	Subsidy	Yes	85 018
Ikhala College	Subsidy	Yes	54 147
Ingwe College	Subsidy	Yes	76 075
King Hintsa College	Subsidy	Yes	63 581
King Sabata College	Subsidy	Yes	84 296
Lovedale College	Subsidy	Yes	39 409
Port Elizabeth College	Subsidy	Yes	61 759
Flavius Mareka College	Subsidy	Yes	25 858
Gold Fields College	Subsidy	Yes	29 347
Maluti College	Subsidy	Yes	45 530
Motheo College	Subsidy	Yes	103 578
Central Johannesburg College	Subsidy	Yes	42 761
Ekhurhuleni East College	Subsidy	Yes	63 464
Ekhurhuleni West College	Subsidy	Yes	76 917
Sedibeng College	Subsidy	Yes	100 130
South West College	Subsidy	Yes	132 759
Tshwane North College	Subsidy	Yes	78 989
Tshwane South College	Subsidy	Yes	46 566
Western College	Subsidy	Yes	92 680
Coastal College	Subsidy	Yes	85 271
Elangeni College	Subsidy	Yes	91 090
Esayidi College	Subsidy	Yes	70 349
Majuba College	Subsidy	Yes	159 089
Mnambithi College	Subsidy	Yes	58 018
Mthashana College	Subsidy	Yes	38 860
Thekwini College	Subsidy	Yes	40 559
Umfolozi College	Subsidy	Yes	106 184
Umgungundlovu College	Subsidy	Yes	30 299
Capricorn College	Subsidy	Yes	44 128
Lephalale College	Subsidy	Yes	9 771
Letaba College	Subsidy	Yes	21 997
Mopani College	Subsidy	Yes	42 328
Sekhukhune College	Subsidy	Yes	22 031
Vhembe College	Subsidy	Yes	94 582
Waterberg College	Subsidy	Yes	15 917
Ehlanzeni College	Subsidy	Yes	83 037
Gert Sibande College	Subsidy	Yes	120 792

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Name of Transferee	Purpose for which funds were used	Compliance with section 38(1)(j) of the PFMA	Amount Transferred R'000
Nkangala College	Subsidy	Yes	69 046
Rural College	Subsidy	Yes	25 830
Urban College	Subsidy	Yes	24 945
Orbit College	Subsidy	Yes	139 517
Taletso College	Subsidy	Yes	49 551
Vuselela College	Subsidy	Yes	42 965
Boland College	Subsidy	Yes	47 995
Cape Town College	Subsidy	Yes	31 047
False Bay College	Subsidy	Yes	51 680
Northlink College	Subsidy	Yes	77 794
South Cape College	Subsidy	Yes	41 876
West Coast College	Subsidy	Yes	91 587

R36 242.475 million (99.99%) of the total allocation comprising R36 866.681 million and excluding direct charges, has been allocated to transfers and subsidies on the Department's Vote. Direct charges amount to R13 838.798 million.

Transfer payments from voted funds were processed in respect of the FET Colleges Conditional Grant, subsidies to 50 TVET Colleges, subsidies to 26 universities and universities of technology, as well as public entities (National Student Financial Aid Scheme, South African Qualifications Authority, Council on Higher Education and the Quality Council for Trades and Occupations), international organisations (Commonwealth of Learning and the India-Brazil-South Africa Trilateral Commission) and Higher Education South Africa for the HEAIDS project.

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

With regard to the monitoring of expenditure, the Department is receiving expenditure reports in respect of the spending of the FET Colleges Conditional Grants on a monthly basis from provincial education departments. Regarding universities and universities of technology, annual reports are evaluated by the Department. The transfers to international organisations comprise annual member contributions and no monitoring of this expenditure is undertaken.

Amounts allocated to Higher Education Subsidies, the National Student Financial Aid Scheme, the Higher Education HIV/Aids Programme and the establishment of universities in Mpumalanga and Northern Cape were earmarked during the 2014/15 financial year. All these amounts have since been utilised for the purposes originally earmarked.

7. Conditional Grants

Conditional grants and earmarked funds paid

The table below details payments effected in terms of the conditional grant paid during the period 1 April 2014 to 31 March 2015.

Table 3: FET Colleges Conditional Grant

The total grant allocation amounts to R2.631 billion. A total of R2.611 billion, translating into 99.2% has been spent as at 31 March 2015, leaving a balance of R20.739 million	Provincial Education Departments The majority of funds were directed towards the Compensation of Employees and personnel on PERSAL comprising both teaching and support staff, but currently however, all employees are catered for in the budget allocation. Compliance with the Division of Revenue Act (DoRA) The submission of quarterly reports by the receiving officers has improved in 2013/14 and 2014/15. On average, 98% of quarterly reports were received from receiving officers on time. The transferring national officer submitted these reports to National Treasury, the Portfolio Committee on Higher Education and Training as well as the Select Committee on Appropriations in the National Council of Provinces after consolidating all provincial reports according to the requirement of the grant framework. Performance evaluation of conditional grants This obligation was duly adhered to and the 2013/14 annual performance evaluation of the FET Schedule 4 conditional grant was conducted and the report on the evaluation was submitted to National Treasury on 31 July 2014. The evaluation of the performance of the 2014/15 conditional grant will commence soon and the evaluation report will be submitted to National Treasury on 31 July 2015.
Purpose of the grant	To ensure the successful transfer of the function of FET Colleges to the Department of Higher Education and Training (The purpose and focus would be solely for compensation of employees)
Expected outputs of the grant	• Transfer of FET Colleges • Transfer of colleges management staff to the Department of Higher Education and Training finalised. • Transfer of non-management staff to the Department of Higher Education and Training finalised. • Secondment of Provincial Education Department staff to the Department of Higher Education and Training finalised. • Post provisioning model for FET Colleges finalised. • Implementation of the funding norms and standards for FET Colleges finalised. • Implementation of the new programme costs for funding FET Colleges finalised • Monitoring of the support of FET Colleges by Provincial Education Departments • Implementation of 37% in lieu of benefits for FET College staff.

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Actual outputs achieved	210 Management posts have been transferred to the Department of Higher Education and Training. - Collective agreements for the transfer of non-management staff were tabled at the ELRC and GPSSBC. The collective agreement for support staff was signed in the GPSSBC and is awaiting ratification. The collective agreement for lecturing staff was ratified on 4 February 2014. 110 Provincial staff members were seconded to the Department. - The Post Provisioning Model (PPM) has been drafted and presented to the South African Institute of Chartered Accountants (SAICA) and senior management in the Department. The PPM will be piloted in nine TVET Colleges. - The implementation of the Funding Norms and Standards for TVET Colleges is a continuous function that is managed by the Provincial Education Departments (PEDs). With the function shift processes, this function will be managed by the Department of Higher Education and Training. - The programme costs for 2014 were developed and distributed to all FET Colleges for implementation. A full verification on the implementation of the programme costs will be conducted once the detailed verification plan with clear processes, timelines and outcomes has been developed and approved. - The PEDs officials have been trained in the analysis of student performance in the examinations. They have monitored the progress and implementation of the improvement plans at the campus level. 39 FET Colleges have implemented the 37% in lieu of benefits prior to the signing of the collective agreement. 11 FET Colleges are implementing the split benefits and are currently considering implementing 37% in lieu of benefits once the collective agreement is signed and ratified by the relevant parties.
Amount per amended DORA (R'000)	2 631 346
Amount transferred (R'000)	2 631 346
Reasons if amount per DORA not transferred	N/A
Amount spent by the provincial education departments (R'000)	2 610 607
Reasons for the funds unspent by the entity	There are no material variances. However the under-spending is mainly due to the vacancies on the establishments of TVET Colleges.
Monitoring mechanism by the transferring department	The Department is receiving expenditure reports on the spending of the FET Colleges Conditional Grants on a monthly basis from Provincial Education Departments. Monitoring visits are conducted.

Transfer payments were made as originally scheduled in terms of the transfer payment schedule approved by National Treasury.

The Department did not retain any portion of the conditional grant for administration costs.

Conditional grants and earmarked funds received

None.

8. Donor Funds

The tables below detail the donor funds received during the period 1 April 2014 to 31 March 2015.

Table 4: Donor Funds: European Union (Claims recoverable)

Name of donor	European Union
Full amount of funding	141 million
Period of the commitment	2010-2014
Purpose of the funding	European Union Primary Education Sector Support Programme
Expected outputs	Research, programme development and materials development for Foundation Phase Teacher Education, post-graduate scholarships, bursaries for initial teacher education and seeding the establishment of an academic journal and a research association for this sector.
Actual outputs achieved	Achievements include: support for 13 research and development projects at 20 universities aimed at strengthening/ establishing foundation phase teacher education programmes; 21 universities now participating (up from 13 in 2009) and significant growth in headcount enrolments (98%) and graduates (93%) since the inception of the programme in 2009; scholarship support for 7 Honours, 54 Masters and 40 PhD students; 200 bursaries for African mother tongue foundation phase teacher education students; 24 new academics employed at universities to support the start-up of new programmes; the establishment of the South African Journal for Early Childhood Education (an academic journal that will become self-funding in 2014/15 and has already established itself to the extent that it is internationally accredited); the establishment of South African Research Association for Early Childhood Education (SARAECE) (a research association that became self-funding in 2014/15); the hosting of a number of regional conferences and a successful final conference; the development of a vibrant research culture that has thus far produced 28 peer reviewed journal articles, with a further 21 articles having been accepted for publication and 36 articles in various stages of preparation; the establishment of a new Foundation Phase programme at Siyabuswa, the former Ndebele College of Education site, now part of the University of Mpumalanga and the establishment of a teaching school linked to that campus.
Amount received (R'000)	15 511
Amount spent by the Department (R'000)	3 145
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	Progress reports to be submitted to the donor

Table 5: Donor Funds: European Union Budget Support (In Cash)

Name of donor	European Union Budget Support
Full amount of funding	R60 million
Period of the commitment	1 October 2012 to 30 September 2014
Purpose of the funding	General
Expected outputs	Part A: Policy and Research Services: Implementation of the activities identified in the National Framework for Cooperation in the Provision of Career Development Services (Information, Advice and Guidance): • An advocacy and communication action plan for integrated career development services in the country; • Guidelines and protocols for partnerships in career development services; • A career development services research agenda for the country and the commissioning of initial research on international benchmarking and impact of the services; • A competency framework for the provision of career development services, that is specific to the South African context and in line with international standards; and • Implementation of a plan for the establishment of a National Career Development Forum for the country. Part B: System Development: Further development of the National Career Advice Portal: • Expand the National Career Advice Portal modules; and • Expand the National Career Advice Portal content, including learning pathways and multi-media materials.
Actual outputs achieved	The Department has been mandated by Cabinet to develop the National Career Development Policy across all spheres of Government. A draft national policy and implementation strategy for career development services was developed in consultation with national and provincial stakeholders, including agencies, entities and institutions. A consultation plan with stakeholders has been developed. An interim National Career Development Forum has been established to coordinate career development services in the country. The National Career Advice Portal has been further developed and career paths of all occupations registered on the OFO have been uploaded. A competency framework for Career Development Practitioners and a Career Development Research Agenda has been developed.
Amount received (R'000)	60 000
Amount spent by the Department (R'000)	12 616
Reasons for the funds unspent	Due to late appointment of project staff, the activities on this project commenced later than originally planned. The business plan for the project was accordingly updated and approved.
Monitoring mechanism by the donor	Progress reports to be submitted to the donor.

Table 6: Donor Funds: European Union Budget Support (In Cash)

Name of donor	European Union Budget Support
Full amount of funding	R99 million
Period of the commitment	Commenced in October 2014 - ongoing
Purpose of the funding	General
Expected outputs	Continuation of Career Development Services Project
Actual outputs achieved	All units and functions (helpline, radio programmes, training and support, information and communication and advocacy) are functional and operational. The Minister launched the services in January 2015.
Amount received (R'000)	99 000
Amount spent by the Department (R'000)	8 884
Monitoring mechanism by the donor	Progress reports submitted to the donor.

Table 7: Donor Funds: European Union (In Cash)

Name of donor	European Union
Full amount of funding	R51 860 million
Period of the commitment	Commenced in 2014 - ongoing
Purpose of the funding	General
Expected outputs	To pilot an enabling environment for the implementation of open learning approaches and to identify workable models of open learning.
Actual outputs achieved	A prototype of the National Open Learning System was developed and is being populated with learning materials. Two programmes viz. a draft implementation strategy on open learning developed per five programme areas in PSET alongside prototype learning management system for Open Learning developed. Two programmes were also identified for the open learning system and these are: Occupational Certificate: Electrician and Open Online Diagnostic Tests and Preparation Programme for South African TVET College Students.
Amount received (R'000)	51 860
Amount spent by the Department (R'000)	0
Monitoring mechanism by the donor	Progress reports submitted to the donor.

Table 8: Donor Funds: Government of Denmark (In Kind)

Name of donor	Government of Denmark
Full amount of funding	R30.493 million
Period of the commitment	Project extended from December 2014 to October 2015
Purpose of the funding	To support the education and skills development programme in South Africa
Expected outputs	Assistance to 12 FET Colleges in four different provinces aimed at improving student support services with a focus on entry, on-course and exit support. Assistance to the Department in review of the manual. Peer tutoring and training of lecturers on instructional coaching and mentoring as part of collaborative teaching to strengthen the academic support in colleges to improve throughput rate and certification rates.
Actual outputs achieved	Support FET Colleges in terms of finalising their funding proposals. Approval of the request for extension by the Royal Danish Embassy.
Amount received (R'000)	25 391
Amount spent by the Department (R'000)	21 556
Reasons for the funds unspent	Funds committed for activities during the extension period
Monitoring mechanism by the donor	Progress reports submitted to the donor and tabled at the Project Steering Committee meetings.

Table 9: Donor Funds: Government of the Netherlands (In Kind)

Name of donor	Government of the Netherlands
Full amount of funding	R21.906 million
Period of the commitment	Four-year period commenced in 2011/12
Purpose of the funding	To strengthen the National Certificate Vocational (NC(V)) programmes in line with the labour market demands for FET Colleges
Amount received (R'000)	1 215
Amount spent by the Department (R'000)	1 215
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	Progress reports submitted to donor.

Table 10: Donor Funds: Government of the Netherlands (In Kind)

Name of donor	Government of the Netherlands
Full amount of funding	R27.432 million
Period of the commitment	Four-year period which commenced in 2011/12
Purpose of the funding	To strengthen Management Information Systems and Information Management processes within the Department and FET Colleges.
Expected outputs	Capacity building in higher education through the Netherlands Universities Foundation for International Cooperation: Implementation of a Standardised Business Management System in three pilot FET Colleges.
Amount received (R'000)	12 922
Amount spent by the Department (R'000)	12 922
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	Progress reports submitted to donor.

Table 11: Donor Funds: USAID (In Cash)

Name of donor	USAID
Full amount of funding	R1 746 million
Period of the commitment	2013-2015
Purpose of the funding	To fund Doctorate candidates from selected countries at the University of Pretoria Faculty of Law.
Expected outputs	Doctorate candidates from selected countries to study at the University of Pretoria Faculty of Law.
Actual outputs achieved	Doctorate candidates from selected countries studied at the University of Pretoria Faculty of Law.
Amount received (R'000)	1 147
Amount spent by the Department (R'000)	1 147
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	Progress reports submitted to the donor agency tabled during Projects Steering Committee meetings.

Table 12: Donor Funds: European Union (In Kind)

Name of donor	European Union
Full amount of funding	€3 million
Period of the commitment	Five years
Purpose of the funding	Mobility scheme for South African Masters' and Doctoral students, as well as for academics and other staff members to spend part of their studies, research or working time at a European university.
Expected outputs	South African Masters' and Doctoral students, as well as for academics and other staff members spent part of their studies, research or working time at a European university.
Actual outputs achieved	92 Master's and Doctoral students were sent to European universities as part of the Erasmus Mundus Scholarship Programme.
Amount received (R'000)	N/A
Amount spent by the Department (R'000)	N/A
Reasons for the funds unspent	N/A

Table 13: Donor Funds: Chinese Government (In Kind)

Name of donor	Chinese Government
Full amount of funding	-
Period of the commitment	Ongoing
Purpose of the funding	Scholarships to study at Chinese universities.
Expected outputs	Students to study at Chinese universities.
Actual outputs achieved	22 Students received scholarships to study at Chinese universities.
Amount received (R'000)	N/A
Amount spent by the Department (R'000)	N/A
Reasons for the funds unspent	N/A

Table 14: Donor Funds: Russian Government (In Kind)

Name of donor	Russian Government
Full amount of funding	-
Period of the commitment	Ongoing
Purpose of the funding	Scholarships to study marine and aeronautical engineering in Russia.
Expected outputs	Students to study marine and aeronautical engineering in Russia.
Actual outputs achieved	Four students received scholarships to study in Russia.
Amount received (R'000)	N/A
Amount spent by the Department (R'000)	N/A
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	N/A

Table 15: Donor Funds: European Union (In Kind)

Name of donor	European Union
Full amount of funding	€197 034
Period of the commitment	2013-2017
Purpose of the funding	Funding for a proposal for research on skills planning.
Expected outputs	Proposal for research on skills planning.
Actual outputs achieved	The proposal for the study on skills planning has been approved by the European Union Dialogue Facility. The terms of reference for the commissioning of research have been prepared and approved by the European Union. The European Union is in the process of procuring the service.
Amount received (R'000)	400
Amount spent by the Department (R'000)	400
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	N/A

Table 16: Donor Funds: Japanese Government (In Kind)

Name of donor	Japanese Government
Full amount of funding	R62.154 million
Period of the commitment	December 2013-March 2016
Purpose of the funding	To train students in productivity, soft and innovation skills through the two-week Employability Improvement Project.
Expected outputs	Trained students in productivity, soft and innovation skills.
Actual outputs achieved	Two Japanese experts were dispatched to the Department to assist the Department with policy planning and implementation of human resource development that meets industry demand and to mainstream the 'Employability Improvement Project' into the programmes of each university.
Amount received (R'000)	N/A
Amount spent by the Department (R'000)	N/A
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	Joint monitoring system between Japan and the university where training takes place for each lecturer course, as well as student course by using a formed monitoring sheet developed by this project.

9. Capital Investment, Maintenance and Asset Management Plan

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

All assets, including all newly acquired assets, were captured on the asset register. The asset register complies with the minimum requirements. The recording of assets in the asset register takes place according to component accounting, while the recording of the payments for assets on the financial system is treated as a unit. This results in reconciliation discrepancies between minor and major assets. A policy on the reconciliation between the asset register and the basic accounting system was, therefore, developed and implemented.





PART C

GOVERNANCE

1. Introduction

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

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

Disciplinary actions were completed and one official was suspended for a period of three months without pay.

The budget of the Department is aligned to the Strategic Plan and Annual Performance Plan of the Department and monthly budget monitoring is conducted through the monthly cash flow statements that are issued to the Minister and the Department.

2. Risk Management

The Department has a risk management policy and strategy that includes a risk management implementation plan. These have been approved by the Director-General of the Department.

The Department regularly conducts strategic and operational risk assessments to identify new and emerging risks of the Department for effective management.

A Risk Management Committee that comprises representatives from all the Branches at Senior Management levels has been established. This Committee is required to meet quarterly to discuss risk issues as well as advise management on the functioning of the risk management system.

Risk management forms part of the standing items on the agenda of the Audit Committee meetings where risk issues and functioning of the risk management system are discussed. Both Internal Audit and the Auditor-General conduct audits to monitor effectiveness of the system and provide recommendations for improvement. Outcomes of these audits are discussed in the Audit Committee where advice is given to management for improvement.

Risk management has currently been incorporated into critical processes such as planning and reporting as well as critical projects of the Department. The process is slowly being embedded into day-to-day activities of the Department as heads of the units are encouraged to manage risks in all the activities they perform to ensure improved realisation of set objectives.

3. Fraud and Corruption

The Department has an approved Fraud Prevention Plan that is managed by the Risk Management Unit with the assistance of the Internal Audit Unit and other affected stakeholders. Progress on implementation of the plan is reported to Senior Management, the Risk Management Committee and the Audit Committee for advice on how to improve the function.

The National Fraud Hotline and the Call Centre numbers have been published for officials to report suspected fraud and corruption as highlighted in the Whistle Blowing Policy which has also been published on the intranet for easy access. Officials are also encouraged to report anonymously as indicated in the approved Whistle Blowing Policy.

Most of the reports subsequently processed are received via the National Fraud Hotline number and a few from the Call Centre. The reported cases are followed up and where there is a need, investigations are performed and further actions taken.

4. Minimising Conflict of Interest

All senior managers in the Department are compelled to declare their financial interests on an annual basis. Furthermore, all employees of the Department are required to request permission from the Director-General before they do any work outside the Department that generates additional remuneration. Regular News Flashes are circulated to alert all staff members on the process. The Labour Relations Directorate sent out circulars to employees and explained the process of declaring interest where employees engage in outside remunerative work.

The Labour Relations Directorate in cooperation with the Department's Internal Audit Unit scrutinised the CIPRO list linked to Companies where employees are either the sole owner or a Director of a company. This could also be the case where the company of an employee appears on the Database of Companies. As from January 2015, no employee working in the Public Service may do business with the State.

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

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

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

5. Code of Conduct

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

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

Where a breach of the Code of Conduct is evident, the matter is investigated and may have serious consequences for the employee in question. Formal disciplinary procedures will accordingly be instituted against the employee as part of due process.

6. Health, Safety and Environmental Issues

The Director-General has approved the establishment of an Occupational Health and Safety Committee within the Department. Evacuation drills are determined by the Committee.

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

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

Health and Safety Act and the Occupational Health and Safety Committee has been approved in terms of the same Act.

Processes are underway to approve the appointment of floor wardens and to acknowledge the responsibilities of safety representatives. The hosting of safety awareness campaigns will be implemented in the 2015/16 financial year.

7. Portfolio Committee

The Portfolio Committee on Higher Education and Training held various meetings with the Department regarding the Strategic Plan, Annual Performance Plan and the quarterly and annual reporting process during the year under review.

8. SCOPA Resolutions

None

9. Prior Modifications to Audit Reports

None

10. Internal Audit and Audit Committee

Key activities and objectives of Internal Audit

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

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

The main activities of Internal Audit are to:

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

Audit work

The following activities as per the audit plan were conducted:

- Human Resources Management
- Information Systems Audit
- Transfer Payments
- Division of Revenue Act Payments
- Strategic Plan and Annual Performance Plan
- Performance Information
- Risk Management
- Supply Chain Management
- Tenders
- Infrastructure
- Follow-up on Internal Audit reports
- Financial Statements review
- Other operational and forensic audits

Key activities and objectives of the Audit Committee

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

The main activities are to:

- Consider the effectiveness of the internal control systems.
- Understand the scope of internal and external auditors' reviews of internal controls regarding financial reporting and obtain reports on significant findings and recommendations together with management's responses.
- Assess whether the Department's assets have been properly safe-guarded and used.
- Review the Department's risk profile on an annual basis and ensure that management is effectively managing the risks.
- Review the effectiveness of the system for monitoring compliance with laws and regulations in tandem with the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- Review the adequacy, reliability and accuracy of the financial information provided to management and other users of such information and annually review the Annual Financial Statements and provide recommendations to the Director-General for approval.

The Audit Committee is in place and functions effectively as required by the Treasury Regulations and the PFMA. The Audit Committee held four meetings during the period under review and was assisted by Internal Audit, providing secretarial services.

Attendance of Audit Committee meetings

Name	Qualifications	Internal/ External Member	Appointed	Meetings Attended
Professor DP van der Nest	D Tech	External	1/12/2013	4
Ms S Padayachy	M Comm	External	1/12/2013	4
Mr S Makhubu	CA, SA	External	1/12/2013	4





PART D

HUMAN RESOURCE MANAGEMENT

1. Introduction and Overview of Human Resources

The Department of Higher Education and Training, as at 31 March 2015 had a total of 1 235 posts on the Establishment with 1 108 posts filled and therefore the vacancy rate is 10.28%. The Department through its Internship programme provided access to 7% more Interns than the national target of 3%. Graduates and the number of student Interns exposed to the working environment at the Department per the programme, constituted 134 and 29 respectively.

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

There is currently a turnover rate of 24.7% in the Department and the continuing loss of staff with critical skills is a concern. Exit interviews are conducted and data analysed to better understand the turnover rate and assess retention strategies and mechanisms to attract key skills in the Department going forward. The remuneration and job profiling of these key posts are being reviewed within the Organisational Development team alongside a process of job evaluation being conducted for all Head Office posts.

Performance management is key to the success of the Department, with the implementation of robust systems and processes being a priority in ensuring fair, consistent and transparent management of employee performance and development. Work is currently being done to develop a Performance Management Toolkit in ensuring that all the Department staff understand expectations and processes pertaining to performance management and enable effective management of this critical HR process.

Various Wellness Programmes including HIV testing, as well as glucose and blood pressure testing were conducted for 86 and 678 employees respectively. In addition a total of 164 employees participated in the HIV Counselling campaign. A further 109 staff went through various internal and personal interventions including Tuberculosis (TB) screening, clinical diagnoses and attending to sporadic injuries.

There has been significant growth in the staff establishment increasing from 790 (in 2009) to over 1 235 employees in 2015, which included unfunded posts. The high level of vacancies creates a challenge for resourcing within the Department, resulting in capacity gaps not being addressed. The recently approved Organogram has a total number of 2 600 posts creating a greater challenge in that the Department does not have funds to fill these posts, in turn resulting in a greater gap in skilled resources.

The transfer of staff from TVET Colleges and AET centres will see the Department increasing by approximately 38 000 additional employees. While we need to optimise performance using existing capacities, a fair and honest review of the current situation is being undertaken. Therefore, this growth places additional pressure on corporate and finance support services and if it expands without due consideration for the need to recruit skilled resources, it could lead to the total collapse of the administration system in the Department.

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

Requests for additional posts have been processed for approval to ensure that the demands of the function shift are effectively managed within the Human Resource function. Managing the migration of staff from Provincial Departments of Education to the Department has been an achievement worth highlighting and involved all of the HR resources to ensure that HR administration, Labour Relations and issues around Organisational Development have been addressed. The future goal for HR is to ensure effective HR management within the Department by filling 90% of vacant funded positions and implementing an effective performance management system.

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

2. Human Resources Oversight Statistics

Oversight Report

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

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

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

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

1 – Expenditure

Note: During 2014/15 a total of R78.835 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 these figures in the tables hereafter would present a false impression pertaining to personnel numbers and related costs in the tables.

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

TABLE 1.1 – Personnel costs by programme, 1 April 2014 to 31 March 2015

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Professional and Special Services (R'000)	Training expenditure (R'000)	Personnel cost as a % of total expenditure	Average personnel cost per employee (R'000)	Number of employees on 1 April 2014
1	234 097	121 938	1 103	1 349	52.09	367 283	332
2	45 683	34 614	76	156	75.77	509 029	68
3	30 443 955	39 093	0	10	0.13	482 630	81
4	6 035 801	80 827	473	0	1.34	383 066	211
5	105 985	71 606	68	0	67.56	260 385	275
Sub total	36 865 521	348 078	1 720	1 515	0.94	359 957	967
Statutory	13 838 799	0	0	0	0	0	0
Total	50 704 320	348 078	1 720	1 515	0.69	359 957	967

TABLE 1.2 – Personnel costs by salary bands, 1 April 2014 to 31 March 2015

Salary band	Personnel expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	1 430	0.41	71 486
Skilled (Levels 3-5)	53 209	15.29	146 178
Highly skilled production (Levels 6-8)	69 565	19.99	292 290
Highly skilled supervision (Levels 9-12)	141 844	40.75	535 261
Senior Management (Levels 13-16)	82 030	23.57	1 025 379
Total	348 078	100.00	359 957

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

TABLE 1.3 – Salaries, Overtime, Home Owner's Allowance and Medical Assistance by programme, 1 April 2014 to 31 March 2015

Pro-gramme	Salaries			Overtime		Home Owner's Allowance (HOA)		Medical Assistance	
	Personnel costs (R'000)	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical assistance as a % of personnel cost
1	121 938	83 310	68.32	2 157	1.77	2 652	2.17	3 798	3.11
2	34 614	24 207	69.93	0	0.00	622	1.80	774	2.24
3	39 093	27 738	70.95	24	0.06	478	1.22	869	2.22
4	80827	55457	68.61	3 083	3.81	1 778	2.20	2 747	3.40
5	71 606	49 738	69.46	2166	3.02	2 315	3.23	3 746	5.23
Total	348 078	240 450	69.08	7 430	2.13	7 845	2.25	11 934	3.43

TABLE 1.4 – Salaries, Overtime, Home Owner's Allowance and Medical Assistance by salary bands, 1 April 2014 to 31 March 2015

Salary band	Salaries			Overtime		Home Owner's Allowance (HOA)		Medical Assistance	
	Personnel costs (R'000)	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical assistance as a % of personnel cost
Lower skilled (Levels 1-2)	1 430	885	61.90	149	10.42	130	9.12	110	7.66
Skilled (Levels 3-5)	53 209	30 946	58.16	4 396	8.26	2 812	5.29	4 184	7.86
Highly skilled production (Levels 6-8)	69 565	45 337	65.17	1 925	2.77	2 204	3.17	3 443	4.95
Highly skilled supervision (Levels 9-12)	141 844	100 905	71.14	960	0.68	1 854	1.31	3 445	2.43
Senior Management (Levels 13-16)	82 030	62 378	76.04	0	0	844	1.03	752	0.92
Total	348 078	240 450	69.08	7 430	2.13	7 845	2.25	11 934	3.43

2 – Employment and Vacancies

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

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

TABLE 2.1 – Employment and vacancies by programme, 31 March 2015

Programme	Number of posts	Number of posts filled	Vacancy rate %	Number of posts filled additional to the establishment
1	373	337	9.65	8
2	138	121	12.32	3
3	86	78	9.3	2
4	216	207	4.16	3
5	422	365	13.51	25
Total	1 235	1 108	10.28	41

Note: As the establishment of the Department is relatively new, it was necessary to activate additional posts to the staff establishment and appoint officials to perform the related tasks. Once the vacant posts have been filled the posts will be removed from the establishment.

TABLE 2.2 – Employment and vacancies by salary bands, 31 March 2015

Salary band	Number of posts	Number of posts filled	Vacancy rate %	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	19	19	0.00	0
Skilled (Levels 3-5)	445	409	8.09	23
Highly skilled production (Levels 6-8)	298	274	8.05	3
Highly skilled supervision (Levels 9-12)	367	312	14.99	7
Senior Management (Levels 13-16)	106	94	11.32	8
Total	1 235	1 108	10.28	41

TABLE 2.3 – Employment and vacancies by critical occupation, 31 March 2015

Critical occupation	Number of posts	Number of posts filled	Vacancy rate %	Number of posts filled additional to the establishment
Educators (Level 9-12)	10	10	0.00	0
Total	10	10	0.00	0

The information in each case reflects the situation as at 31 March 2015. For an indication of changes in staffing patterns over the year under review, please refer to section 5 below.

Note: The Department was created with effect from 1 April 2010. During the period 2010 to 2014 the Department was in the process of filling critical posts. The main functions of the Department are policy formulation and implementation where different kinds of skills are necessary at different stages. The specialised nature of work in most of the areas of the Department necessitates the use of highly skilled people who are at some stages not readily available for permanent appointment and have to be appointed on contract for periods as may be required. The Department also seconded highly skilled professionals from tertiary institutions and other organisations to address specific needs that arise. These people are appointed against posts on the fixed staff establishment of the Department over short periods, for example three to six months and may create the impression of a higher than normal staff turnover, which is in fact not the case.

3 – Filling of SMS posts

The following tables indicate the number of SMS posts filled and vacant as on 31 March 2015 (Table 3.1), as on 30 September 2014 (Table 3.2), advertising and filling of SMS posts as on 31 March 2015 (Table 3.3), reasons for not having filled vacant posts (Table 3.4) and disciplinary steps taken for not complying with prescribed time-frames.

TABLE 3.1 – SMS posts information as on 31 March 2015

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General (Level 16)	1	1	100.00	0	0.00
Deputy Director-General (Level 15)	5	3	60.00	2	40.00
Chief Director (Level 14)	19	18	94.74	1	5.26
Director (Level 13)	81	72	88.89	9	11.11
Total	106	94	88.68	12	11.32

TABLE 3.2 – SMS posts information as on 30 September 2014

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General (Level 16)	1	1	100.00	0	0.00
Deputy Director-General (Level 15)	5	4	80.00	1	20.00
Chief Director (Level 14)	19	18	94.74	1	5.26
Director (Level 13)	81	57	70.37	24	29.63
Total	106	80	75.47	26	24.53

TABLE 3.3 – Advertising and filling of SMS posts for the period 1 April 2014 to 31 March 2015

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General (Level 16)	1	1	100.00	0	0.00
Deputy Director-General (Level 15)	5	3	60.00	2	40.00
Chief Director (Level 14)	19	18	94.74	1	5.26
Director (Level 13)	81	72	88.89	9	11.11
Total	106	94	88.68	12	11.32

TABLE 3.4 – Reasons for not having complied with the filling of funded vacant SMS posts – advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2014 to 31 March 2015

Reasons for vacancies not being advertised within 6 months:

Posts were advertised but suitable candidates could not be found in all cases

Reasons for vacancies not being filled within 12 months:

Posts were advertised but suitable candidates could not be found in all cases

TABLE 3.5 – Disciplinary steps taken for not complying with the prescribed time-frames for filling SMS posts within 12 months for the period 1 April 2014 to 31 March 2015

Reasons for vacancies not being advertised within 6 months:

None

Reasons for vacancies not being filled within 12 months:

Posts were advertised but suitable candidates could not be found in all cases

4 – Job Evaluation

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

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

TABLE 4.1 – Job Evaluation, 1 April 2014 to 31 March 2015

Salary band	Number of posts	Number of jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	19	0	0.00	0	0.00	0	0.00
Skilled (Levels 3-5)	445	0	0.00	0	0.00	0	0.00
Highly skilled production (Levels 6-8)	298	0	0.00	0	0.00	0	0.00
Highly skilled supervision (Levels 9-12)	367	119	32.43	56	47.06	0	0.00
Senior Management Service Band A (Level 13)	81	0	0.00	0	0.00	0	0.00
Senior Management Service Band B (Level 14)	19	0	0.00	0	0.00	0	0.00
Senior Management Service Band C (Level 15)	5	0	0.00	0	0.00	0	0.00
Senior Management Service Band D (Level 16)	1	0	0.00	0	0.00	0	0.00
Total	1 235	119	9.64	56	47.06	0	0.00

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

TABLE 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2014 to 31 March 2015

Beneficiaries	African	Indian	Coloured	White	Total
Female	24	0	0	5	29
Male	22	1	1	3	27
Total	46	1	1	8	56
Employees with disabilities					0

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

TABLE 4.3 – Employees whose salary level exceeds the grade determined by job evaluation, 1 April 2014 to 31 March 2015 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None	0	0	0	0
Total number of employees whose salaries exceeded the level determined by job evaluation in 2014/15				0
Percentage of total employment				0

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

TABLE 4.4 – Profile of employees whose salary level exceeds the grade determined by job evaluation, 1 April 2014 to 31 March 2015 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Indian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability					0

5 – Employment Changes

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

TABLE 5.1 – Annual turnover rates by salary band for the period 1 April 2014 to 31 March 2015

Salary band	Number of employees per band as on 1 April 2014	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate %
Lower skilled (Levels 1-2)	20	0	6	30.00
Skilled (Levels 3-5)	364	111	102	28.02
Highly skilled production (Levels 6-8)	238	49	34	14.28
Highly skilled supervision (Levels 9-12)	265	60	76	28.68
Senior Management Service Band A (Level 13)	61	8	9	14.75
Senior Management Service Band B (Level 14)	14	1	8	57.14
Senior Management Service Band C (Level 15)	4	2	1	25.00
Senior Management Service Band D (Level 16)	1	0	0	0.00
Total	967	231	236	24.41

TABLE 5.2 – Annual turnover rates by critical occupation for the period 1 April 2014 to 31 March 2015

Occupation	Number of employees per occupation as on 1 April 2014	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate %
Educators (Level 9-12)	14	0	4	28.57
Total	14	0	4	28.57

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

TABLE 5.3 – Reasons why staff are leaving the Department, 1 April 2014 to 31 March 2015

Termination Type	Number	% of total
Privatisation	55	23.31
Death	6	2.54
Resignation	33	13.98
Transfers to other Public Service Departments	21	8.89
Expiry of contract	108	45.76
Employee initiated severance packages	0	0.00
Discharge due to ill health	0	0.00
Dismissal – misconduct	6	2.55
Retirement	7	2.97
Total	236	100.00
Total number of employees who left as a % of the total employment		21.30

TABLE 5.4 – Promotions by critical occupation, 1 April 2014 to 31 March 2015

Occupation	Employees as on 1 April 2014	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Educators (Level 9-12)	14	0	0.00	0	0.00
Total	14	0	0.00	0	0.00

TABLE 5.5 – Promotions by salary band, 1 April 2014 to 31 March 2015

Salary band	Employees as on 1 April 2014	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	20	0	0.00	0	0.00
Skilled (Levels 3-5)	364	0	0.00	194	53.30
Highly skilled production (Levels 6-8)	238	4	1.68	148	62.18
Highly skilled supervision (Levels 9-12)	265	2	0.75	168	63.40
Senior Management (Levels 13-16)	80	0	0.00	35	43.75
Total	967	6	0.62	545	56.36

6 – Employment Equity

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

TABLE 6.1 - Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2015

Occupational category (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Managers (Level 13-16)	33	6	1	12	19	1	6	16	94
Educators and Middle Managers (Level 9-12)	128	5	7	29	119	1	3	20	312
Officers and Senior Clerks, Machine Operators (Level 4-8)	183	5	0	6	323	8	3	41	569
Elementary occupations (Cleaners, Messengers, Food Services Aids, Security) (Level 1-3)	71	0	0	1	61	0	0	0	133
Total	415	16	8	48	522	10	12	77	1 108
Employees with disabilities	2	0	0	2	2	0	0	2	8

TABLE 6.2 - Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2015

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Level 15-16)	1	0	1	1	1	0	0	0	4
Senior Management (Level 13-14)	32	6	0	11	18	1	6	16	90
Educators and Middle Managers (Level 9-12)	128	5	7	29	119	1	3	20	312
Skilled and academically qualified workers (Level 6-8)	63	4	0	4	158	7	3	39	278
Semi-skilled and discretionary decision making (Level 3-5)	186	1	0	3	213	1	0	2	406
Unskilled and defined decision making (Level 1-2)	5	0	0	0	13	0	0	0	18
Total	415	16	8	48	522	10	12	77	1 108
Employees with disabilities	2	0	0	2	2	0	0	2	8

TABLE 6.3 - Recruitment for the period 1 April 2014 to 31 March 2015

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Level 15-16)	0	0	0	0	0	0	0	0	0
Senior Management (Level 13-14)	0	0	0	0	1	0	1	2	4
Educators and Middle Managers (Level 9-12)	10	0	0	1	10	0	1	1	23
Skilled and academically qualified workers (Level 6-8)	2	0	0	0	13	0	0	0	15
Semi-skilled and discretionary decision making (Level 3-5)	14	0	0	0	12	0	0	0	26
Unskilled and defined decision making (Level 1-2)	0	0	0	0	0	0	0	0	0
Total	26	0	0	1	36	0	2	3	68
Employees with disabilities	0	0	0	0	0	0	0	0	0

TABLE 6.4 - Promotions for the period 1 April 2014 to 31 March 2015

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Level 15-16)	0	0	0	0	0	0	0	0	0
Senior Management (Level 13-14)	0	0	0	0	0	0	0	0	0
Educators and Middle Managers (Level 9-12)	1	0	0	0	1	0	0	0	2
Skilled and academically qualified workers (Level 6-8)	0	0	0	0	4	0	0	0	4
Semi-skilled and discretionary decision making (Level 3-5)	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making (Level 1-2)	0	0	0	0	0	0	0	0	0
Total	1	0	0	0	5	0	0	0	6
Employees with disabilities	0	0	0	0	0	0	0	0	0

TABLE 6.5 - Terminations for the period 1 April 2014 to 31 March 2015

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Level 15-16)	0	0	0	0	1	0	0	0	1
Senior Management (Level 13-14)	7	0	1	1	7	0	0	2	18
Educators and Middle Managers (Level 9-12)	35	1	1	10	25	0	0	5	77
Skilled and academically qualified workers (Level 6-8)	14	0	0	1	17	0	0	2	34
Semi-skilled and discretionary decision making (Level 3-5)	37	0	0	0	61	2	0	0	100
Unskilled and defined decision making (Level 1-2)	1	0	0	0	5	0	0	0	6
Total	94	1	2	12	116	2	0	9	236
Employees with disabilities	0	0	0	0	0	0	0	0	0

TABLE 6.6 - Disciplinary action for the period 1 April 2014 to 31 March 2015

Type of disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Final written warning	0	0	0	0	0	0	0	0	0
Suspension with pay	6	0	0	0	2	0	0	0	8
Dismissal	5	0	0	0	1	0	0	0	6
Total	11	0	0	0	3	0	0	0	14

TABLE 6.7 - Skills development for the period 1 April 2014 to 31 March 2015

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Managers (Level 13-16)	70	8	2	20	70	3	3	27	203
Educators and Middle Managers (Level 9-12)	196	5	17	23	263	7	18	22	551
Officers and Clerks (Level 4-8)	192	4	5	6	356	3	12	32	600
Elementary occupations (Cleaners, Messengers, Food Services Aids, Security, Interns) (Level 1-3)	121	2	0	1	97	0	0	2	221
Total	579	19	24	50	786	13	33	83	1575
Employees with disabilities	4	0	0	2	2	0	0	2	10

7 –Signing of Performance Agreements by SMS Members

The following tables indicate the numbers and percentages of SMS members who signed performance agreements as on 31 July 2014 (Table 7.1), reasons for not having concluded performance agreements (Table 7.2) and disciplinary steps taken against SMS members for not having concluded performance agreements (Table 7.3).

TABLE 7.1 – Signing of performance agreements by SMS members as on 31 July 2014

SMS Level	Total number of funded SMS posts per level	Total number of SMS members per level	Total number of signed performance agreements per level	Signed performance agreements as % of total number of SMS members per level
Director-General (Level 16)	1	1	1	100.00
Deputy Director-General (Level 15)	5	4	4	100.00
Chief Director (Level 14)	19	19	19	100.00
Director (Level 13)	81	61	57	93.44
Total	106	85	81	95.29

TABLE 7.2 – Reasons for not having concluded performance agreements for all SMS members as on 31 July 2014

None

TABLE 7.3 – Disciplinary steps taken against SMS members for not having concluded performance agreements as on 31 July 2014

None

8 – Performance Rewards

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

TABLE 8.1 – Performance rewards by race, gender and disability, 1 April 2014 to 31 March 2015

Race	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee (R'000)
African					
Male	202	415	48.67	1 465	7
Female	221	522	42.34	1 689	8
Indian					
Male	3	8	37.50	42	14
Female	4	12	33.33	25	6
Coloured					
Male	7	16	43.75	81	12
Female	2	10	0.20	27	14
White					
Male	27	48	56.25	311	12
Female	45	77	58.44	407	9
Total	510	1 108	46.03	4 047	80

TABLE 8.2 – Performance rewards by salary bands for personnel below Senior Management Service, 1 April 2014 to 31 March 2015

Salary band	Total personnel expenditure for level (R'000)	Beneficiary profile			Cost		
		Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee (R'000)	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	1 430	0	18	0.00	0.00	0	0.00
Skilled (Levels 3-5)	53 209	194	406	47.78	665	3	1.25
Highly skilled production (Levels 6-8)	69 565	148	274	54.01	966	7	1.39
Highly skilled supervision (Levels 9-12)	141 844	168	312	53.85	2 267	13	1.60
Total	266 048	510	1 108	46.03	3 898	8	1.47

TABLE 8.3 – Performance related rewards (cash bonus), by salary band, for Senior Management Service, 1 April 2014 to 31 March 2015

Note: This task has not been finalised for the 2014/15 assessment year and only the following figures are currently available.

Salary band	Total personnel expenditure for level (R'000)	Beneficiary profile			Cost		
		Number of beneficiaries	Number of employees	% of total within band	Total cost (R'000)	Average cost per employee (R'000)	Total cost as a % of the total personnel expenditure
(Level 13-16)	82 030	35	94	37.23	751	21	0.92
Total	82 030	35	94	37.23	751	21	0.92

9 – Foreign Workers

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

TABLE 9.1 – Foreign workers, 1 April 2014 to 31 March 2015, by salary band

Salary band	1 April 2014		31 March 2015		Change	
	Number	% of total	Number	% of total	Number	% change
Total	1	100.00	1	100.00	0	0.00

TABLE 9.2 – Foreign workers, 1 April 2014 to 31 March 2015, by major occupation

Major occupation	1 April 2014		31 March 2015		Change	
	Number	% of total	Number	% of total	Number	% change
Educators	0	0.00	1	100.00	1	0.00
Total	0	0.00	1	100.00	1	0.00

10 - Leave utilisation for the period 1 January 2014 to 31 December 2014

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

TABLE 10.1 – Sick leave, 1 January 2014 to 31 December 2014

Salary band	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)
Lower skilled (Levels 1-2)	69	91.30	12	1.27	6	26
Skilled (Levels 3-5)	2 608	76.20	355	37.53	7	1 516
Highly skilled production (Levels 6-8)	1 748	79.40	246	26.00	7	1 809
Highly skilled supervision (Levels 9-12)	1 802	77.40	269	28.44	7	3 507
Senior Management (Levels 13-16)	368	77.80	64	6.76	6	1 284
Total	6 595	80.42	946	100.00	7	8 142

TABLE 10.2 – Disability leave (temporary and permanent), 1 January 2014 to 31 December 2014

Salary band	Total days taken	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost (R'000)
Lower skilled (Levels 1-2)	0	0.00	0	0.00	0	0
Skilled (Levels 3-5)	423	100.00	15	48.39	28	220
Highly skilled production (Levels 6-8)	209	100.00	9	29.03	23	222
Highly skilled supervision (Levels 9-12)	231	100.00	5	16.12	46	588
Senior Management (Levels 13-16)	103	100.00	2	6.46	51	391
Total	966	100.00	31	100.00	37	1 421

Table 10.3 summarises the utilisation of annual leave

The wage agreement concluded with trade unions in the Public Service Commission Bargaining Chamber (PSCBC), requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

TABLE 10.3 – Annual leave, 1 January 2014 to 31 December 2014

Salary band	Total days taken	Average per employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	282	19	19
Skilled (Levels 3-5)	9 316	23	409
Highly skilled production (Levels 6-8)	6 445	24	274
Highly skilled supervision (Levels 9-12)	7 102	23	312
Senior Management (Levels 13-16)	2 194	23	94
Total	25 339	23	1 108

TABLE 10.4 – Capped leave, 1 January 2014 to 31 December 2014

Salary band	Total days of capped leave taken	Number of employees who took capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 December 2014
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	21	4	5	1 665
Highly skilled production (Levels 6-8)	10	4	3	1 739
Highly skilled supervision (Levels 9-12)	40	4	10	3 998
Senior Management (Levels 13-16)	12	2	6	1 369
Total	83	14	6	8 771

TABLE 10.5 – Leave payouts for the period 1 April 2014 to 31 March 2015

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

Reason	Total amount (R)	Number of employees	Average payment per employee (R)
Leave payout due to non-utilisation of leave and termination of service	786 036.46	51	15 412.47
Capped leave payout on termination of service	180 331.79	2	90 165.89
Total	966 368.25	53	18 233.36

11 – HIV/Aids and Health Promotion Programmes

TABLE 11.1 – Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	Key steps taken to reduce the risk
None	Education awareness and prevention programmes
	Distribution of universal precautions
	First aid kits installed on all floors of the building and the wellness center has 4 first aid kits for sporadic injuries and used by sports officials when training or having games
	Condom distribution is done on a monthly basis

TABLE 11.2 – Details of Health Promotion and HIV/Aids Programmes

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position	X		Mr J Slater Director: Labour Relations and Wellness
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose	X		1 Assistant Director 1 Practitioner 1 Senior Administration Clerk
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme	X		To assist employees with task related and personal problems
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent	X		The HIV/Aids Committee and each branch is represented
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed	X		Leave Policy Wellness Policy Recruitment and Selection Policy HIV/Aids, STI & TB Policy
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures	X		HIV/Aids and TB Management Policy HCT campaigns Condom distribution
7. Does the Department encourage its employees to undergo Voluntary Counseling and Testing? If so, list the results that you have achieved	X		Through HCT campaign the officials undergo pre-test and post-test counselling. The uptake for the 3 quarters was 464. Those tested for HIV were 249 and positivity rate 1.2%. The 4 th quarter was conducted on 23 March 2015
8. Has the Department developed measures/ indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators	X		Training in first aid programmes Distribution of condoms Protective gloves distribution Awareness campaign Information sessions Introduced wellness programmes i.e soccer and netball

12 – Labour Relations

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

TABLE 12.1 – Collective agreements, 1 April 2014 to 31 March 2015

Subject matter	Date
Agreement on transfer of the public TVET College support staff from the Colleges to the Department	14 April 2014

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

TABLE 12.2 – Misconduct and disciplinary hearings finalised, 1 April 2014 to 31 March 2015

Outcome of disciplinary hearings	Number	% of total
Correctional counselling	0	0.00
Verbal warning	0	0.00
Written warning	5	35.72
Final written warning	0	0.00
Suspended without pay	0	0.00
Fine	0	0.00
Demotion	1	7.14
Dismissal	6	42.86
Not guilty	0	0.00
Case withdrawn	2	14.28
Total	14	100.00

TABLE 12.3 – Types of misconduct addressed at disciplinary hearings for the period 1 April 2014 to 31 March 2015

Type of misconduct	Number	% of total
Mismanagement of funds	9	100.00
Negligently cause loss of state property	0	0.00
Total	9	100.00

TABLE 12.4 – Grievances lodged for the period 1 April 2014 to 31 March 2015

	Number	% of total
Number of grievances resolved	4	40
Number of grievances not resolved	6	60
Total number of grievances lodged	11	100.00

TABLE 12.5 – Disputes lodged with Councils for the period 1 April 2014 to 31 March 2015

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

TABLE 12.6 – Strike actions for the period 1 April 2014 to 31 March 2015

Total number of person working days lost	16
Total cost (R'000) of working days lost	None
Amount (R'000) recovered as a result of no work no pay	None

TABLE 12.7 – Precautionary suspensions for the period 1 April 2014 to 31 March 2015

Number of people suspended	8
Number of people whose suspension exceeded 30 days	8
Average number of days suspended	331
Cost (R'000) of suspensions	4 354

13 - Skills development

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

TABLE 13.1 - Training needs identified, 1 April 2014 to 31 March 2015

Occupational category	Gender	Number of employees as at 1 April 2014	Training needs identified at start of reporting period			
			Number of employees identified for training	Skills Programmes and other short courses	Other forms of training	Total number of courses
Senior Managers (Level 13-16)	Female	37	21	- Policy Development and Analysis - Strategic Management and Leadership - Knowledge and Information Management - Planning, Monitoring, and Evaluation - Executive Development Programme - Advanced Project Management		6
	Male	43	21			0

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Occupational category	Gender	Number of employees as at 1 April 2014	Training needs identified at start of reporting period			
			Number of employees identified for training	Skills Programmes and other short courses	Other forms of training	Total number of courses
Educators and Middle Managers (Level 9-12)	Female	116	71	- Advanced Computer Skills - PFMA - Occupational Health and Safety - Advanced Management Development Programme - Assets Management - Advanced Business and Report Writing - Research Methodology - Curriculum Design and Development - Data Management - Risk Management - Labour Law - Supervisory Skills	- English for Professional Development - Initiating and Chairing Disciplinary Hearing - Compliance Risk Management	15
	Male	149	49			0
Officers, Clerks and Machine Operators (Level 3-8)	Female	349	141	- Business Report Writing - BAS - LOGIS - Conflict Management - Office Administration and Management - Protocol and Diplomacy - Call Centre		7
	Male	253	114			0
Elementary occupations (Cleaners, Messengers, Food Services Aids, Security, Interns) (Level 1-2)	Female	13	15 (including Interns)	- Advanced Driving - Customer Care - First Aid Training - Fitting and Turning - Professional Cookery - Warehouse Management - Auto Electrical - Millwright		8
	Male	7	42 (including Interns)			0
Sub Total	Female	515	248			36
	Male	452	226			0
Total		967	474			36

TABLE 13.2 - Training provided, 1 April 2014 to 31 March 2015

Occupational category	Gender	Number of employees as at 1 April 2014	Training provided within the reporting period			
			Number of employees identified for training	Skills Programmes and other short courses	Other forms of training	Total
Senior Managers (Level 13-16)	Female	37	36	- Occupational Health and Safety - Business Report Writing - Basic Project Management - Professional Supervisory - Mentoring and Coaching - Supply Chain Management - Performance Monitoring and Evaluation - English for Professional Development - Compliance Risk Management - Initiating and Chairing Disciplinary Hearing - Electronic Language Editing	Wamkelekile	12
	Male	43	41			0
Educators and Middle Managers (Level 9-12)	Female	116	103	- Occupational Health and Safety - Business Report Writing - Basic Project Management - Professional Supervisory - Mentoring and Coaching - Supply Chain Management - Performance Monitoring and Evaluation - English for Professional Development - Compliance Risk Management - Initiating and Chairing Disciplinary Hearing - Electronic Language Editing - Conflict Management - Public Finance Management Act	- Promoting Anti-Corruption in the Public Service - Compulsory Induction Programme	15
	Male	149	65			0

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Occupational category	Gender	Number of employees as at 1 April 2014	Training provided within the reporting period			
			Number of employees identified for training	Skills Programmes and other short courses	Other forms of training	Total
Officers, Clerks and Machine Operators (Level 3-8)	Female	349	226	• Office Administration and Management • Public Finance Management Act • Conflict Management • Basic Project Management • Financial Budgeting and Accounting • Compulsory Induction Programme • Promoting Anti-Corruption in the Public Service • Breaking Barriers to entry into the Public Service • Typing Skills • Supply Chain Management • Occupational Health and Safety • Professional Supervisory • Business Report Writing • Initiating and Chairing Disciplinary Hearing		14
	Male	253	128			0
Elementary occupations (Cleaners, Messengers, Food Services Aids, Security, Interns) (Level 1-2)	Female	13	23 (including Interns)	• Occupational Health and Safety • Mentoring and Coaching • Typing Skills • Office Administration and Management • Public Finance Management Act		5
	Male	7	30 (including Interns)			0
Sub total	Female	515	388			46
	Male	452	264			0
Total		967	652			46

14 – Injury on duty

The following table provides basic information on injuries on duty.

TABLE 14.1 – Injury on duty, 1 April 2014 to 31 March 2015

Nature of injury on duty	Number	% of total
Required basic medical attention only	5	100.00
Temporary Total Disablement	0	0.00
Permanent Disablement	0	0.00
Fatal	0	0.00
Total	5	100.00

15 – Utilisation of Consultants**TABLE 15.1 - Report on consultant appointments using appropriated funds for the period 1 April 2014 to 31 March 2015**

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

Project title/ description of task	Total number of consultants that worked on the project	Duration: Work days	Contract value In Rand (R'000)
DHET049: Appointment of a service provider to develop a costing model and verify Further Education and Training (FET) College programme costs	Pricewaterhouse Coopers Incorporated Team of 12 Consultants	17/11/2014 – 16/03/2015	3 000
DHET050: Appointment of consultant to conduct job evaluations	Bridging Executive Management (Pty) Ltd Team of 7 Consultants	09/06/2014 – 08/09/2014	500
DHET051: Appointment of service provider to manage funds for the National Skills Authority on behalf of the Department	SAB&T Chartered Accountants Incorporated t/a Nexia SAB&T Team of 9 Consultants	3 years with an option to shorten to 2 years	Management fee of 5.69% Annual estimate 30 000
DHET053: Appointment of a service provider to assist the Department to improve its Skills Planning System for the Strategic Integrated Projects	Core Focus (Pty) Ltd Team of 7 Consultants	09/06/2014 – 31/03/2015	984
DHET054: Management of funds for the National Institute for Humanities and Social Sciences (IHSS) on behalf of the Department	Deloitte Consulting (Pty) Ltd Team of 10 Consultants	01/10/2014 – date of reporting after event	3 495
Consultant to render communications and marketing services	Ms Angela Church Team of 4 Consultants	January 2015 – December 2015	2 444
Appointment of two individual consultants to assist CD: National Examination and Assessments with editing of scripts	(2 Consultants) Ms J Coetzee Mr DBN Boshoff	Jan - Dec 2015 Jan - Dec 2015	445 445

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Project title/ description of task	Total number of consultants that worked on the project	Duration: Work days	Contract value In Rand (R'000)
Single Source: Extension of contract: Appointment of HSRC as a South African BRICS Think Tank	HSRC Team of 2 Consultants	01/04/2014 – 31/03/2015	1,768

TABLE 15.2 - Report on consultant appointments using Donor funds

Project title	Total number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand (R'000)
DHET046: Appointment of a consultant to develop a National Research Agenda for Career Development in South Africa	Mzabalazo Advisory Services Team of 5 Consultants	17/06/2014 – 31/03/2015	491
Single Source: Appointment of a service provider to support services for the National Career Advice Portal (NCAP)	Praxis Computing (Pty) Ltd Team of 4 Consultants	To be completed on 31/03/2015	113
Single Source: Appointment of a service provider to support services for the Career Development website	Private Label Web Solution (Pty) Ltd 1 Consultant	01/10/2014 – 30/09/2016	355
DHET057: Development of a Business case for the establishment of Career Development and Central Applications services institutional mechanism	Learning Strategies (Pty) Ltd Team of 5 Consultants	Ending 30/06/2015	497

TABLE 15.3 - Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
DHET046: Appointment of a consultant to develop a National Research Agenda for Career Development in South Africa	51%	51%	4
DHET057: Development of a Business case for the establishment of Career Development and Central Applications services institutional mechanism	26%	26%	4
Single Source: Appointment of a service provider to support services for the National Career Advice Portal (NCAP)	25%	25%	4
Single Source: Appointment of a service provider to support services for the Career Development website	100%	100%	1

16 – Employee initiated severance packages

The Minister for the Public Service and Administration (MPSA) has with effect from 1 January 2006 in terms of section 3(3)(c) of the Public Service Act, 1994, as amended, issued a determination on the introduction of an Employee Initiated Severance Package (EISP) for employees. The procedure relevant to the granting of an EISP to an employee entails that the comments of the MPSA must first be obtained before departments make a final decision in this regard. The following table provides information in respect of EISP granted during the period 1 April 2014 to 31 March 2015.

TABLE 16.1- Granting of employee initiated severance packages, 1 April 2014 to 31 March 2015

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by Department
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior Management (Levels 13-16)	0	0	0	0
Total	0	0	0	0





PART E

FINANCIAL INFORMATION

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

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REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2015

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 2014/15 financial year, excluding direct charges, which was included in the Estimates of National Expenditure 2014, increased by 7.4% from R34 322.391 million in 2013/14 to R36 866.681 million. This included R24 155.093 million for Higher Education Institutions (HEIs) and R6 138.832 million for the National Student Financial Aid Scheme (NSFAS) (82.2% of the Department's total budget for 2014/15, compared to 82% in 2013/14).

The total expenditure, excluding direct charges, for the 2014/15 financial year, increased by 7.4% from R34 331.969 million in 2013/14 to R36 865.521 million in 2014/15, which represents a spending rate of 99.99% (99.99% in 2013/14). The expenditure was made up as follows (in R'000):

	2013/14	2014/15	Increase/ (Decrease)
Compensation of employees	398 450	426 913	28 463
Departmental operations	150 031	159 481	9 450
Departmental earmarked funds	40 162	43 944	3 782
Subsidies to HEIs	22 388 767	24 155 093	1 766 326
NSFAS	5 769 405	6 138 832	369 427
Subsidies to public entities	113 036	120 864	7 828
Conditional grants to the provinces for FET Colleges	2 454 188	2 631 346	177 158
Subsidies to FET Colleges	3 013 189	3 185 827	172 638
Other transfers	4 741	3 221	(1 520)
Total expenditure	34 331 969	36 865 521	2 533 552

The surplus on the Vote for the financial year, excluding direct charges, amounted to R1.160 million (R1.931 million in 2013/14) and was made up as follows (in R'000):

	2013/14	2014/15
Compensation of employees	453	902
Departmental operations	1 318	85
Departmental earmarked funds	4	1
Other transfers	156	172
Total savings	1 931	1 160

A decrease in the projected spending on the skills development levy resulted in a decrease of R240 million in the allocation in respect of Direct Charges from R13 440 million to R13 200 million in the Adjusted Estimates for 2014/15. The total expenditure on direct charges in the 2014/15 financial year amounted to R13 838.798 million (R12 090.186 million in 2013/14) based on the actual collection of levies, and was made up as follows (in R'000):

	2013/14	2014/15
Sector Education and Training Authorities (SETAs)	9 673 818	11 071 024
National Skills Fund	2 416 368	2 767 774
Total expenditure	12 090 186	13 838 798

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1.1 Important policy decisions and strategic issues

Various policy decisions and strategic issues unfolded during the year under review. A substantial effort was made regarding the TVET and AET function shift process from the provincial sphere of Government to the Department. The final shifting of the functions as well as the applicable staff and funding is taking place on 1 April 2015. The function shift will drastically change the Labour Relations environment of the Department with the addition of approximately 38 000 staff members on the establishment of the Department. In this respect, two Collective Agreements were signed which supported the transfer of TVET College staff to the Department. The year also marked the launch and roll-out of the Decade of the Artisan Advocacy Campaign. Apart from various career guidance exhibitions during the year, the Mandela Day Career Festival was expanded to four days. The Department in collaboration with HESA also launched and rolled-out the TVET First Things First Campaign as part of the Higher Education Aids project and career guidance exhibitions. The Social Inclusion Policy Framework was finalised and published for public comments and a Ministerial Committee for the development of a Strategic Disability Policy Framework was established.

With regards to the National Qualifications Framework, a draft Recognition of Prior Learning (RPL) policy was developed, Ministerial guidelines for 2014/15 was published and the 2015/16 guidelines was developed. An annual monitoring report on progress with the mandatory role of SAQA and Quality Councils for the 2014/15 financial year was completed. Inter-departmental steering committee meetings were held monthly and four SAQA quarterly reports were reviewed. A Cabinet memorandum was submitted regarding the misinterpretation of or invalid qualifications. Public comments on the Articulation report and the SAQA principles of articulation were evaluated and collated into the report.

The following important policy decisions have had an impact on the shape and size of the university education system, which now consists of 26 universities (11 general academic universities; 9 comprehensive universities and 6 universities of technology) and one National Institute for Higher Education (National Institute for the Humanities and Social Sciences), from 25 universities and three national institutes in 2013/14:

- Promulgation of the third new university since 1994, Sefako Makgatho Health Sciences University (SMU) in Gauteng, the first specialised comprehensive university in South Africa (Government Gazette Vol. 587, Notice No. 37658, 16 May, 2014);
- Incorporation of the MEDUNSA Campus of the University of Limpopo into SMU on 1 January 2015 (Government Gazette Vol. 592, Notice No. 38086, 10 October, 2014);
- Incorporation of the Lowveld College of Agriculture into MPU on 1 January 2015 (Government Gazette Vol. 592, Notice No. 38085, 10 October, 2014); and
- Disestablishment of the National Institutes for Higher Education in the Northern Cape and Mpumalanga Provinces on 31 March 2015 (Government Gazette Vol. 593, Notice No. 38194, 7 November, 2015).

During the year under review, the Higher Education Act (101 of 1997, as amended) was reviewed by a Joint Task Team consisting of representatives from the Department, Council on Higher Education (CHE), Higher Education South Africa (HESA) and the University Chairs of Council Forum (UCCF) and has been submitted to the Minister for approval and submission for the 2015 legislative programme; the review suggested some significant changes that will enable better differentiation of the higher education sector and its integration into the Post-School Education and Training System in line with the policy directions in the 2013 White Paper.

The following policies for the university sector were published for implementation:

- Regulations for Reporting by Public Higher Education Institutions (Government Gazette Vol. 588, Notice No. 37726, 9 June 2014);

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- Policy for the Provision of Distance Education in South African Universities in the context of an Integrated Post-School System (Government Gazette Vol. 535, Notice No. 37811, 7 July 2014);
- Research Outputs Policy (Government Gazette Vol. 597, Notice No. 38552, 11 March 2015); and
- Policy on Programmes Leading to Qualifications for Educators and Lecturers in Community and Adult Education and Training (Government Gazette Vol. 597, Notice No. 38612, 27 March, 2015).

A draft revised funding framework that will be published for public comment after Ministerial approval was developed. The Minister, however, approved two specific aspects of the recommendations in this funding framework which will be implemented in the 2015/16 financial year ahead of the publication of the final policy, namely:

- Foundation provisioning will be funded on the same subsidy grid as other undergraduate programmes; and
- The implementation of a Historically Disadvantaged Institutions' Development (HDI) Grant. An amount of R2.050 billion will be invested over the next five year period, starting with a grant of R410 million in 2015/16. This Grant will be provided on the basis of individual university development plans that are designed to deal with specific challenges at each of the eight identified HDI institutions. These institutions will be supported to put systems and processes into place to enable them to become financially stable and to improve the quality of their academic enterprise.

After thorough consultation with the university sector during 2014, the Staffing South Africa's Universities Framework (SSAUF) was approved. This is a transformative, comprehensive approach to building capacity and developing future generations of academics. The framework identifies five components: The Nurturing Emerging Scholars Programme (NESP); The New Generation of Academics Programme (nGAP); The Existing Academics Capacity Enhancement Programme (EACEP); The Staffing South Africa's Universities Development Programme (SSAU-DP); The Supplementary Staff Employment Programme (SSEP). A strategic decision has been made to begin implementing the framework during 2015/16 with the nGAP programme, utilising reprioritised funds amounting to just over R270 million. All universities are participating in this first phase of implementation, which will involve the appointment of 125 nGAP scholars. Eighty percent of the appointments will be made to African and/or women academics. The plan is to take a new cohort of scholars into the nGAP programme each year going forward and intend to increase the number of new posts supported to 400 per annum by 2017. The other components of the framework will be introduced over time as funding is identified for their implementation.

A strategic decision was taken to change the process for the allocation of Infrastructure and Efficiency funds for the 2015/16 to 2017/18 cycle. Universities were requested to undertake infrastructure, maintenance and disability audits and campus master plans for the next 15 years. All universities had submitted their plans and audits by September 2014 and the Department established a team of experts to analyse the plans and develop a macro infrastructure framework plan for the university education system. The institutional audits and plans will guide the prioritisation of infrastructure projects and the allocation of funds to institutions for the 2015/16 to 2017/18 infrastructure funding cycle and beyond. It is expected that during this cycle the focus will be mainly on backlog maintenance, refurbishment of older infrastructure, information technology infrastructure and new student housing.

A Joint Health Sciences Education Committee (JHSEC) has been successfully established by the Directors-General of the Department of Higher Education and Training and the Department of Health to ensure coordinated planning and funding for the development of health sciences professionals and paraprofessionals for the South African Health system.

The process for the development of a new National Plan for Post-School Education and Training aligned to the White Paper for Post-School Education and Training (2013) was approved. The new plan will replace the National

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Plan for Higher Education (DoE, 2003) and will define the work of the Department and specifically the university sector over the next ten to fifteen years.

The Minister approved that the National Institute for Humanities and Social Sciences (NIHSS) be appointed as the permanent home of the South African BRICS Think Tank, to lead South Africa's engagement in the BRICS Think Tanks Council and coordinate South Africa's participation in the BRICS Academic Forums in the future.

The approval of a new five-year European Union sector budget support programme and the Teaching and Learning Development Capacity Improvement Programme, will enable substantial resources to be directed towards strengthening teacher education for a range of sub-sectors over the next five years. In particular this programme will support the development of the capacity of higher education to produce lecturers/teachers for the Technical and Vocational Education and Training (TVET) and Community Education and Training (CET) sectors.

Inter-departmental Task Teams have been established to make recommendations on:

- The transfer of Agricultural Colleges from the concurrent responsibility of the Department of Agriculture, Forestry and Fisheries (DAFF) and their provincial counterparts to the Department; and
- The expansion of Veterinary Sciences and the establishment of a second faculty of Veterinary Sciences for the country between the Department and DAFF.

A collaboration process between the Department and the Department of Health in terms of the function shift of nursing colleges to a national platform also took place.

A national Policy Dialogue on student financial aid and the call for free higher education, involving the Department, NSFAS, HESA, the South African Students Union, the CHE, National Treasury, the Department of Performance Monitoring and Evaluation and the UCCF, has been established. This dialogue will inform the development of improved policy and regulations governing NSFAS, a sustainable process for allocating the limited funds available for poor students to access higher education and will feed into the review of the NSFAS Act.

The Operation Pakhisa: Ocean Economy initiative, for which the Department is the lead Department, will have significant implications for the work of the Department. It is already taking up significant human resources within the Department and has led to the establishment of the South African International Institute for Maritime Industry at the Nelson Mandela Metropolitan University (NMMU), which will support the Department in this undertaking.

The Further Education and Training (FET) Colleges Amendment Act, 2013 that was published in March 2013 provided for the establishment of Community Education and Training Colleges. A subsequent Presidential Proclamation enabled all Public Adult Learning Centres to be deemed Community Education and Training Colleges from 1 April 2015, upon which date these Colleges were merged to form nine CET Colleges.

Bursary Rules and Guidelines for the Administration and Management of the Technical and Vocational Education and Training College Bursary Scheme were developed which provide for, amongst others, the following:

- The Review of the 80/20 principle (previously colleges were required to earmark 80% of their total allocation for the awarding of colleges fees and 20% for travel and accommodation allowances). Taking into account limited bursary funding this provision has been amended to give priority to the awarding of college fees and only to consider applications for travel and accommodation allowances subject to the availability of funding; and
- Colleges to desist from entering into contracts with service providers on behalf of bursary beneficiaries for travel and accommodation as this may expose them to litigation.

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During the year under review Council members were appointed to oversee the governance of the Public TVET Colleges. Five Council members for each of the 50 TVET Colleges were appointed as the Minister's nominees. TVET Colleges were rebranded and the names of the Colleges were changed from Further Education and Training Colleges to Technical and Vocational Education and Training Colleges.

With regards to Skills Development, the Department convened two workshops to discuss the review of the Sector Education and Training Authority (SETA) landscape as well as the National Skills Development Strategy (NSDS). Two SETAs were put under administration i.e. SASSETA and CATHSSETA. A framework for the appointment, management and monitoring of SETA administrators was developed and approved. A number of engagements took place with the Department of Public Service and Administration on the implementation of the directive on the one percent of the training budget for Public Service. Successful partnerships were established between SETAs, TVET Colleges and Higher Education Institutions to integrate key stakeholders in the PSET system.

As part of the mobilisation of business, government, community and labour to take full ownership of the NSDS III and the development of a related framework, the Department held a Work Integrated Learning (WIL) workshop which convened WIL practitioners from education and training institutions, academia, government practitioners, industry and provincial practitioners to discuss the policy framework on WIL.

To ensure that business enterprise opportunities are created to benefit communities and the vulnerable in particular, research needs were identified and a research agenda was developed.

With regards to Artisan Development, the Minister approved the Trade Test Regulations and a Trade Test Pass Rate alongside the Quality Improvement Strategy.

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

A number of key events critical to the country and its economy took place during the 2014/15 financial year. This includes the establishment of Career Development Services in the Department. All units and functions (helpline, radio programmes, training and support team, information team and communication and advocacy) are functional and operational. The Minister launched the services in January 2015.

Information system interfaces of all administrative databases within the Department and its entities were maintained and updated with new data during the year under review.

The 2014 "Apply Now!" Campaign was successfully concluded in September 2014 and the 2015 Campaign was launched on 9 March 2015.

The Department launched the Labour Market Intelligence Partnership (LMIP) project three years ago as a means to support it in establishing a credible, institutional mechanism for skills planning. The LMIP project is being undertaken by a consortium of researches led by the Human Sciences Research Council and the Witwatersrand University. The research undertaken through the LMIP project will help not only the Department, but also the country in general by identifying current and projected imbalances and mismatches between the supply and demand for skills in the country. A skills forecasting model (linked to a macro-economic forecasting model), which provides projections on skills supply and demand, as well as imbalances between these. The research undertaken through the LMIP project highlights the following economic trends:

- There was a collapse in primary sector employment and lacklustre employment growth in the Manufacturing sector which still remains a heavy, capital-intensive manufacturing sector, which is neither job-generating nor skills-enhancing; and

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- Our growth and employment trajectory since 1994 has been built on a rapid rise in the share of the Gross Domestic Product in financial and business services and to some extent consumption and service orientated sectors.

During the year under review, the Department held a Strategic Planning Workshop with the Department's Senior Management. The workshop was part of the process towards the finalisation of the Department's 2015/16 Annual Performance Plan as well as the 5-year Strategic Plan of the Department. An emphasis was placed on the implications of the White Paper on the plans of the Department.

On the International front, support was provided to the Minister for working visits to Italy, Sweden, China, United Kingdom and France and to the Deputy Minister for working visits to Russia, Ethiopia, Brazil and Mozambique. Furthermore, the Department was represented at a UNESCO convention in Ethiopia, the African Higher Education Summit in Senegal, the SADC Meeting of Ministers responsible for Education in Mozambique, the Conference of Ministers of Education of the African Union in Cameroon as well as the International Congress on Vocational and Professional Education and Training in Switzerland. The Department also hosted delegations from Namibia, Lesotho, the AU Commission and Germany. An agreement on higher education cooperation between South Africa and Palestine was signed. A working visit was undertaken by the Accounting Officer to Cuba, during which the Executive Programme of the agreement with Cuba was signed. The Department was also represented at Bilateral or Joint Commission or Senior Officials' meeting with Guinea, Burundi, Japan, Russia, Sweden, Switzerland, the United Kingdom, Canada, the European Union and Germany.

With regards to University Education, a conference was held at the University of Stellenbosch to discuss the development of higher education infrastructure. WozaSizokwakha (a book that focusses on Higher Education Infrastructure renewal, revitalisation and development) was launched at the conference. A capacity building programme for university Council members was implemented through six regional council training workshops in partnership with the University Chairs of Council Forum (UCCF). A draft policy was developed on the evaluation of creative outputs produced by public higher education institutions. A set of financial indicators that will be utilised in future to assess the financial health of universities on an annual basis was approved. An inter-branch scholarship committee, a scholarships management office and website were developed to manage international scholarship opportunities.

The Department published the following draft policies in respect of university education for public comment:

- Draft Policy Framework on Differentiation in the South African Post-School System (Government Gazette Vol. 717, Notice No. 37997, 15 September 2014); and
- Draft Amended Regulations of Private Higher Education Institutions (Government Gazette Vol. 592, Notice No. 38128, 31 October 2014).

With regards to Adult Education and Training, a Draft National Policy on Community Education and Training Colleges was developed; through a process of engagement with stakeholders and partners, facilities for hosting the Community Education and Training Colleges were identified; a call was made through Government Gazette No. 38571 of 16 March 2015 for the establishment of Community Education and Training College Councils; and the gazetting of the merger of Public Adult Learning Centres into Community Education and Training Colleges for each province with effect from 1 April 2015.

The National Senior Certificate for Adults (NASCA) has been registered by the South African Qualifications Authority. On the basis of the registered qualification, curriculum writers were appointed and Subject statements were developed and approved by the Minister for gazetting for public comments.

The Department delivered nine national examination cycles during the 2014/15 of which seven were for the TVET College sector and two for the AET sector. Each of the nine cycles culminated in the resulting of TVET or AET

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candidates in accordance with the management plans for the conduct of examination cycles for the TVET and AET sectors respectively. Budget allocations towards this function were not sufficient to cover what is expected in terms of the standards of the quality assessor for credible examination processes. In many instances, some activities had to be compromised to prioritise the approval of results by the quality assessor. In order to remain within the allocated budget, some critical processes were decentralised such as the off-site setting of all question papers as opposed to secure on-site setting and the marking of NC(V) Levels 2 and 3 at site level instead of nationally while both levels remain exit levels.

With regards to the preparation of the TVET and AET function shift, an audit of the resources utilised by provincial departments in the delivery of the AET examinations function were conducted and various plans and documents to guide the process were compiled.

The Department conducted a survey on the provision of student accommodation in TVET Colleges. A questionnaire on the state of student accommodation was sent to all TVET Colleges to assess the provision of student accommodation. The Financial Aid Officers of TVET Colleges and departmental staff from regional offices were trained on the administration of the bursary scheme. Student Support Services (SSS) workshops with all SSS managers and academic officers in TVET Colleges were conducted to share best practices and to find solutions to challenges facing the sector on SSS.

The Department conducted a SETA Chairpersons Forum through which the Minister engaged Chairpersons on key strategic and governance issues. A SETA Panel for Planning and Performance was appointed to review SETA Sector Skills Plans, Strategic Plans, Annual Performance Plans and Annual Reports.

A fund management agency was appointed to assist the Department in managing the projects and operational aspects of the National Skills Authority. Work has commenced on a number of projects.

Major projects in Corporate Services included activities related to the function shift; the renovation of the head office building at 123 Francis Baard by the landlord; the securing of additional office space at Ndinaye House and the simultaneous relocation of three units to Ndinaye House; the identification of a site for construction of a new head office at Salvokop, Pretoria; the establishment of nine Regional Offices; the approval of the file plan for the Department by the Department of Arts and Culture; and the launch of the Department's Service Delivery Charter.

1.3 Spending trends

The under-expenditure of R1.160 million (R1.931 million in 2013/14) on the Department's programmes, measured against the allocations after virement, is as follows, in R'000:

	2013/14		2014/15	
	Under-expenditure	Percentage	Under-expenditure	Percentage
1. Administration	685	0.34%	264	0.11%
2. Human Resource Development, Planning and Monitoring Evaluation	292	0.67%	828	1.78%
3. University Education	228	0.00%	19	0.00%
4. Vocational and Continuing Education and Training	418	0.01%	35	0.00%
5. Skills Development	308	0.31%	14	0.00%
Total	1 931	0.00%	1 160	0.00%

The under-expenditure did not impact negatively on the Department's programmes and service delivery.

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Factors that contributed to under-expenditure included savings realised on funds provided for posts on the staff establishment of the Department that became vacant during the year and could not be filled as projected and concomitant savings that resulted from this, the Higher Education Management Information System for claims not received as projected and funds provided for the function shift, as well as cost containment measures put in place to ensure that the Department would not overspend on its budget.

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

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

1.4 Virement

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

Shifted from	Shifted to	Amount
2: Human Resource Development, Planning and Monitoring Co-ordination	1: Administration	4 044
4: Vocational and Continuing Education and Training	1: Administration	9 335
5: Skills Development	1: Administration	75
5: Skills Development	3: University Education	226

The Department effected deliberate savings on various projects in order to address excess expenditure on costs for the International Attaché, Communications, Personnel Administration, Audit Fees, function shift activities and SITA accounts in Programme 1: Administration and monitoring and evaluation costs in Programme 3: University Education and Training. Treasury approvals, with reference number 9/4/4/13 dated 18 November 2014 and 9 December 2014, were obtained to increase the transfer payments to the India-Brazil-South Africa Trilateral Commission and the Commonwealth of Learning respectively due to an increase in exchange rates. Funds were also shifted between programmes within compensation of employees, in order to accommodate possible over-expenditure on compensation of employees on some of the programmes.

The virement was approved in accordance with the Public Finance Management Act and reported to National Treasury and the Minister.

2. Services rendered by the Department

2.1 Services rendered

The Department was in the main responsible for the formulation of national higher education and training policy and for monitoring and evaluating the implementation of policy. Revenue collected was for services that were rendered on a national basis in respect of TVET College examinations and certificates, the registration of private HEIs, revenue generated by the Institute for the National Development of Learnerships, Employment Skills and Labour Assessments (INDLELA) from fees for trade tests, boarding and rentals. The total revenue collected in this regard for the period under review amounted to R5.183 million (R5.034 million in 2013/14).

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2.2 Tariff policy

National Technical Examinations

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

Tariff in R

Examination fees

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

Private Technical and Vocational Education and Training (TVET) Colleges

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

Tariff in R

a)	Application for registration	500.00
b)	Amendments	500.00

Private Higher Education Institutions

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

Tariff in R

a)	Application for registration	500.00
b)	Amendments	500.00
c)	Conversions	500.00

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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 R699 929 (R185 141 on 31 March 2014).

3. Capacity constraints

A number of capacity constraints still exist within the Department. The function shift as per the FET Colleges Amendment Act, 2012 led to increased pressure in the Department particularly for the human resource and finance functions of the Department in order to manage the recruitment processes and salary payments for TVET and CET sectors. The funding of these processes placed the Department under huge financial constraints. Inadequate funding for the filling of vacancies also contributed to capacity constraints.

Due to the delay in the approval of the new organisational structure, the Department operated on a 20% shortfall of the required headcount. Branches heavily relied on Interns and contract appointments to execute the work. The GITO office in the Department experienced huge staff turnover which essentially affected the Information Technology service delivery in terms of turnaround times. There was also a high turnover of cleaning staff due to ill health and old age. Six cleaners and two Interns were appointed to reduce this capacity constraint.

One of the most significant constraints the service delivery of the Branch: University Education is the restricted operational budgets available for all sections to carry out their monitoring and evaluation functions. In particular this had the effect of restricting site visits to institutions to qualitatively monitor the infrastructure development projects at universities as well as the effective use of other earmarked grants. Financial constraints will remain a major impediment to the work of the Branch going forward. In order to mitigate the challenges linked to this the Minister approved a Sector Monitoring, Evaluation and Support Programme supported through an earmarked grant and managed in partnership with a selected university to enable a more robust monitoring process and effective oversight of the earmarked grants. This programme will be implemented during the 2015/16 financial year.

Funding also remains a major constraint with respect to National Student Financial Aid Scheme (NSFAS) support. The demand for financial aid far outstrips the amount available in the fund and therefore not all financially needy but academically capable university students can be supported through loans. While considerable additional funds have been allocated from 2010 to 2012 and the overall fund available is substantial, the increase in the quantum of annual funds available through the Department from the Vote has tapered off and is not keeping up with higher education inflation. At the same time the need to support full cost funding for poor academically capable students is increasing and therefore fewer students can be supported. The Department is not able to ensure that increased numbers of poor university and TVET College students are supported, while at the same time the demand for free higher education for the poor is increasing. The risks for the system as a whole are high. The Department and the Minister, recognising the risks for the 2015 registration period, proactively worked with HESA and the UCCF to engage students and universities to communicate the constraints in the system and

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attempt to minimise violent student protest and destruction of university property. This resulted in a far less volatile beginning of the academic year when compared to 2014. However, the system remains under immense pressure due to the political expectation by students that all academically successful but financially needy students will be supported by the state. There is also a limitation in bursary funding to cover travel and accommodation allowances of financially needy and academically-deserving students in the TVET sector. Bursary beneficiaries in need of travel and accommodation allowance may drop out from their studies if they do not secure funding to cover their travel and accommodation costs.

The Branch: University Education continues to experience severe human resource capacity constraints which impact on the timeous delivery of services and the welfare of the staff. The volatile staffing environment remains a challenge and requires on-going monitoring and attention. The Branch has continued to operate with the Deputy Director-General and the Chief Director: Teaching and Learning Development as acting positions and various vacancies could not be filled. Similarly, the Branch: Vocational and Continuing Education and Training experienced capacity constraints to undertake the vast scope of work under its jurisdiction. The examination function experiences budgetary constraints for the mandate it is expected to deliver on. Key posts especially in National Examinations need to be filled. The Department has been inundated with requests to participate in Student Representative Council induction programmes but was unable to support colleges in this regard due to financial constraints. Limited funding also impacted on monitoring visits which resulted in heavy reliance on desktop research.

4. Utilisation of donor funds

The Department received new donations totalling R58.400 million in cash from foreign donors during the 2014/15 financial year. Expenditure of R19.181 million was incurred against funds held in the Reconstruction and Development Programme (RDP) Fund. The balance of the funds available to the Department in the RDP Fund, as at 31 March 2015, was R63.778 million.

Donor funds were mainly used as follows:

- The utilisation of R141 million over three years, from the European Union Primary Education Sector Policy Support Programme, was approved early in 2010 and continues to be rolled out. The 2014/15 financial year represents the final close out of the programme. In the first year of the programme the agreed upon KPAs were met or exceeded: i.e. KPA 1 – 18 universities involved in foundation phase teacher education (achieved 21 universities involved from a baseline of 13 in 2008); and KPA 2 - 6 900 students enrolled in foundation phase teacher education programmes (achieved 12 468 in 2011/12 from a baseline of 5 200 in 2008). Achievements include: support for 13 research and development projects at 20 universities aimed at strengthening/establishing foundation phase teacher education programmes; 21 universities now participating (up from 13 in 2009) and significant growth in headcount enrolments (98%) and graduates (93%) since the inception of the programme in 2009; scholarship support for seven Honours, 54 Masters and 40 PhD students in Childhood Education; 200 bursaries for African mother tongue foundation phase teacher education students; 24 new academics employed at universities to support the start-up of new programmes; the establishment of the South African Journal for Early Childhood Education (an academic journal that will become self-funding in 2014/15 and has already established itself to the extent that it is internationally accredited); the establishment of South African Research Association for Early Childhood Education (SARAECE) (a research association that became self funding in 2014/15); a number of regional conferences and a successful final conference; the development of a vibrant research culture that has thus far produced 28 peer reviewed journal articles, with a further 21 articles having been accepted for publication and 36 articles in various stages of preparation; the establishment of a new Foundation Phase programme at Siyabuswa, the former Ndebele College of Education site, now part of the University of Mpumalanga and

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the establishment of a teaching school linked to that campus. A total amount of R3.145 million was spent on this project during 2014/15.

- Danish government support was received for the Education and Skills Development programme in South Africa. The purpose of this project is to identify, implement and strengthen good practices in the support services provided to students in selected TVET Colleges. Through this project models of peer tutoring have been successfully demonstrated and senior students who have been trained as Lecturer Assistants have the opportunity to embark on a pathway to becoming fully-fledged lecturers. This provides a novel approach to the development of a new lecturing corps within the framework of the Professional Framework for the development of TVET College Lecturers. Lecturers have undergone formal training in remediation, have integrated remediation practices into classroom teaching and have participated in the development of remediation materials, including pre- and posts-tests. A manual for training on instructional coaching and mentoring and a draft National Work Integrated Framework have been developed. A job portal and driver's licence simulator as mechanisms for boosting employability amongst students and thereby enhancing exit support was introduced. Funds are allocated directly to these TVET Colleges. A total amount of R21.556 million was spent on this project during 2014/15.
- The Japanese government supported the Employability Improvement Project whereby students are trained for two weeks in productivity, soft and innovation skills. The project has been extended from 2013 to 2015 and was rolled out to all Universities of Technology.
- European Union: Career Development Services Project: The Department has been mandated by Cabinet to develop the National Career Development Policy across all spheres of Government. A national policy and implementation strategy for career development services was developed in consultation with national and provincial stakeholders, including agencies, entities and institutions. A consultation plan with stakeholders has been developed. An interim National Career Development Forum has been established to coordinate career development services in the country. The National Career Development Portal has been further developed and career paths of all occupations registered on the OFO have been uploaded. A competency framework for Career Development Practitioners and a Career Development Research Agenda has been developed and a prototype of the National Open Learning System was developed and is being populated with learning materials. Of the total allocation of R60 million, R12.616 million was spent on this project during 2014/15.
- European Union: Career Development Services Project: This includes the establishment of Career Development Services in the Department. All units and functions (helpline, radio programmes, training and support team, information team and communication and advocacy) are functional and operational. The Minister launched the services in January 2015. Of the total allocation of R99 million, R8.884 million was spent on this project during 2014/15.
- European Union: To pilot an enabling environment for the implementation of open learning approaches and to identify workable models of open learning, especially for the area of adult and youth and the development of technical and vocational skills using open learning. A prototype of the National Open Learning System was developed and is being populated with learning materials. A concept of Distance Education and expansion in tandem with an open and distance learning strategy workshop for TVET Colleges, as well as an implementation framework for Open Learning in TVET Colleges was developed. Of the total allocation of R51.860 million, R0 was spent on this project during 2014/15.
- United Kingdom - Skills for Employability: The focus of this project is to strengthen the capacity of selected TVET Colleges in providing enhanced labour market outcomes for students. The project commenced in 2013 and will end in March 2016.
- The EU's Erasmus Mundus Scholarship Programme (Window for South Africa), is valued at three million Euros over a period of five years and is a mobility scheme for South African Masters' and Doctoral students,

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as well as for academics and other staff members to spend part of their studies, research or working time at a European university.

5. Public Entities

There were 26 Public Entities that 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. The passing of the Higher Education Amendment Act, 2008 and the National Qualifications Framework Act, 2009 imply a significant change for the Council, from its function as an advisory institution that monitors and evaluates the achievement of South African higher education policy and goals, to a quality council for higher education. This mandates CHE to audit higher education institutions, accredit programmes offered, including the development of the higher education qualifications framework and set standards. An amount of R42.689 million was transferred to the CHE in the 2014/15 financial year.

During 2014/15 the following strategic objectives were executed by the CHE:

- Provided advice to the Minister on: Departmental policy and procedures for measurement of Research Outputs of Public Higher Education Institutions; reform of the undergraduate curriculum; and unaccredited programmes offered by Public and Private Higher Education Institutions
- Provided comments on: the Report of the Ministerial Committee on Articulation; monitoring the State of Higher Education - Research projects; performance indicators to assess the state of the higher education system, publication and electronic – see VitalStats 2012; undergraduate Diploma and Degree Structure; review of the State of Higher Education: 1994-2014; reflections on Academic Leadership; and Governance Challenges in Public Higher Education
- Published VitalStats 2012 and Distance Education in a Digital Age
- Processed a total number of 1 268 Category B qualification applications
- 83% of private providers of higher education contributed to the HEQCIS database
- Auditing institutional quality assurance mechanisms:
 - One first cycle audit closed, progress reports from four institutions being monitored
 - Quality Enhancement Project (QEP) framework is being implemented. Six workshops held, 23 QEP update reports received were from 23 public higher education institutions (PHEIs). 58 voluntary online submissions received from private institutions. Institutional submissions received from 23 PHEIs
- Institutional programme accreditation and re-accreditation:
 - 260 (70%) new programmes with an approved Higher Education Quality Council (HEQC) outcome was tabled within 6 months of submission or 6 months after payment received for the private providers
 - 43 (75%) of existing programmes with an approved HEQC outcome was tabled within 18 months after payment processed
- A review of all Bachelor of Social Work offerings was undertaken. The final report is due in the 2015/16 financial year

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- Quality promotion and capacity building:
 - o Seven workshops for evaluators were held
 - o Two quality assurance forums were held, one with professional bodies and a two-day forum which included both public and private providers

5.2 National Student Financial Aid Scheme (NSFAS)

NSFAS was established in terms of the National Student Financial Aid Scheme Act, 1999. It is responsible for administering loans and bursaries and allocating these to eligible students, developing criteria and conditions for the granting of loans and bursaries to eligible students in consultation with the Minister of Higher Education and Training, raising funds, recovering loans, maintaining and analysing a database, undertaking research aimed at better utilisation of financial resources and for advising the Minister on matters relating to student financial aid. An amount of R6 138.832 million was transferred to the NSFAS in 2014/15. Other sources of revenue are donor funds, money repayable on study loans and interest on investments.

During the 2014/15 financial year, the number of students who received NSFAS financial assistance increased from 416 359 in 2013/14 to 417 636 for 2014/15 financial years, which includes TVET College bursary recipients.

5.3 South African Qualifications Authority (SAQA)

SAQA is a statutory body, established in terms of the South African Qualifications Act, 1995. As from 1 April 2009, SAQA operated in terms of the National Qualifications Framework (NQF) Act, 2008, which replaced the former SAQA Act. In terms of the new NQF Act, SAQA continued to focus on upholding the principles of the NQF, including ensuring access, quality, redress and development for all learners through an integrated national framework of learning achievements. The Department transferred an amount of R55.008 million to SAQA during the 2014/15 financial year.

During the 2014/15 financial year, SAQA:

- Provided advice to the Minister on the following matters emanating from the Determination of the Sub-frameworks:
 - o Comments on the Ministerial Priorities and Guidelines, both for 2014/15 and for 2015/16 financial years; and
 - o Development of a Fraud Register and the implications of making this public.
- SAQA published the Policies on Assessment and Credit Accumulation and Transfer (CAT) in the Government Gazette in November/December 2014. The aforementioned two policies together with the Level Descriptors, the Policy and Criteria for Recognising a Professional Body and Registering a Professional Designation, the Policy and Criteria for Registration of Qualifications and Part Qualifications on the NQF and the National Policy for the Implementation of the Recognition of Prior Learning, complete the full suite of NQF policies that are required to facilitate articulation and which SAQA believes it provides an enabling platform from which to take articulation forward. SAQA's achievements in this area are:
 - o Published the Policy framework for the Recognition of Foreign Qualifications for public comment
 - o Published the Guidelines and criteria for learning that does not lead to a qualification for public comment
 - o Developed the draft NQF implementation Framework for 2015 – 2020
 - o Completed a progress report against the Ministerial Guidelines for 2014/15 financial year

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- o Produced a progress report on SAQA's contribution to the Articulation Action Plan
- o Produced an Annual Report on the effectiveness of the System of Collaboration
- o Received an unqualified audit report for 2013/14 financial year from the Auditor-General
- o Developed a report on the analysis of misrepresentation related to foreign qualifications 2014/15
- o Created a list of confirmed misrepresented national and foreign qualifications
- o Recognised eight professional bodies and registered 19 professional designations
- o Registered 222 qualifications on the NQF
- o Monitored 37 professional bodies for compliance with NQF policies
- o Successfully loaded all compliant data from the Quality Councils onto the National Learner Records Database, (NLRD)
- o Dealt with 32 381 applications for evaluation of foreign qualifications
- o Verified 10 563 records of national qualifications and 6 940 foreign qualifications up to the point of comparison
- o Produced final reports on the research done in partnership with the University of Western Cape and Rhodes University
- o Completed an NQF Impact Study, and
- o Prepared a concept document on SAQA's role in the ombuds function
- Assisted the Department with:
 - o Carrying out the activities of the task team as mandated by the Minister of Higher Education and Training until the Career Development Services (CDS) project was handed over to the Department on 1 October 2015
 - o Developing a handover report for the CDS project; and
 - o Responding to a total of 32 090 enquiries for the two quarters in 2014
- Continued to work closely with the Department to provide a quality national NQF and Career Advice Helpline until 30 September 2014:
 - o Developed the NQF Navigate concept document
 - o Published an electronic standard glossary of NQF terminology (NQFpedia) on the SAQA website
 - o Completed the UNESCO research on world reference levels
 - o Published the online Recognition of Prior Learning (RPL) and Credit Accumulation and Transfer (CAT) Bulletins
 - o Published the Report on professional teacher standards for the Commonwealth, and
 - o Hosted a Workshop on the use of level descriptors with an international expert, Stephen Adam
- Participated in the following international events:
 - o The Ethiopia International NQF Conference in June 2014
 - o The Experts meeting on Recognition of Studies, Degrees, Diplomas and Certificates in Higher Education held in July 2014 organised by UNESCO
 - o UNESCO World Reference Levels of Learning Outcomes meeting in September 2014

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for the year ended 31 March 2015

- o The Unesco International Centre for Technical and Vocational Education and Training global TVET forum on 13 and 14 October 2014
- o The Conference of States for the re-launch of the Revised Arusha Convention on 11 and 12 December 2014 as part of the official South African delegation
- o Hosted the International Seminar on Building Trust and Promoting Genuine Qualifications through effective Verification on 24 and 25 November 2014.

5.4 The National Skills Fund (NSF)

The NSF was established in 1999 in terms of the Skills Development Act, 1998. It is funded by 20% of the skills development levies collected by the South African Revenue Service (SARS). The fund's key functions include the funding of national skills development priority projects as identified in the third National Skills Development Strategy, funding projects related to achieving the purpose of the Act, as determined by the Accounting Authority and administering the fund. The Department transferred an amount of R2 767.774 million from direct charges to the NSF during 2014/15.

5.5 Sector Education and Training Authorities (SETAs)

During 2014/15, there were 21 SETAs that were mandated by section 9 of the Skills Development Act, 1998 to provide skills development across various economic sectors. Their main objectives are to implement sector skills plans aimed at developing the appropriate skills, to develop and register learning programmes and to distribute skills development levy funds. The SETAs meet the NSDS targets by means of a legislated service level agreement with the Department. All SETAs are expected to implement learning programmes in terms of their service level agreements. These annual agreements are determined by the NSDS five-year target, which is also calculated in annual terms. The Department transferred an amount of R11 071.024 million from direct charges to SETAs during 2014/15 financial year.

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

The overall performance of the SETAs across all outcomes based on the year under review is satisfactory. The following NSDS goals were achieved during the 2014/15 financial year:

- Total workers entered: Learnerships, Bursaries and Skills Programmes – 64 000 learners funded
- Total workers certificated: Learnerships, Bursaries and Skills Programmes – 57 202 learners funded
- Total unemployed entered: Learnerships, Internships, Bursaries and Skills Programmes – 56 185 learners funded
- Total unemployed certificated: Artisan, University graduate placement, TVET College partnerships, Universities partnerships, AET programmes, co-operatives supported and small business supported – 20 288 learners certificated
- Total number of Non Governmental Organisations (NGOs), Non Levi Paying Enterprises (NLPEs) and Community Based Organisations (CBOs) supported and career guidance provided – 36 678

5.6 The Quality Council for Trades and Occupations (QCTO)

The QCTO was established in terms of the Skills Development Act, 1998 and became operational in 2010. The primary functions of the QCTO are to design and develop occupational standards and qualifications and to submit these to SAQA for registration on the national qualifications framework, establish and maintain occupational standards and qualifications, ensure the quality of occupational standards and qualifications and learning in and for the workplace, promote the objectives of the national qualifications framework, liaise with the National Skills Authority on the suitability and adequacy of occupational standards and qualifications and on the quality of learning in and for the workplace. The Department transferred an amount of R23.167 million to the QCTO during 2014/15 financial year.

The major achievements of 2014/15 financial year are detailed below:

- A notable improvement has been observed in the registration of occupational qualifications as in the financial year a total of 25 qualifications were registered by SAQA on the Occupational Qualifications Sub-framework (OQSF). Thus to date 44 qualifications are registered and available to be utilised. In addition, by the end of the financial year, a total of 32 occupational qualifications were still receiving attention by SAQA for registration. If these were registered, all in all 76 occupational qualifications would be in the OQSF.
- As the White Paper made it emphatically clear that Technical and Vocational Education and Training (TVET) Colleges were central to the post-school expansion strategy, the QCTO embarked on a project to covert the NATED Report 190/1 qualifications into occupational qualifications. It is expected that the project will have been completed within a three year period. Priority will be given to those that have huge learner uptake and also those needed by industry.
- In July 2014 the Occupational Qualification Sub-framework policy was published via Government Gazette. Each of the three Quality Councils is required to publish a policy statement that describes the character of the sub-framework which contextualises the sub-framework's purpose, scope and application, qualification types, etc.
- In the financial year the QCTO took up the task of accrediting Skills Development Providers (SDPs) that want to offer newly registered occupational qualifications. Once accreditation status is granted, the SDP can commence enrolling learners and providing the necessary support on teaching and learning. One hundred and twelve SDPs were accredited to date by the QCTO.
- With regards to accreditation of SDPs, a major project conducted was the accreditation of 12 Regional Training Centres under the National Department of Health to offer the newly registered Health Promotion Officer qualification.
- A total of 143 legacy qualifications were identified for deactivation on the OQSF. SAQA has been approached not to reregister these qualifications as they are no longer active. All relevant stakeholders have been alerted about this move. After thorough examination and consultation more legacy qualifications will be deactivated as new qualifications are registered.
- The QCTO visited all public Technical and Vocational Education and Training Colleges in order to make them aware of the QCTO's work and to encourage the colleges to add occupational qualifications to their programme mix.
- As at the end of the 2014/15 reporting period, the QCTO had approved 28 Assessment Quality Partners (AQPs) for registered Occupational Qualifications. This includes the National Artisan Moderating Body (NAMB) as the AQP for trades. The AQP forum has been established and regular meetings were conducted. The AQPs are at various stages of implementing their quality assurance processes. The South African Institute of Tax Practitioners conducted their first external summative assessments at the end of 2014 with successful candidates due to graduate early 2015.

REPORT OF THE ACCOUNTING OFFICERfor the year ended 31 March 2015

- The QCTO inherited the In-Magic trade test certification system from the Department as well as the project to migrate the data from the In-Magic system to a new platform. The migration was successfully completed in November 2014. The QCTO also consolidated the processes of issuing a single trade certificate in terms of the Skills Development Act. In November 2014, the QCTO commenced with the issue of replacement certificates. The certification processes with NAMB as the AQP is functional and effective. Much of the backlog in the issuing of trade certificates as well as outstanding applications for replacement certificates was resolved. An upgraded apprentice certification system and template was approved and implemented. The turnaround time for producing certificates is now well within the 21 day period as specified in the QCTO policy. In addition, the certification unit also conducted a substantial number of verifications.
- The Monitoring and Evaluation Unit conducted planned monitoring visits to Quality Assurance Partners (which in essence are SETAs that have been delegated certain quality assurance functions by the QCTO). Monitoring reports for each of the Quality Assurance Partners (QAPs) were developed and QAPs are being monitored on an on-going basis against the improvement plans submitted.
- The N4-N6 examinations were monitored for the first time in 2014. 75 examination centres and 14 marking centres were monitored for compliance. The QCTO also participated in all the N4-N6 Standardisation meetings and approved the moderation decisions.

During the 2014/15 financial year the QCTO was able to completely wean from the Department and functioned independently. The QCTO no longer relies on the Department for support functions. The HR Policies and Procedures manual was approved and is in place. Implementation of QCTO's own payroll system (VIP) was one of the remarkable milestones that was achieved. Of the 47 approved post, 42 were filled which leaves a minimal vacancy rate. The staff complement sharply grew from 28 in 2013/14 to 85 in 2014/15 financial years (included in this number, are contract posts totalling 43). Other policies and systems such as for finance, supply chain management and information technology are in place.

6. Other organisations that receive transfer payments from the Department

6.1 Higher Education Institutions (HEIs)

Funds were transferred in order to support HEIs (Universities and Universities of Technology) and enable them to perform their core functions of lecturing and research, efficiently and effectively. This is linked to the broader policy goals and objectives outlined in the National Plan for Higher Education, which is underpinned by the need to ensure the sustainability, affordability and responsiveness of the higher education system and to enable it to contribute to the social and economic development of South Africa. A total amount of R24 155.093 million was transferred to HEIs.

6.2 Sector Education and Training Authorities (SETAs)

In terms of the Skills Development Act, 1998 and the Skills Development Levies Act, 1999, no amount was transferred for this service.

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 R3 185.827 million was transferred to the 50 TVET Colleges.

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for the year ended 31 March 2015

6.4 Other transfers

- Commonwealth of Learning**

An amount of R2.432 million was transferred to the Commonwealth of Learning, being the membership fee for South Africa as member country.

- India-Brazil-South Africa**

The India-Brazil-South Africa Trilateral Commission Dialogue Forum was established in 2003 by these three developing countries, in order to work towards a common vision for enhanced South-South cooperation. An amount of R550 980 was transferred to the Commission via the non-profit institution Higher Education South Africa (HESA) (Treasury approval reference number 9/4/4/4/13 dated 9 December 2011).

- Higher Education South Africa (HESA)**

An amount of R7.420 million was transferred to HESA for the Higher Education HIV/Aids programme.

6.5 Conditional grants to Provincial Education Departments (PEDs)

The FET Colleges conditional grant was allocated to the Department during the period under review. Before funds were transferred to the provinces, the Department ensured that all the requirements of the Division of Revenue Act, 2014, were met.

The total allocation for the conditional grant for 2014/15 (in R'000) was as follows:

Conditional grant	Total allocation	Amount transferred	Total amount spent by PEDs	% spent on allocation
FET Colleges	2 631 346	2 631 346	2 610 607	99.2
Total	2 631 346	2 631 346	2 610 607	99.2

6.5.1 Further Education and Training (FET) Colleges Conditional Grant

The main objective of the FET Colleges Conditional Grant is to ensure the successful transfer of the function of FET Colleges to the Department of Higher Education and Training.

The following constituted the outputs of the grant, as per the agreed grant framework:

- Payments of staff employed by Colleges
- Transfer of FET Colleges management staff to the Department finalised
- Transfer of non-management staff to the Department finalised
- Transfer of Provincial Education Departments' (PEDs) staff to the Department finalised
- Post provisioning model for FET Colleges finalised
- Implementation of the national norms and standards for funding FET Colleges
- Implementation of the revised programme cost for 2014
- Monitor the support of FET Colleges by PEDs

REPORT OF THE ACCOUNTING OFFICERfor the year ended 31 March 2015

Achievements during the 2014/15 financial year included:

- The legislative processes for the transfer of TVET College management staff to the Department have been finalised. A total of 210 management staff posts have been transferred to the Department. The line management responsibility has also been transferred, as Principals of TVET Colleges are now reporting to the Department via the Provincial TVET unit to the Deputy Director-General: Vocational and Continuing Education and Training. The budget for management staff was administered by provincial education departments (PEDs) although the posts have been transferred to the Department. The Department has taken over the responsibilities on the appointment of staff. The PEDs processed these appointments on PERSAL, on an agency basis. The Minister has approved the establishments of the transferred posts in the Department.
- Appointment of Principals and Deputy Principals into vacant positions is ongoing. Out of the 19 Principal posts that needed to be filled permanently, 14 have been filled, one is in the process of being finalised, candidates for two posts are still to be interviewed, one post is being finalised for appointment and one post is in a short-listing process. Out of the 35 Deputy Principals' posts that have to be filled permanently, 21 have been filled. Candidates for five posts are scheduled to be interviewed and nine posts are still being processed. Two more posts of Principals were filled during the fourth quarter, whilst 13 are still in process.
- Implementation protocols for the secondment of provincial staff in TVET units to the Department, between the Minister and Members of the Executive Councils as well as between the Heads of Departments and the Director-General have been signed. Secondment letters were forwarded to Members of the Executive Councils in PEDs which were confirming the secondment of officials to the Department.
- An inordinate amount of work has been done on the collective agreements for the transfer of staff from the PEDs to the Department, which was presented in the relevant bargaining units.
- A process of identification of Provincial staff for transfer was undertaken by the Department including the establishment of data from PERSAL on staff providing any support to the Provincial TVET Units as well as understanding the roles performed by each of these staff members in relation to the TVET Colleges. After the list of functions and posts were submitted by the PEDs, the process of identifying persons who will be transferred with the posts was finalised. This exercise has been completed and the Department has a clearer view of staff to be transferred from PEDs to the Department.
- The South African Institute of Chartered Accountants (SAICA), in collaboration with the Department, continues to drive the process on the post provisioning model. This on-going process is now at an advanced stage and the following have been achieved:
 - o Understanding of the current status quo:
 - Updated headcount of lecturers and support staff by college/levels, programmes; and
 - Comparisons of the proposed structure with identified portfolio areas (e.g. Finance, IT, Marketing) and critical positions versus what colleges have.
 - o Work studies were undertaken at seven colleges across provinces covering different focal areas (e.g. rural versus urban, centralised versus decentralised). The reports from the studies highlighted the following:
 - Current organisational structures by central office/campus
 - Standard naming conventions
 - Spans of control
 - Job volume

REPORT OF THE ACCOUNTING OFFICERfor the year ended 31 March 2015

- o The Department of Basic Education was also consulted and its current post distribution model was used as a benchmark, particularly where it relates to high schools and technical secondary schools as these bear much resemblance to the TVET College sector.
- Draft Post Provisioning Norms was developed.
- Programme costs were approved and circulated to TVET Colleges for use during the 2014 planning cycle.

6.5.2 Compliance with the Division of Revenue Act (DoRA)

In terms of Section 9(1) of DoRA, 2014, the duties of the receiving officer include submitting quarterly reports to the Department not later than 30 days after the end of each quarter. The submission of quarterly reports by the receiving officers has improved in 2014/15. The overall expenditure by receiving officers is 97 per cent as at 31 March 2015. On average, 99.5 per cent of quarterly reports were received from receiving officers on time. The transferring national officer submitted these reports to the National Treasury, the Portfolio Committee on Higher Education and the National Council of Provinces after consolidating all provincial reports according to the requirement of the grant framework. Over and above the Report on the Annual Performance Evaluation of the FET Colleges Conditional Grant, a Phase Out Report, which captured and traced the grant's performance since its inception, was submitted to National Treasury on 31 January 2015 as required.

6.5.3 Performance evaluation of conditional grants

In terms of Section 9(1) of DoRA, 2014, the transferring national officer must evaluate the performance of programmes that are funded or partially funded by the allocation and submit the evaluation report to the National Treasury within four months after the end of the financial year. This obligation was duly adhered to and the 2013/14 annual performance evaluation of the FET Schedule 4 conditional grant was conducted and the Report was submitted to National Treasury on 31 July 2014. Preparations for the evaluation of the performance of the 2014/15 conditional grant commenced shortly after presenting the findings and the evaluation report will be submitted to the National Treasury on 31 July 2015.

7. Public-Private Partnerships (PPPs)

None.

8. Corporate governance arrangements**8.1 The Department's Risk Assessment and Fraud Prevention Plan**

The Department's risk management and fraud prevention strategies/plans have been developed and are regularly reviewed to ensure relevance. The Department acknowledges its overall accountability for risk management and therefore incorporated the process into critical processes such as planning and reporting. Risk reviews (both strategic, operational and for projects) are conducted regularly to identify new and emerging risks of the Department for effective management. The Risk Management Unit regularly reports on the effectiveness of the risk management and fraud prevention processes including business continuity management to the Department's Risk Management Committee, Senior Management, Audit Committee and other oversight structures for advice and intervention where needed.

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8.2 Internal Audit Unit

The role of Internal Audit Unit is to provide management and the Audit Committee with independent, objective assurance and consulting services, designed to add value and improve the Department's operations. It is furthermore aimed at assisting the Department to accomplish its objectives by establishing a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management and control processes.

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

8.3 The Audit Committee

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

8.4 Management processes for minimising conflict of interest

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

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 customised for the Department and implemented in the Department and managers ensure that all staff members adhere to it. Copies of the two Codes of Conduct for Public Servants were distributed to every official in the Department and have been fully implemented.

Employees who violated the Code of Conduct were disciplined in terms of the Disciplinary Code and Procedures for the Public Service.

8.6 Safety, health and environmental issues facing the Department

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

REPORT OF THE ACCOUNTING OFFICERfor the year ended 31 March 2015

Processes are underway to approve the appointment of Floor Wardens and to acknowledge the responsibilities of Safety Representatives. The hosting of safety awareness campaigns will be implemented in the 2015/16 financial year.

8.7 Other governance structures

- **Bid Committees**

- **Bid Specification Committee (BSC)**

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

- **Bid Evaluation Committee (BEC)**

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

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

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

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

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

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

REPORT OF THE ACCOUNTING OFFICERfor the year ended 31 March 2015

• Information Technology Steering Committee (ITSC)

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

9. Discontinued activities/activities to be discontinued

- FET College conditional grant: Funds have been shifted from the FET College conditional grant allocation to the Department – R2 818.573 million.

10. New/proposed activities

New activities that may have severe budgetary implications on the operations of the Department are:

- Adult Education and Training functions and Further Education and Training functions shifted from Provincial Education Departments and the FET College conditional grant with effect from 1 April 2015 – R8 395.057 million.

11. Asset management**11.1 Progress with regard to capturing assets in a register**

All assets, including all newly acquired assets, were captured on the 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. This results in reconciliation discrepancies

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for the year ended 31 March 2015

between minor and major assets. A policy on the reconciliation between the asset register and the basic accounting system was therefore developed and implemented.

12. Events after the reporting date

None.

13. Information on predetermined objectives

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

14. Standing Committee on Public Accounts (SCOPA) resolutions

None.

15. Prior modifications to audit reports

None.

16. Exemptions and deviations received from the National Treasury

None.

17. Interim Financial Statements

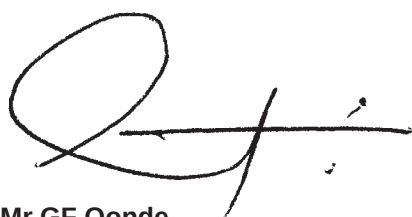
Interim Financial Statements were compiled according to the Treasury guidelines and submitted to National Treasury during the 2014/15 financial year.

18. Other

None.

19. Approval

The Annual Financial Statements, set out on pages 163 to 232, were approved by the Accounting Officer.



Mr GF Qonde
Director-General
Date: 29/05/2015

REPORT OF THE AUDIT COMMITTEE

for the year ended 31 March 2015

We are pleased to present our report for the financial year ended 31 March 2015.

Audit Committee Responsibility

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

The effectiveness of internal control

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

Through the reports from the different assurance providers, it was identified that the system of internal control was not entirely effective during the year under review, as several instances of non-compliance with internal controls were reported by both Internal Audit and the AGSA. A number of the matters raised by the AGSA are repeat findings from one or more previous years, this is a concern for the audit committee. The Audit Committee will continue to monitor progress against the corrective action plan implemented by management and has requested that it be developed while addressing the root causes for the findings.

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

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

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

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

Evaluation of Financial Statements

The Audit Committee has:

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

REPORT OF THE AUDIT COMMITTEE

for the year ended 31 March 2015

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

Internal Audit

The Audit Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the Department in its audits. Additional capacity was obtained for internal audit through a co-sourcing arrangement.

Risk Management

A risk management strategy is in place and a risk assessment was done in the Department. The Risk Management Committee meets on a quarterly basis. There has been significant progress with the implementation of risk management in the Department.

Auditor-General South Africa

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

Conclusion

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



Professor DP van der Nest
Chairperson of the Audit Committee

Date: 31/07/2015

Report of the Auditor-general to Parliament on vote no. 17: Department of Higher Education and Training

Report on the financial statements

Introduction

1. I have audited the financial statements of the Department of Higher Education and Training set out on pages 163 to 214, which comprise the appropriation statement, the statement of financial position as at 31 March 2015, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Modified Cash Standard prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No.1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2014 (Act No. 10 of 2014) (DoRA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Higher Education and Training as at 31 March 2015 and its financial performance and cash flows for the year then ended, in accordance with Modified Cash Standard prescribed by National Treasury and the requirements of the PFMA and DORA.

Emphasis of matter

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

Significant uncertainties

8. With reference to Note 19 to the financial statements, the Department is the defendant in lawsuits relating to claims which the Department is opposing. The ultimate outcome of these matters cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Report on other legal and regulatory requirements

9. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

10. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the Department for the year ended 31 March 2015:
 - Programme 3: University education on pages 57 to 67
 - Programme 4: Vocational and continuing education and training on pages 71 to 74
 - Programme 5: Skills development on page 78
11. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
12. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information* (FMPPI).
13. I 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 selected programmes are as follows:

Programme 4: Vocational and continuing education and training

Reliability of reported performance information

15. The FMPPI issued by the National Treasury requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. I was unable to obtain the information considered necessary to satisfy myself as to the reliability of the reported performance information. This was due to the absence of systems in place to verify the reporting of actual achievements against a significant planned objective, indicators and targets.
 - There is a lack of reporting regulations in place that requires TVET Colleges to report on headcount enrolments. As a result independent verification is not being performed on headcount enrolments for TVET Colleges. The Department does not have the capacity to perform verification on the reported figures.

- The lack of verification of other significant indicators and targets is due to the late design of action plans to address previous reported internal control deficiencies, action plans not being implemented and monitored on a timely basis and inadequate performance management to hold staff accountable for adequately addressing prior year reported internal control deficiencies.

Programme 5: Skills development

Reliability of reported performance information

16. The FMPPI issued by the National Treasury requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Overall, a significantly important target in relation to the overall mandate of the Department was not reliable because we were unable to obtain sufficient appropriate audit evidence for a significantly important target. In addition, a significantly important target was not valid, accurate and complete when compared to the source information or evidence provided. This was due to limitations placed on the scope of my work due to the absence of adequate systems in place to verify the reporting of actual achievements against significant planned objectives, indicators and targets. This was furthermore due to late design of action plans to address previous reported internal control deficiencies, action plans not being implemented and monitored on a timely basis and inadequate performance management to hold staff accountable for adequately addressing prior year reported internal control deficiencies.
17. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programme:
 - Programme 3: University Education.

Additional matters

18. I draw attention to the following matters:

Achievement of planned targets

19. Refer to the annual performance report on pages 57 to 67 and 71 to 74 and 78 for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the reliability of the reported performance information for the selected programmes reported in paragraphs 15 and 16 of this report.

Adjustment of material misstatements

20. I raised material misstatements in the annual performance report submitted for auditing on the reported performance information for programme 5: Skills Development. As management subsequently corrected only some of the misstatements, I raised material findings on the reliability of the reported performance information.

Compliance with legislation

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

Strategic planning and performance management

22. Effective, efficient and transparent systems of risk management and internal controls with respect to performance information and management were not in place as required by section 38(1)(a)(i) of the PFMA.

The department did not have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets as required by FMPPI.

Annual financial statements

23. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1)(b) of the PFMA. Material misstatements of provisions, accruals, commitments and contingent liabilities identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

24. Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by Treasury Regulation 16A6.1.
25. Contracts were awarded to bidders based on preference points that were not allocated and/or calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act and its regulations.
26. Construction contracts were awarded to contractors that did not qualify for the contract in accordance with section 18(1) of the CIDB Act and CIDB regulations 17 and 25(7A).

Human resource management

27. Employees were appointed without following a proper process to verify the claims made in their applications prior to appointment in contravention of Public Service Regulation 1/VII/D.8.

Internal control

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

Leadership

29. Action plans to address previously reported internal control deficiencies were developed late during the financial year. Some of the actions were not sufficient to address the previous reported internal control deficiencies. Action plans were not implemented and monitored on a timely basis to ensure improvement in the internal control environment. This resulted in previously reported findings being identified during the audit.
30. The Director-General and deputy director-generals do not apply adequate consequence management where action plans are not implemented to address internal control deficiencies previously reported by external and internal audit.
31. Sufficient internal controls, policies and procedures are not in place to ensure that the disclosure notes per financial statements is a fair representation of the financial affairs of the Department in accordance with the Modified Cash Standard.
32. The Department is unable to perform all of the required verification and monitoring functions over its entities due to funding and human resources capacity constraints. As a result, the reliability of reported achievements by its entities and institutions that are consolidated into the achievements reported by the Department is not adequately verified.

Financial and performance management

- 33. Record keeping was not adequate to support performance reports.
- 34. The required validation checks to ensure the validity, accuracy and completeness of the reported achievements in the quarterly and annual performance reports were not sufficient to ensure reliability of reported information.
- 35. The Department did not implement sufficient internal controls and adequately monitor compliance with relevant laws and regulations, hence the recurrence of findings especially in the areas of human resource management and supply chain management.

Other reports

Investigations

- 36. An investigation was undertaken by an independent consulting firm regarding an allegation received from a whistle-blower on potential irregularities relating to the TVET infrastructure bid during the period February 2014 to September 2014. No irregularities were found and the case was closed.

Auditor-General.

Pretoria

31 July 2015



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 17

APPROPRIATION STATEMENT

for the year ended 31 March 2015

Appropriation per programme									
	2014/15							2013/14	
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	220 907	-	13 454	234 361	234 097	264	99.9	203 729	203 044
2. Human Resource Development, Planning and Monitoring Coordination	50 555	-	(4 044)	46 511	45 683	828	98.2	43 827	43 535
3. University Education	30 443 748	-	226	30 443 974	30 443 955	19	100.0	28 299 507	28 299 279
4. Vocational and Continuing Education and Training	6 045 171	-	(9 335)	6 035 836	6 035 801	35	100.0	5 686 806	5 686 388
5. Skills Development	106 300	-	(301)	105 999	105 985	14	100.0	100 031	99 723
Programme subtotal	36 866 681	-	-	36 866 681	36 865 521	1 160	100.0	34 333 900	34 331 969
Statutory Appropriation	13 838 798	-	-	13 838 798	13 838 798	-	100.0	12 090 186	12 090 186
Skills Levy and Sector Education and Training Authorities	13 838 798	-	-	13 838 798	13 838 798	-	100.0	12 090 186	12 090 186
TOTAL	50 705 479	-	-	50 705 479	50 704 319	1 160	100.0	46 424 086	46 422 155
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				11 594				11 880	
Aid assistance				21 218				5 433	
Actual amounts per Statement of Financial Performance (Total Revenue)				50 738 291				46 441 399	
Add: Aid assistance					19 181				2 302
Actual amounts per Statement of Financial Performance (Total Expenditure)					50 723 500				46 424 457

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 17

APPROPRIATION STATEMENT

for the year ended 31 March 2015

Appropriation per economic classification									
	2014/15							2013/14	
	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	620 602	(1 988)	116	618 730	617 770	960	99.8	577 747	576 584
Compensation of employees	432 625	(1 615)	(3 195)	427 815	426 913	902	99.8	398 903	398 450
Salaries and wages	392 079	(2 091)	(3 354)	386 634	385 878	756	99.8	362 121	361 897
Social contributions	40 546	476	159	41 181	41 035	146	99.6	36 782	36 553
Goods and services	187 977	(373)	3 311	190 915	190 857	58	100.0	178 844	178 134
Administrative fees	230	-	-	230	231	(1)	100.4	247	245
Advertising	957	705	-	1 662	1 663	(1)	100.1	2 273	2 267
Minor assets	1 126	(468)	(15)	643	643	-	100.0	581	592
Audit costs: External	7 816	286	-	8 102	8 101	1	100.0	7 862	7 594
Bursaries: Employees	156	220	-	376	376	-	100.0	349	349
Catering: Departmental activities	2 224	(638)	(62)	1 524	1 520	4	99.7	6 310	6 286
Communication (G&S)	6 680	515	(17)	7 178	7 170	8	99.9	6 870	6 837
Computer services	26 455	3 594	8 147	38 196	38 193	3	100.0	25 780	25 772
Consultants: Business and advisory services	1 966	55	(301)	1 720	1 720	-	100.0	1 334	1 316
Legal services	2 900	342	-	3 242	3 245	(3)	100.1	991	991
Contractors	651	247	-	898	898	-	100.0	868	859
Agency and support / outsourced services	3 909	962	-	4 871	4 872	(1)	100.0	6 786	6 784
Entertainment	103	(40)	-	63	62	1	98.4	102	92
Fleet services (including government motor transport)	460	514	-	974	974	-	100.0	879	878
Inventory: Clothing material and accessories	135	(1)	-	134	133	1	99.3	2	2
Inventory: Food and food supplies	676	(310)	-	366	366	-	100.0	425	425
Inventory: Fuel, oil and gas	94	(81)	-	13	11	2	84.6	60	57
Inventory: Material and supplies	2 326	681	(7)	3 000	2 991	9	99.7	2 039	2 039

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 17

APPROPRIATION STATEMENT

for the year ended 31 March 2015

Appropriation per economic classification									
	2014/15							2013/14	
	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
Inventory: Medical supplies	58	(58)	-	-	-	-	00.0	1	1
Consumable supplies	2 502	(1 056)	(35)	1 411	1 411	-	100.0	1 446	1 400
Consumable: Stationery, printing and office supplies	11 285	1 961	457	13 703	13 691	12	99.9	18 271	18 024
Operating leases	6 221	1 419	2	7 642	7 640	2	100.0	2 690	2 653
Property payments	44 015	(7 161)	38	36 892	36 891	1	100.0	34 224	34 214
Transport provided:									
Departmental activity	-	82	-	82	82	-	100.0	297	297
Travel and subsistence	54 372	(915)	(4 846)	48 611	48 592	19	100.0	46 449	46 314
Training and development	2 599	(1 082)	-	1 517	1 515	2	99.9	815	987
Operating payments	6 577	(1 550)	(32)	4 995	4 993	2	100.0	7 952	7 931
Venues and facilities	1 467	1 291	-	2 758	2 761	(3)	100.1	2 855	2 844
Rental and hiring	17	113	(18)	112	112	-	100.0	86	84
Transfers and subsidies	50 081 293	280	-	50 081 573	50 081 401	172	100.0	45 840 668	45 840 512
Provinces and municipalities	2 631 346	-	-	2 631 346	2 631 346	-	100.0	2 454 188	2 454 188
Provinces	2 631 346	-	-	2 631 346	2 631 346	-	100.0	2 454 188	2 454 188
Provincial Revenue Funds	2 631 346	-	-	2 631 346	2 631 346	-	100.0	2 454 188	2 454 188
Departmental agencies and accounts	20 098 667	1	-	20 098 668	20 098 495	173	100.0	17 972 792	17 972 736
Departmental agencies (non-business entities)	20 098 667	1	-	20 098 668	20 098 495	173	100.0	17 972 792	17 972 736
Higher education institutions	24 155 093	-	-	24 155 093	24 155 093	-	100.0	22 388 767	22 388 767
Foreign governments and international organisations	2 915	68	-	2 983	2 983	-	100.0	2 917	2 927
Non-profit institutions	3 193 247	-	-	3 193 247	3 193 247	-	100.0	3 020 189	3 020 189
Households	25	211	-	236	237	(1)	100.4	1 815	1 705
Social benefits	25	211	-	236	237	(1)	100.4	1 815	1 705

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 17

APPROPRIATION STATEMENT

for the year ended 31 March 2015

Appropriation per economic classification									
	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	3 584	1 708	(116)	5 176	5 148	28	99.5	5 671	5 059
Machinery and equipment	3 584	1 708	(116)	5 176	5 148	28	99.5	5 636	5 032
Transport equipment	-	-	-	-	-	-	0.0	774	774
Other machinery and equipment	3 584	1 708	(116)	5 176	5 148	28	99.5	4 862	4 258
Software and intangible assets	-	-	-	-	-	-	-	35	27
Total	50 705 479	-	-	50 705 479	50 704 319	1 160	100.0	46 424 086	46 422 155

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 17

APPROPRIATION STATEMENT
Detail per programme 1 – Administration
for the year ended 31 March 2015

Details per sub-programme	2014/15							2013/14	
	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. Ministry	29 455	2 961	-	32 416	32 408	8	100.0	29 753	29 733
2. Department Management	33 076	490	4 842	38 408	38 400	8	100.0	35 643	35 570
3. Corporate Services	68 441	2 253	9 773	80 467	80 230	237	99.7	65 012	64 725
4. Office of the Chief Financial Officer	41 662	(13)	(1 161)	40 488	40 483	5	100.0	34 594	34 300
5. Internal Audit	5 418	638	-	6 056	6 051	5	99.9	5 561	5 554
6. Office Accommodation	42 855	(6 329)	-	36 526	36 525	1	100.0	33 166	33 162
Total	220 907	-	13 454	234 361	234 097	264	99.9	203 729	203 044

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 17

APPROPRIATION STATEMENT

Detail per programme 1 – Administration

for the year ended 31 March 2015

	2014/15							2013/14	
Programme 1 per economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	219 084	(1 827)	13 454	230 711	230 623	88	100.0	200 446	199 927
Compensation of employees	123 780	(1 664)	(106)	122 010	121 938	72	99.9	109 214	109 076
Salaries and wages	110 213	(1 630)	(265)	108 318	108 266	52	100.0	97 233	97 131
Social contributions	13 567	(34)	159	13 692	13 672	20	99.9	11 981	11 945
Goods and services	95 304	(163)	13 560	108 701	108 685	16	100.0	91 232	90 851
Administrative fees	209	4	-	213	213	-	100.0	202	200
Advertising	850	710	-	1 560	1 560	-	100.0	1 946	1 940
Minor assets	361	(181)	-	180	179	1	99.4	263	277
Audit costs: External	7 804	298	-	8 102	8 101	1	100.0	7 844	7 578
Bursaries: Employees	156	220	-	376	376	-	100.0	349	349
Catering: Departmental activities	303	263	-	566	564	2	99.6	1 201	1 193
Communication (G&S)	2 966	639	-	3 605	3 603	2	99.9	3 075	3 060
Computer services	14 334	(75)	8 147	22 406	22 405	1	100.0	13 691	13 689
Consultants: Business and advisory services	974	129	-	1 103	1 103	-	100.0	266	265
Legal services	-	9	-	9	9	-	100.0	-	-
Contractors	598	197	-	795	795	-	100.0	783	777
Agency and support / outsourced services	2 898	1 287	-	4 185	4 185	-	100.0	2 974	2 973
Entertainment	103	(40)	-	63	62	1	98.4	102	92
Fleet services (including government motor transport)	235	592	-	827	826	1	99.9	744	744
Inventory: Clothing material and accessories	15	69	-	84	84	-	100.0	1	1
Inventory: Food and food supplies	1	(1)	-	-	-	-	0.0	-	-
Inventory: Fuel, oil and gas	14	(12)	-	2	-	2	0.0	21	19

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 17

APPROPRIATION STATEMENT

Detail per programme 1 – Administration

for the year ended 31 March 2015

	2014/15							2013/14	
Programme 1 per economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Material and supplies	100	(99)	-	1	-	1	0.0	38	36
Inventory: Medical supplies	3	(3)	-	-	-	-	0.0	1	1
Consumable supplies	535	(15)	-	520	524	(4)	100.8	486	487
Consumable: Stationery, printing and office supplies	1 444	1 459	457	3 360	3 355	5	99.9	2 656	2 642
Operating leases	1 770	13	-	1 783	1 783	-	100.0	1 577	1 571
Property payments	42 893	(6 869)	36	36 060	36 060	-	100.0	33 634	33 625
Transport provided: Departmental activity	-	82	-	82	82	-	100.0	297	297
Travel and subsistence	12 725	1 366	4 920	19 011	19 004	7	100.0	14 763	14 732
Training and development	2 512	(1 162)	-	1 350	1 349	1	99.9	779	777
Operating payments	954	407	-	1 361	1 360	1	99.9	1 840	1 829
Venues and facilities	547	449	-	996	1 002	(6)	100.6	1 623	1 622
Rental and hiring	-	101	-	101	101	-	100.0	76	75
Transfers and subsidies	198	69	-	267	95	172	35.6	192	27
Departmental agencies and accounts	173	-	-	173	-	173	0.0	165	5
Departmental agencies (non-business entities)	173	-	-	173	-	173	0.0	165	5
Households	25	69	-	94	95	(1)	101.1	27	22
Social benefits	25	69	-	94	95	(1)	101.1	27	22
Payments for capital assets	1 625	1 758	-	3 383	3 379	4	99.9	3 091	3 090
Machinery and equipment	1 625	1 758	-	3 383	3 379	4	99.9	3 063	3 063
Transport equipment	-	-	-	-	-	-	0.0	774	774
Other machinery and equipment	1 625	1 758	-	3 383	3 379	4	99.9	2 289	2 289
Software and intangible assets	-	-	-	-	-	-	-	28	27
Total	220 907	-	13 454	234 361	234 097	264	99.9	203 729	203 044

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 17

APPROPRIATION STATEMENT

Detail per programme 2 – Human Resource Development, Planning and Monitoring Coordination

for the year ended 31 March 2015

	2014/15							2013/14	
Details per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Programme Management: Human Resource Development, Planning and Monitoring Coordination	2 857	108	-	2 965	2 933	32	98.9	3 674	3 656
2. Human Resource Development, Strategic Planning and Coordination	12 707	(300)	(677)	11 730	11 584	146	98.8	11 259	11 198
3. Planning, Information, Monitoring and Evaluation Coordination	9 536	-	(2 333)	7 203	6 854	349	95.2	7 486	7 419
4. International Relations	10 450	373	(1)	10 822	10 775	47	99.6	10 347	10 268
5. Legal and Legislative Services	10 459	(181)	(654)	9 624	9 386	238	97.5	7 226	7 183
6. Social Inclusion in Education	4 546	-	(379)	4 167	4 151	16	99.6	3 835	3 811
Total	50 555	-	(4 044)	46 511	45 683	828	98.2	43 827	43 535

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 17

APPROPRIATION STATEMENT

Detail per programme 2 – Human Resource Development, Planning and Monitoring Coordination

for the year ended 31 March 2015

	2014/15							2013/14	
Programme 2 per economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	47 310	(69)	(3 973)	43 268	42 454	814	98.1	40 413	40 213
Compensation of employees	39 432	(925)	(3 089)	35 418	34 614	804	97.7	35 217	35 138
Salaries and wages	34 951	(635)	(3 089)	31 227	30 538	689	97.8	31 714	31 677
Social contributions	4 481	(290)	-	4 191	4 076	115	97.3	3 503	3 461
Goods and services	7 878	856	(884)	7 850	7 840	10	99.9	5 196	5 075
Administrative fees	-	-	-	-	-	-	0.0	4	4
Minor assets	107	(54)	(15)	38	39	(1)	102.6	64	62
Catering: Departmental activities	135	(26)	(65)	44	41	3	93.2	48	46
Communication (G&S)	688	101	(17)	772	769	3	99.6	701	690
Computer services	74	31	-	105	105	-	100.0	-	-
Consultants: Business and advisory services	-	76	-	76	76	-	100.0	6	5
Legal services	2 900	333	-	3 233	3 236	(3)	100.1	991	991
Contractors	-	-	-	-	-	-	0.0	34	32
Agency and support / outsourced services	150	(150)	-	-	-	-	0.0	115	116
Inventory: Fuel, oil and gas	-	-	-	-	-	-	0.0	2	1
Inventory: Material and supplies	10	(2)	(7)	1	-	1	0.0	1	2
Consumable supplies	55	(9)	(35)	11	9	2	81.8	56	24
Consumable: Stationery, printing and office supplies	483	524	-	1 007	1 004	3	99.7	662	641
Operating leases	20	19	(23)	16	15	1	93.8	60	60
Property payments	-	-	2	2	2	-	100.0	6	5
Travel and subsistence	2 605	120	(674)	2 051	2 050	1	100.0	2 176	2 131
Training and development	55	102	-	157	156	1	99.4	9	8
Operating payments	491	(255)	(32)	204	204	-	100.0	174	171
Venues and facilities	105	26	-	131	131	-	100.0	87	86
Rental and hiring	-	20	(18)	2	3	(1)	150.0	-	-

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 17

APPROPRIATION STATEMENT

Detail per programme 2 – Human Resource Development, Planning and Monitoring Coordination
for the year ended 31 March 2015

	2014/15							2013/14	
Programme 2 per economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	2 915	69	-	2 984	2 984	-	100.0	3 084	3 094
Departmental agencies and accounts	-	1	-	1	1	-	100.0	-	-
Departmental agencies (non-business entities)	-	1	-	1	1	-	100.0	-	-
Foreign governments and international organisations	2 915	68	-	2 983	2 983	-	100.0	2 917	2 927
Households	-	-	-	-	-	-	0.0	167	167
Social benefits	-	-	-	-	-	-	0.0	167	167
Payments for capital assets	330	-	(71)	259	245	14	94.6	330	228
Machinery and equipment	330	-	(71)	259	245	14	94.6	323	228
Other machinery and equipment	330	-	(71)	259	245	14	94.6	323	228
Software and intangible assets	-	-	-	-	-	-	0.0	7	-
Total	50 555	-	(4 044)	46 511	45 683	828	98.2	43 827	43 535

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 17

APPROPRIATION STATEMENT

Detail per programme 3 – University Education

for the year ended 31 March 2015

	2014/15							2013/14	
Details per sub-programme	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	1 467	251	243	1 961	1 959	2	99.9	1 791	1 786
2. University – Academic Planning and Management	6 248 421	699	-	6 249 120	6 249 117	3	100.0	5 870 908	5 870 868
3. University – Financial Planning and Information Systems	8 351	(746)	(45)	7 560	7 556	4	99.9	8 723	8 685
4. University – Policy and Development	19 918	(204)	28	19 742	19 736	6	100.0	20 272	20 226
5. Teacher Education	10 498	-	-	10 498	10 494	4	100.0	9 046	8 947
6. University Subsidies	24 155 093	-	-	24 155 093	24 155 093	-	100.0	22 388 767	22 388 767
Total	30 443 748	-	226	30 443 974	30 443 955	19	100.0	28 299 507	28 299 279

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 17

APPROPRIATION STATEMENT

Detail per programme 3 – University Education

for the year ended 31 March 2015

Programme 3 per economic classification	2014/15							2013/14	
	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	44 381	-	271	44 652	44 639	13	100.0	42 015	41 884
Compensation of employees	38 390	704	-	39 094	39 093	1	100.0	33 167	33 129
Salaries and wages	34 291	573	-	34 864	34 867	(3)	100.0	29 683	29 660
Social contributions	4 099	131	-	4 230	4 226	4	99.9	3 484	3 469
Goods and services	5 991	(704)	271	5 558	5 546	12	99.8	8 848	8 755
Administrative fees	21	(21)	-	-	-	-	0.0	12	12
Advertising	-	34	-	34	34	-	100.0	217	217
Minor assets	56	32	-	88	90	(2)	102.3	50	50
Catering: Departmental activities	210	3	3	216	216	-	100.0	416	408
Communication (G&S)	502	41	-	543	542	1	99.8	497	495
Computer services	730	(545)	-	185	184	1	99.5	159	154
Consultants: Business and advisory services	40	(40)	-	-	-	-	0.0	518	502
Contractors	-	1	-	1	1	-	100.0	35	35
Agency and support / outsourced services	356	(212)	-	144	144	-	100.0	696	694
Inventory: Fuel, oil and gas	-	-	-	-	-	-	0.0	1	1
Inventory: Materials and supplies	7	(4)	-	3	-	3	0.0	2	2
Consumable supplies	26	(15)	-	11	9	2	81.8	16	10
Consumable: Stationery, printing and office supplies	280	(29)	-	251	248	3	98.8	381	367
Operating leases	54	(13)	25	66	66	-	100.0	84	79
Property payments	1	(1)	-	-	-	-	0.0	30	30
Travel and subsistence	3 219	191	243	3 653	3 650	3	99.9	4 451	4 417
Training and development	32	(22)	-	10	10	-	100.0	27	26
Operating payments	318	(32)	-	286	287	(1)	100.3	598	598
Venues and facilities	139	(72)	-	67	65	2	97.0	658	658

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

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APPROPRIATION STATEMENT

Detail per programme 3 – University Education

for the year ended 31 March 2015

Programme 3 per economic classification	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	30 399 042	-	-	30 399 042	30 399 042	-	100.0	28 257 116	28 257 115
Departmental agencies and accounts	6 236 529	-	-	6 236 529	6 236 529	-	100.0	5 860 694	5 860 770
Departmental agencies (non-business entities)	6 236 529	-	-	6 236 529	6 236 529	-	100.0	5 860 694	5 860 770
Higher education institutions	24 155 093	-	-	24 155 093	24 155 093	-	100.0	22 388 767	22 388 767
Non-profit institutions	7 420	-	-	7 420	7 420	-	100.0	7 000	7 000
Households	-	-	-	-	-	-	0.0	655	578
Social benefits	-	-	-	-	-	-	0.0	655	578
Payments for capital assets	325	-	(45)	280	274	6	97.9	376	280
Machinery and equipment	325	-	(45)	280	274	6	97.9	376	280
Other machinery and equipment	325	-	(45)	280	274	6	97.9	376	280
Total	30 443 748	-	226	30 443 974	30 443 955	19	100.0	28 299 507	28 299 279

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

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APPROPRIATION STATEMENT

Detail per programme 4 – Vocational and Continuing Education and Training
for the year ended 31 March 2015

Details per sub-programme	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Programme Management: Vocational and Continuing Education and Training	9 793	(688)	-	9 105	9 104	1	100.0	8 165	8 120
2. Planning and Institutional Support	5 832 661	(27)	-	5 832 634	5 832 631	3	100.0	5 488 878	5 488 861
3. Programmes and Qualifications	15 287	678	-	15 965	15 964	1	100.0	16 290	16 230
4. National Examinations and Assessment	187 430	37	(9 335)	178 132	178 102	30	100.0	173 473	173 177
Total	6 045 171	-	(9 335)	6 035 836	6 035 801	35	100.0	5 686 806	5 686 388

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

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APPROPRIATION STATEMENT

Detail per programme 4 – Vocational and Continuing Education and Training
for the year ended 31 March 2015

	2014/15							2013/14	
Programme 4 per economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	227 451	(400)	(9 335)	217 716	217 685	31	100.0	218 370	218 267
Compensation of employees	161 833	(2 153)	-	159 680	159 662	18	100.0	156 109	156 061
Salaries and wages	152 679	(2 170)	-	150 509	150 495	14	100.0	147 387	147 369
Social contributions	9 154	17	-	9 171	9 167	4	100.0	8 722	8 692
Goods and services	65 618	1 753	(9 335)	58 036	58 023	13	100.0	62 261	62 206
Administrative fees	-	17	-	17	18	(1)	105.9	-	-
Advertising	82	(74)	-	8	8	-	100.0	109	109
Minor assets	124	110	-	234	232	2	99.1	191	190
Catering: Departmental activities	1 297	(665)	-	632	633	(1)	100.2	4 512	4 507
Communication (G&S)	1 025	40	-	1 065	1 064	1	99.9	1 175	1 170
Computer services	11 317	4 183	-	15 500	15 499	1	100.0	11 930	11 929
Consultants: Business and advisory services	389	84	-	473	473	-	100.0	-	-
Contractors	1	1	-	2	2	-	100.0	14	14
Agency and support / outsourced services	18	37	-	55	56	(1)	101.8	3 001	3 001
Inventory: Clothing material and accessories	20	(3)	-	17	16	1	94.1	-	-
Inventory: Materials and supplies	3	(1)	-	2	-	2	0.0	2	2
Consumable supplies	759	(613)	-	146	146	-	100.0	134	134
Consumable: Stationery, printing and office supplies	8 035	349	-	8 384	8 382	2	100.0	13 511	13 320
Operating leases	3 417	1 763	-	5 180	5 179	1	100.0	214	212
Property payments	-	-	-	-	-	-	0.0	21	21
Travel and subsistence	33 829	(2 793)	(9 335)	21 701	21 695	6	100.0	21 837	21 826
Training and development	-	-	-	-	-	-	0.0	-	176
Operating payments	4 779	(1 671)	-	3 108	3 109	(1)	100.0	5 212	5 206

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

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APPROPRIATION STATEMENT

Detail per programme 4 – Vocational and Continuing Education and Training
for the year ended 31 March 2015

	2014/15							2013/14	
Programme 4 per economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Venues and facilities	523	989	-	1 512	1 511	1	99.9	398	389
Transfers and subsidies	5 817 173	125	-	5 817 298	5 817 298	-	100.0	5 467 604	5 467 604
Provinces and municipalities	2 631 346	-	-	2 631 346	2 631 346	-	100.0	2 454 188	2 454 188
Provinces	2 631 346	-	-	2 631 346	2 631 346	-	100.0	2 454 188	2 454 188
Provincial Revenue Funds	2 631 346	-	-	2 631 346	2 631 346	-	100.0	2 454 188	2 454 188
Departmental agencies and accounts	-	-	-	-	-	-	0.0	-	28
Departmental agencies (non-business entities)	-	-	-	-	-	-	0.0	-	28
Non-profit institutions	3 185 827	-	-	3 185 827	3 185 827	-	100.0	3 013 189	3 013 189
Households	-	125	-	125	125	-	100.0	227	199
Social benefits	-	125	-	125	125	-	100.0	227	199
Payments for capital assets	547	275	-	822	818	4	99.5	832	517
Machinery and equipment	547	275	-	822	818	4	99.5	832	517
Other machinery and equipment	547	275	-	822	818	4	99.5	832	517
Total	6 045 171	-	(9 335)	6 035 836	6 035 801	35	100.0	5 686 806	5 686 388

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

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APPROPRIATION STATEMENT

Detail per programme 5 – Skills Development

for the year ended 31 March 2015

	2014/15							2013/14	
Details per sub-programme	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	1 109	305	-	1 414	1 413	1	99.9	1 324	1 223
2. SETA Coordination	74 988	65	-	75 053	75 044	9	100.0	69 231	69 062
3. National Skills Development Services	7 036	(370)	(301)	6 365	6 361	4	99.9	7 729	7 691
4. Quality Development and Promotion	23 167	-	-	23 167	23 167	-	100.0	21 747	21 747
Total	106 300	-	(301)	105 999	105 985	14	100.0	100 031	99 723

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

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APPROPRIATION STATEMENT

Detail per programme 5 – Skills Development

for the year ended 31 March 2015

Programme 5 per economic classification	2014/15							2013/14	
	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	82 376	308	(301)	82 383	82 369	14	100.0	76 503	76 293
Compensation of employees	69 190	2 423	-	71 613	71 606	7	100.0	65 196	65 046
Salaries and wages	59 945	1 771	-	61 716	61 712	4	100.0	56 104	56 060
Social contributions	9 245	652	-	9 897	9 894	3	100.0	9 092	8 986
Goods and services	13 186	(2 115)	(301)	10 770	10 763	7	99.9	11 307	11 247
Administrative fees	-	-	-	-	-	-	0.0	29	29
Advertising	25	35	-	60	61	(1)	101.7	1	1
Minor assets	478	(375)	-	103	103	-	100.0	13	13
Audit costs: External	12	(12)	-	-	-	-	0.0	18	16
Catering: Departmental activities	279	(213)	-	66	66	-	100.0	133	132
Communication (G&S)	1 499	(306)	-	1 193	1 192	1	99.9	1 422	1 422
Consultants: Business and advisory services	563	(194)	(301)	68	68	-	100.0	544	544
Contractors	52	48	-	100	100	-	100.0	2	1
Agency and support / outsourced services	487	-	-	487	487	-	100.0	-	-
Fleet services (including government motor transport)	225	(78)	-	147	148	(1)	100.7	135	134
Inventory: Clothing material and accessories	100	(67)	-	33	33	-	100.0	1	1
Inventory: Food and food supplies	675	(309)	-	366	366	-	100.0	425	425
Inventory: Fuel, oil and gas	80	(69)	-	11	11	-	100.0	36	36
Inventory: Materials and supplies	2 206	787	-	2 993	2 991	2	99.9	1 996	1 997
Inventory: Medical supplies	55	(55)	-	-	-	-	0.0	-	-
Consumable supplies	1 127	(404)	-	723	723	-	100.0	754	745
Consumable: Stationery, printing and office supplies	1 043	(342)	-	701	702	(1)	100.1	1 061	1 054
Operating leases	960	(363)	-	597	597	-	100.0	755	731

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

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APPROPRIATION STATEMENT

Detail per programme 5 – Skills Development

for the year ended 31 March 2015

	2014/15							2013/14	
Programme 5 per economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Property payments	1 121	(291)	-	830	829	1	99.9	533	533
Travel and subsistence	1 994	201	-	2 195	2 193	2	99.9	3 222	3 208
Operating payments	35	1	-	36	33	3	91.7	128	127
Venues and facilities	153	(101)	-	52	52	-	100.0	89	89
Rental and hiring	17	(8)	-	9	8	1	88.9	10	9
Transfers and subsidies	23 167	17	-	23 184	23 184	-	100.0	22 486	22 486
Departmental agencies and accounts	23 167	-	-	23 167	23 167	-	100.0	21 747	21 747
Departmental agencies (non-business entities)	23 167	-	-	23 167	23 167	-	100.0	21 747	21 747
Households	-	17	-	17	17	-	100.0	739	739
Social benefits	-	17	-	17	17	-	100.0	739	739
Payments for capital assets	757	(325)	-	432	432	-	100.0	1 042	944
Machinery and equipment	757	(325)	-	432	432	-	100.0	1 042	944
Other machinery and equipment	757	(325)	-	432	432	-	100.0	1 042	944
Total	106 300	-	(301)	105 999	105 985	14	100.0	100 031	99 723

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 17

APPROPRIATION STATEMENT

Detail per programme 5 – Skills Development

for the year ended 31 March 2015

Statutory Appropriation									
	2014/15							2013/14	
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
Skills Levy and Sector Education and Training Authorities	13 838 798	-	-	13 838 798	13 838 798	-	100.0	12 090 186	12 090 186
Total	13 838 798	-	-	13 838 798	13 838 798	-	100.0	12 090 186	12 090 186

Statutory appropriation per economic classification									
	2014/15							2013/14	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	13 838 798	-	-	13 838 798	13 838 798	-	100.0	12 090 186	12 090 186
Departmental agencies and accounts	13 838 798	-	-	13 838 798	13 838 798	-	100.0	12 090 186	12 090 186
Departmental agencies (non-business entities)	13 838 798	-	-	13 838 798	13 838 798	-	100.0	12 090 186	12 090 186
Total	13 838 798	-	-	13 838 798	13 838 798	-	100.0	12 090 186	12 090 186

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2015

1. Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in the note on Transfers and Subsidies, the note on the statement of conditional grants paid to provinces and Annexure 1 (A-H) to the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in the note to Payments for financial assets to the Annual Financial Statements.

4. Explanations of material variances from amounts voted (after Virement):**4.1 Per programme:**

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Administration	234 361	234 097	264	0.11
There were no material variances on this programme.				
Human Resource Development, Planning and Monitoring Coordination	46 511	45 683	828	1.78
There were no material variances on this programme.				
University Education	30 443 974	30 443 955	19	0.00
There were no material variances on this programme.				
Vocational and Continuing Education and Training	6 035 836	6 035 801	35	0.00
There were no material variances on this programme.				
Skills Development	105 999	105 985	14	0.01
There were no material variances on this programme.				

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2015

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	427 815	426 913	902	0.21
Goods and services	190 915	190 857	58	0.03
Transfers and subsidies				
Provinces and municipalities	2 631 346	2 631 346	-	0.00
Departmental agencies and accounts	20 098 668	20 098 495	173	0.00
Higher education institutions	24 155 093	24 155 093	-	0.00
Foreign governments and international organisations	2 983	2 983	-	0.00
Non-profit institutions	3 193 247	3 193 247	-	0.00
Households	236	237	(1)	(0.42)
Payments for capital assets				
Machinery and equipment	5 176	5 148	28	0.54

There were no material variances on the economic classification.

4.3 Per conditional grant

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Higher Education and Training				
Further Education and Training Colleges Grant	2 631 346	2 631 346	-	-

There were no material variances.

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

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STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2015

	Note	2014/15 R'000	2013/14 R'000
REVENUE			
Annual appropriation	1	36 866 681	34 333 900
Statutory appropriation	2	13 838 798	12 090 186
Departmental revenue	3	11 594	11 880
Aid assistance	4	21 218	5 433
TOTAL REVENUE		50 738 291	46 441 399
EXPENDITURE			
Current expenditure			
Compensation of employees	5	426 913	398 450
Goods and services	6	190 857	178 134
Aid assistance	4	19 181	1 155
Total current expenditure		636 951	577 739
Transfers and subsidies			
Transfers and subsidies	7	50 081 401	45 840 512
Aid assistance	4	-	1 147
Total transfers and subsidies		50 081 401	45 841 659
Expenditure for capital assets			
Tangible assets	8	5 148	5 032
Software and other intangible assets	8	-	27
Total expenditure for capital assets		5 148	5 059
TOTAL EXPENDITURE		50 723 500	46 424 457
SURPLUS FOR THE YEAR		14 791	16 942
Reconciliation of Net Surplus for the year			
Voted Funds		1 160	1 931
Annual appropriation		1 160	1 931
Departmental revenue and NRF receipts	14	11 594	11 880
Aid assistance	4	2 037	3 131
SURPLUS FOR THE YEAR		14 791	16 942

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 17

STATEMENT OF FINANCIAL POSITION

as at 31 March 2015

	Note	2014/15 R'000	2013/14 R'000
ASSETS			
Current Assets		284 182	236 614
Cash and cash equivalents	9	343	6 167
Prepayments and advances	10	8 144	13 214
Receivables	11	273 392	214 942
Loans	12	2 303	2 291
Non-Current Assets		19 664	21 956
Loans	12	19 664	21 956
TOTAL ASSETS		303 846	258 570
LIABILITIES			
Current Liabilities		281 498	233 941
Voted funds to be surrendered to the Revenue Fund	13	1 160	1 931
Departmental revenue to be surrendered to the Revenue Fund	14	347	196
Bank overdraft	15	275 030	163 271
Payables	16	2 924	65 412
Aid assistance repayable	4	2 037	3 131
TOTAL LIABILITIES		281 498	233 941
NET ASSETS		22 348	24 629
Represented by:			
Capitalisation reserve		21 967	24 247
Recoverable revenue		381	382
TOTAL		22 348	24 629

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 17

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2015

	Note	2014/15 R'000	2013/14 R'000
Capitalisation Reserves			
Opening balance		24 247	26 376
Transfers:			
Other movements		(2 280)	(2 129)
Closing balance		<u>21 967</u>	<u>24 247</u>
Recoverable revenue			
Opening balance		382	387
Transfers:		(1)	(5)
Debts recovered (including in departmental receipts)		(78)	(265)
Debts raised		77	260
Closing balance		<u>381</u>	<u>382</u>
TOTAL		<u><u>22 348</u></u>	<u><u>24 629</u></u>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 17

CASH FLOW STATEMENT

for the year ended 31 March 2015

	Note	2014/15 R'000	2013/14 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		50 738 276	46 441 399
Annual appropriated funds received	1.1	36 866 681	34 333 900
Statutory appropriated funds received	2	13 838 798	12 090 186
Departmental revenue received	3	8 236	8 506
Interest received	3.2	3 343	3 374
Aid assistance received	4	21 218	5 433
Net (increase)/ decrease in working capital		(115 868)	(13 661)
Surrendered to Revenue Fund		(13 374)	(15 962)
Surrendered to RDP Fund/Donor		(3 131)	-
Current payments		(636 951)	(577 739)
Transfers and subsidies paid		(50 081 401)	(45 841 659)
Net cash flow available from operating activities	17	(112 449)	(7 622)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(5 148)	(5 059)
Proceeds from sale of capital assets	3.3	15	-
(Increase)/ decrease in loans		2 280	2 129
Net cash flows from investing activities		(2 853)	(2 930)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		(2 281)	(2 134)
Net cash flows from financing activities		(2 281)	(2 134)
Net increase/ (decrease) in cash and cash equivalents		(117 583)	(12 686)
Cash and cash equivalents at beginning of period		(157 104)	(144 418)
Cash and cash equivalents at end of period	18	(274 687)	(157 104)

ACCOUNTING POLICIES

for the year ended 31 March 2015

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.

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 exchange rates prevailing at the date of payment / receipt.
6	Comparative information
6.1	Prior period comparative information
	Prior period comparative information has been presented in the current year's Financial Statements. Where necessary figures included in the prior period Financial Statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's Financial Statements.
6.2	Current year comparison with budget
	A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the Appropriation Statement.
7	Revenue
7.1	Appropriated funds
	Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).
	Appropriated funds are recognised in the Statement of Financial Performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the Statement of Financial Performance on the date the adjustments become effective.
	The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the Statement of Financial Position.

ACCOUNTING POLICIES

for the year ended 31 March 2015

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 / penalties) is measured at amounts receivable from collecting agents.
8	Expenditure
8.1	Compensation of employees
8.1.1	Salaries and wages
	Salaries and wages are recognised in the Statement of Financial Performance on the date of payment.
8.1.2	Social contributions
	Social contributions made by the Department in respect of current employees are recognised in the Statement of Financial Performance on the date of payment. Social contributions made by the Department in respect of ex-employees are classified as transfers to households in the Statement of Financial Performance on the date of payment.
8.2	Other expenditure
	Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the Statement of Financial Performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.
8.3	Accrued expenditure payable
	Accrued expenditure payable is recorded in the notes to the Financial Statements when the goods are received or, in the case of services, when they are rendered to the Department. Accrued expenditure payable is measured at cost.
8.4	Leases
8.4.1	Operating leases
	Operating lease payments made during the reporting period are recognised as current expenditure in the Statement of Financial Performance on the date of payment. The operating lease commitments are recorded in the notes to the Financial Statements.

ACCOUNTING POLICIES

for the year ended 31 March 2015

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. For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.
11	Prepayments and advances Prepayments and advances are recognised in the Statement of Financial Position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. Prepayments are expensed when invoices or claims for services rendered or goods received are provided.
12	Loans and receivables Loans and receivables are recognised in the Statement of Financial Position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
13	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.

ACCOUNTING POLICIES

for the year ended 31 March 2015

15	Capital Assets
15.1	Immovable capital assets Immovable capital assets are initially recorded in the notes to the Financial Statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of immovable capital assets cannot be determined accurately, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1. Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.
15.2	Movable capital assets Movable capital assets are initially recorded in the notes to the Financial Statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined accurately, 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) are recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.
15.3	Intangible assets Intangible assets are initially recorded in the notes to the Financial Statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the Financial Statements when the Department commences the development phase of the project. Where the cost of intangible assets cannot be determined accurately, 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) are recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

ACCOUNTING POLICIES

for the year ended 31 March 2015

16	Provisions and Contingents
16.1	Provisions Provisions are recorded in the notes to the Financial Statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
16.2	Contingent liabilities Contingent liabilities are recorded in the notes to the Financial Statements when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
16.3	Contingent assets Contingent assets are recorded in the notes to the Financial Statements when a possible asset arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department.
16.4	Commitments Commitments are recorded at cost in the notes to the Financial Statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the Department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.
17	Unauthorised expenditure Unauthorised expenditure is recognised in the Statement of Financial Position until such time as the expenditure is either: • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature 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.

ACCOUNTING POLICIES

for the year ended 31 March 2015

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	Agent-Principal arrangements Agent-Principal arrangements have been accounted for in the notes to the Financial Statements. 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 once the construction has been completed. Any unspent funds will be returned to the National Skills Fund.
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 are recorded in the notes to the Financial Statements when the transaction is not at arm's length.

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
VOTE 17
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

1. Annual Appropriation

1.1 Annual Appropriation

	2014/15			Appropriation Received 2013/14
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	
Programmes	R'000	R'000	R'000	R'000
Administration	234 361	234 361	-	203 729
Human Resource Development, Planning and Monitoring Coordination	46 511	46 511	-	43 827
University Education	30 443 974	30 443 974	-	28 299 507
Vocational and Continuing Education and Training	6 035 836	6 035 836	-	5 686 806
Skills Development	105 999	105 999	-	100 031
Total	36 866 681	36 866 681	-	34 333 900

2. Statutory Appropriation

	Note	2014/15 R'000	2013/14 R'000
Skills levy and sector education and training authorities		13 838 798	12 090 186
Total		13 838 798	12 090 186
Actual statutory appropriation received		13 838 798	12 090 186

3. Departmental Revenue

Sales of goods and services other than capital assets	3.1	5 651	6 071
Interest, dividends and rent on land	3.2	3 343	3 374
Sales of capital assets	3.3	15	-
Transactions in financial assets and liabilities	3.4	2 585	2 435
Total revenue collected		11 594	11 880
Departmental revenue collected		11 594	11 880

3.1 Sales of goods and services other than capital assets 3

Sales of goods and services produced by the Department		5 634	6 042
Sales by market establishment		430	423
Administrative fees		4 417	4 294
Other sales		787	1 325
Sales of scrap, waste and other used current goods		17	29
Total		5 651	6 071

3.2 Interest, dividends and rent on land 3

Interest		3 343	3 374
Total		3 343	3 374

3.3 Sales of capital assets 3

Tangible assets			
Machinery and equipment		15	-
Total		15	-

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

	Note	2014/15 R'000	2013/14 R'000
3.4 Transactions in financial assets and liabilities	3		
Other receipts including recoverable revenue		2 585	2 435
Total		2 585	2 435
4. Aid Assistance			
Opening Balance		3 131	-
Transferred from statement of financial performance		2 037	3 131
Paid during the year		(3 131)	-
Closing Balance		2 037	3 131
4.1 Analysis of balance by source	4		
Aid assistance from RDP		2 037	3 131
Closing Balance		2 037	3 131
4.2 Analysis of balance			
Aid assistance repayable	4	2 037	3 131
Closing balance		2 037	3 131
5. Compensation of employees			
5.1 Salaries and wages			
Basic salary		240 450	217 221
Performance award		4 479	5 495
Service based		203	364
Compensative/circumstantial		81 434	82 361
Periodic payments		1	921
Other non-pensionable allowances		59 311	55 535
Total		385 878	361 897
5.2 Social contributions			
Employer contributions			
Pension		29 031	25 444
Medical		11 934	11 048
Bargaining council		69	60
Official unions and associations		1	1
Total		41 035	36 553
Total compensation of employees		426 913	398 450
Average number of employees		1 092	1 031

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
VOTE 17
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

	Note	2014/15 R'000	2013/14 R'000
6. Goods and services			
Administrative fees		231	245
Advertising		1 663	2 267
Minor assets	6.1	643	592
Bursaries (employees)		376	349
Catering		1 520	6 286
Communication		7 170	6 837
Computer services	6.2	38 193	25 772
Consultants: Business and advisory services		1 720	1 316
Legal services		3 245	991
Contractors		898	859
Agency and support/ outsourcing services		4 872	6 784
Entertainment		62	92
Audit cost – external	6.3	8 101	7 594
Fleet services		974	878
Inventory	6.4	3 501	2 524
Consumables	6.5	15 102	19 424
Operating leases		7 640	2 653
Property payments	6.6	36 891	34 214
Rental and hiring		112	84
Transport provided as part of the departmental activities		82	297
Travel and subsistence	6.7	48 592	46 314
Venues and facilities		2 761	2 844
Training and development		1 515	987
Other operating expenditure	6.8	4 993	7 931
Total		190 857	178 134
6.1 Minor assets	6		
Tangible assets		633	587
Machinery and equipment		633	587
Intangible assets		10	5
Software		10	5
Total		643	592
6.2 Computer services	6		
SITA computer services		32 579	22 624
External computer service providers		5 614	3 148
Total		38 193	25 772

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

	<i>Note</i>	2014/15 R'000	2013/14 R'000
6.3 Audit cost – external	6		
Regularity audits		6 075	5 486
Performance audits		575	157
Computer audits		1 451	1 951
Total		8 101	7 594
6.4 Inventory	6		
Clothing material and accessories		133	2
Food and food supplies		366	425
Fuel, oil and gas		11	57
Materials and supplies		2 991	2 039
Medical supplies		-	1
Total		3 501	2 524
6.5 Consumables	6		
Consumables supplies		1 411	1 400
Uniform and clothing		42	81
Household supplies		959	876
Building material and supplies		229	178
Communication accessories		-	16
IT consumables		111	101
Other consumables		70	148
Stationery, printing and offices supplies		13 691	18 024
Total		15 102	19 424
6.6 Property payments	6		
Municipal services		4	-
Property management fees		35 931	33 163
Property maintenance and repairs		3	247
Other		953	804
Total		36 891	34 214
6.7 Travel and subsistence	6		
Local		41 004	39 667
Foreign		7 588	6 647
Total		48 592	46 314
6.8 Other operating expenditure	6		
Professional bodies, membership and subscription fees		-	195
Resettlement costs		831	1 381
Other		4 162	6 355
Total		4 993	7 931

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

	Note	2014/15 R'000	2013/14 R'000
7. Transfers and subsidies			
Provinces and municipalities	33	2 631 346	2 454 188
Departmental agencies and accounts	Annex 1A	20 098 495	17 972 736
Higher education institutions	Annex 1B	24 155 093	22 388 767
Foreign governments and international organisations	Annex 1C	2 983	2 927
Non-profit institutions	Annex 1D	3 193 247	3 020 189
Households	Annex 1E	237	1 705
Total		50 081 401	45 840 512

Unspent funds transferred to the above beneficiaries 46 559 32 012

An amount of R46.559 million was surrendered by the provincial education departments for Gauteng (R3.139 million), Western Cape (R19 420.95), KwaZulu-Natal (R38.743 million) and Eastern Cape (R4.658 million).

8. Expenditure for capital assets			
Tangible assets		5 148	5 032
Machinery and equipment	29	5 148	5 032
Intangible assets		-	27
Software	30	-	27
Total		5 148	5 059

8.1 Analysis of funds utilised to acquire capital assets - 2014/15

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	5 148	-	5 148
Machinery and equipment	5 148	-	5 148
Intangible assets	-	-	-
Software	-	-	-
Total	5 148	-	5 148

8.2 Analysis of funds utilised to acquire capital assets - 2013/14

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	5 032	-	5 032
Machinery and equipment	5 032	-	5 032
Intangible assets	27	-	27
Software	27	-	27
Total	5 059	-	5 059

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

	Note	2014/15 R'000	2013/14 R'000
9. Cash and cash equivalents			
Cash receipts		5	5
Cash on hand		32	23
Cash with commercial banks (Local)		306	6 139
Total		343	6 167

10. Prepayments and advances			
Travel and subsistence		87	62
Prepayments		2 630	4 084
Advances paid	10.1	5 427	9 068
Total		8 144	13 214

10.1 Advances paid			
National departments	Annex 5A	5 427	9 068
Total		5 427	9 068

	Note	2014/15 Less than one year R'000	One to three years R'000	Older than three years R'000	Total R'000	2013/14 Total R'000
11. Receivables						
Claims recoverable	11.1 Annex 3	218 533	332	51 912	270 777	212 931
Recoverable expenditure	11.2	697	342	302	1 341	878
Staff debt	11.3	568	264	6	838	699
Other debtors	11.4	1	378	57	436	434
Total		219 799	1 316	52 277	273 392	214 942

	Note	2014/15 R'000	2013/14 R'000
11.1 Claims recoverable	11		
National departments		3 313	4 240
Provincial departments		51 548	51 560
Public entities		213 927	156 896
Private enterprises		1 629	235
Higher education institutions		35	-
Households and non-profit institutions		325	-
Total		270 777	212 931

The increase in claims recoverable is due to claims in respect of March 2015 for services rendered on behalf of the National Skills Fund and for the payments in respect of the NSF growth projects for the 2014/15 financial year and outstanding balances of the Gauteng Education Department that were taken over from the former Department of Education. Claims in respect of March 2015 were only issued in April 2015.

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

	Note	2014/15 R'000	2013/14 R'000
11.2 Recoverable expenditure (disallowance accounts)	11		
Dishonoured Cheques		14	14
Salaries		298	179
No Shows		458	505
Miscellaneous		571	180
Total		1 341	878
11.3 Staff debt	11		
Motor accidents		272	240
Other		237	60
Pension Fund		198	192
Salary overpayment		131	207
Total		838	699
11.4 Other debtors	11		
Debt taken over from the Department of Education		35	35
Pension recoverable		15	15
Other debtors		386	384
Total		436	434
11.5 Impairment of receivables	11		
Estimate of impairment of receivables		51 960	51 458
Total		51 960	51 458
12. Loans			
Higher education institutions		21 967	24 247
Total		21 967	24 247
Analysis of balance			
Opening balance		24 247	26 376
Repayments		(2 280)	(2 129)
Closing balance		21 967	24 247
Cape Peninsula University of Technology		2 935	3 281
Durban University of Technology		6 151	6 654
Nelson Mandela Metropolitan University		144	215
Tshwane University of Technology		6 084	6 739
Vaal University of Technology		2 265	2 506
University of Johannesburg		3 976	4 344
University of Stellenbosch		412	508
		21 967	24 247
Current portion of loans		2 303	2 291

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

	Note	2014/15 R'000	2013/14 R'000
13. Voted funds to be surrendered to the Revenue Fund			
Opening balance		1 931	3 721
Transfer from Statement of Financial Performance		1 160	1 931
Voted funds not requested/not received	1.1	-	-
Paid during the year		(1 931)	(3 721)
Closing balance		1 160	1 931
14. Departmental revenue and NRF receipts to be surrendered to the Revenue Fund			
Opening balance		196	557
Transfer from Statement of Financial Performance		11 594	11 880
Paid during the year		(11 443)	(12 241)
Closing balance		347	196
15. Bank overdraft			
Consolidated Paymaster-General Account		275 030	163 271
Total		275 030	163 271
<i>The bank overdraft is due mainly in respect of March 2015 for services rendered on behalf of the National Skills Fund and for the payment in respect of the NSF growth projects for the 2014/15 financial year and outstanding balances of the Gauteng Education Department that were taken over from the former Department of Education. Claims in respect of March 2015 payments were only issued in April 2015.</i>			
16. Payables - current			
Amounts owing to other entities			
Advances received	16.1	1 963	64 852
Clearing accounts	16.2	86	312
Other payables	16.3	875	248
Total		2 924	65 412
16.1 Advances received	16		
Public entities		1 963	64 852
Total		1 963	64 852
16.2 Clearing accounts	16		
Tax RSA		86	312
Total		86	312
16.3 Other payables	16		
Unidentified deposits		608	128
Other		30	18
Bank rejected deposits		237	102
Total		875	248

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	Note	2014/15 R'000	2013/14 R'000
17. Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		14 791	16 942
Add back non cash/cash movements not deemed operating activities		(127 240)	(24 564)
(Increase)/decrease in receivables – current		(58 450)	(73 745)
(Increase)/decrease in prepayments and advances		5 070	(4 960)
Increase/(decrease) in payables – current		(62 488)	65 044
Proceeds from sale of capital assets		(15)	-
Expenditure on capital assets		5 148	5 059
Surrenders to Revenue Fund		(13 374)	(15 962)
Surrenders to RDP Fund/Donor		(3 131)	-
Net cash flow generated by operating activities		(112 449)	(7 622)
18. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster-General account		(275 030)	(163 271)
Cash receipts		5	5
Cash on hand		32	23
Cash with commercial banks (Local)		306	6 139
Total		(274 687)	(157 104)
19. Contingent liabilities and contingent assets			
19.1 Contingent liabilities			
Liable to	Nature		
Housing loan guarantees	Employees	Annex 2A 20	70
Other guarantees		Annex 2A 1 021	2 557
Claims against the Department		Annex 2B 10 310	13 830
Total		11 351	16 457
<i>There is uncertainties relating to the amount of the outflow in respect of claims against the Department for the cases of Vital vs Vista University (R4 million) as this case is dormant and it might not realise.</i>			
<i>Other guarantees consist of: Closing balance at 31 March 2015 plus guaranteed interest for the year ended 31 March 2015 (Annexure 2A)</i>			
20. Commitments			
Current expenditure			
Approved and contracted		15 105	19 991
		15 105	19 991
Capital expenditure (including transfers)			
Approved and contracted		591	123
		591	123
Total Commitments		15 696	20 114

Commitments to the amount of R1.119 million is longer than a year.

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			2014/15	2013/14
21. Accruals				
Listed by economic classification	30 days	30+ days	Total	Total
	R'000	R'000	R'000	R'000
Compensation of employees	-	63 036	63 036	18 991
Goods and services	13 797	25 613	39 410	26 608
Capital assets	1 103	524	1 627	339
Total	14 900	89 173	104 073	45 938

		2014/15	2013/14
Listed by programme level	Note	R'000	R'000
Programme 1: Administration		21 564	16 972
Programme 2: Human Resource Development, Planning and Monitoring Coordination		533	1 797
Programme 3: University Education		832	1 099
Programme 4: Vocational and Continuing Education and Training		78 937	25 277
Programme 5: Skills Development		2 049	793
Unallocated		158	-
Total		104 073	45 938

Reasons for material accruals:

Claims in respect of the Rennies account and examiners and moderators were not received before closure of the financial year. Claims in respect of Department of Public Works were received in March 2015 and paid in April 2015.

22. Employee benefits			
Leave entitlement		15 049	5 893
Service bonus (Thirteenth cheque)		8 948	8 063
Performance awards		3 932	5 902
Capped leave commitments		11 442	11 382
Other		1 110	348
Total		40 481	31 588

22.1 Negative leave balances

Differences in the reporting cycle for leave	302	1 914
	302	1 914

The decrease in the negative leave balance is due to the fact that leave relating to the closure of the Department in December 2014 was already captured on the PERSAL system when the 2013/14 financial statement was prepared.

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23. Lease commitments

23.1 Operating leases expenditure

	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
2014/15			
Not later than 1 year	50 272	1 408	51 680
Later than 1 year and not later than 5 years	68 678	1 176	69 854
Total lease commitments	118 950	2 584	121 534
2013/14			
Not later than 1 year	36 906	996	37 902
Later than 1 year and not later than 5 years	-	794	794
Total lease commitments	36 906	1 790	38 696

The lease agreement with the Department of Public Works includes the additional office accommodation for Ndinaye House and has been calculated for a three year period compared to the month to month basis that was utilised in 2013/14 as the agreement was not concluded in that financial year.

	Note	2014/15	2013/14
		R'000	R'000
24. Irregular expenditure			
24.1 Reconciliation of irregular expenditure			
Opening balance		1 345	1 295
Add: Irregular expenditure – relating to prior year		-	-
Add: Irregular expenditure – relating to current year		1 252	50
Less: Prior year amounts condoned		(1 345)	-
Irregular expenditure awaiting condonation		1 252	1 345
Analysis of awaiting condonation per age classification			
Current year		1 252	50
Prior years		-	1 295
Total		1 252	1 345

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		2014/15
		R'000
24.2 Details of irregular expenditure – current year		
Incident	Disciplinary steps taken/criminal proceedings	
Correct procurement procedures with regards to tender processes were not followed	The matter is still under investigation	32
Correct procurement procedures with regards to tender processes were not followed	The correct procedures will be followed going forward with regards to resettlement costs and shorter term advertisements.	1 220
		1 252
24.3 Details of irregular expenditure condoned		
Incident	Condoned by (condoning authority)	
2010/11 – Contract expires	Accounting Officer	73
2011/12 – Contract expires	Accounting Officer	37
2011/12 – Correct procurement procedures not followed	Accounting Officer	329
2012/13 – Correct procurement procedures not followed	Accounting Officer	856
2013/14 – Correct procurement procedures not followed	Accounting Officer	50
Total		1 345
24.4 Details of irregular expenditure under investigation		
Incident		
Correct procurement procedures were not followed		1 252
Total		1 252

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25. Related party transactions

List related party relationships

Ministerial Portfolio	Departmental Schedule	Public Entity
Higher Education and Training	3A	Council on Higher Education and Training
	3A	National Student Financial Aid Scheme
	3A	South African Qualifications Authority
	3A	Quality Council for Trades and Occupations
		National Skills Fund
	3A	Sector Education and Training Authorities (SETAs):
		Agriculture Sector Education and Training Authority
		Banking Sector Education and Training Authority
		Construction Sector Education and Training Authority
		Energy and Water Sector Education and Training Authority
		Education, Training and Development Practices SETA
		Financial and Accounting Services SETA
		Food and Beverages Manufacturing Industry
		Health and Welfare Sector Education and Training Authority
		Chemical Industries Education and Training Authority
		Transport Education and Training Authority
		Public Service Sector Education and Training Authority
		Insurance Sector Education and Training Authority
		Media, Information and Communication Technologies SETA
		Manufacturing, Engineering and Related Services SETA
		Mining Qualifications Authority
		Safety and Security Sector Education and Training Authority
		Services Sector Education and Training Authority
		Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority
		Wholesale and Retail Sector Education and Training Authority
		Local Government Sector Education and Training Authority
		Fibre Processing and Manufacturing SETA
		Government Departments and other entities in the same sphere of government
		All government departments and public entities in the same sphere of government are related parties to the Department of Higher Education and Training

The Department did not have any transactions with these entities that is required to be disclosed in terms of the Departmental Reporting Framework

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	Note	2014/15 R'000	2013/14 R'000
26. Key management personnel	No. of Individuals		
Political office bearers	2	4 254	3 993
Officials:			
Level 15 to 16	9	12 570	12 236
Level 14	27	21 995	22 917
Total		38 819	39 146

Minister: 2014/15: R2.192 million; 2013/14: R2.107 million.

Deputy Minister: 2014/15: R1.822 million; 2013/14: R1.735 million.

27. Provisions			
Examiner and moderator claims		8 353	-
Total		8 353	-

27.1 Reconciliation of movement in provisions – 2014/15

	Provision 1 R'000	Total Provisions R'000
Increase in provision	8 353	8 353
Closing balance	8 353	8 353

Provision in respect of examination claims received after 31 May 2015 in respect of the previous financial year that still needs to be verified before payments can be made.

	2014/15 R'000
28. Non-adjusting events after reporting date	
The Further Education and Training Colleges and Adult Education and Training functions were shifted from the provincial sphere of government as from 1 April 2015. This will implicate an additional staff complement of approximately 38 000. There was no financial implication for the 2014/15 financial year. However, the Department's appropriation increased substantially in relation to compensation of employees.	-
Total	-

29. Movable Tangible Capital Assets
MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	38 397	5 246	6 998	36 645
Transport assets	5 723	-	-	5 723
Computer equipment	21 015	4 469	1 715	23 769
Furniture and office equipment	9 623	336	5 213	4 746
Other machinery and equipment	2 036	441	70	2 407
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	38 397	5 246	6 998	36 645

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Additions

29.1 ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	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	5 148	153	-	(55)	5 246
Transport assets	-	-	-	-	-
Computer equipment	4 578	-	-	(109)	4 469
Furniture and office equipment	170	153	-	13	336
Other machinery and equipment	400	-	-	41	441
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	5 148	153	-	(55)	5 246

Disposals

29.2 DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	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	15	6 983	6 998	15
Computer equipment	15	1 700	1 715	15
Furniture and office equipment	-	5 213	5 213	-
Other machinery and equipment	-	70	70	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	15	6 983	6 998	15

Movement for 2013/14

29.3 MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	33 443	(109)	5 786	723	38 397
Transport assets	4 950	-	773	-	5 723
Computer equipment	17 930	209	3 565	689	21 015
Furniture and office equipment	9 300	(275)	612	14	9 623
Other machinery and equipment	1 263	(43)	836	20	2 036
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	33 443	(109)	5 786	723	38 397

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2013/14
R'000

29.3.1 Prior period error

Nature of the prior period error

Relating to 2013/14

Understatement of Computer Equipment: Computer Equipment incorrectly allocated as Office Equipment

209

Overstatement of Furniture and Office Equipment: Computer Equipment incorrectly allocated as Office Equipment and difference due to basis of recording Furniture and Office Equipment (Component vs Unit)

(275)

Overstatement of Other Machinery and Equipment: Computer Equipment incorrectly allocated as Office Equipment

(43)

(109)

Minor assets

29.4 MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	74	6 465	6 539
Additions	16	683	699
Disposals	-	279	279
TOTAL MINOR ASSETS	90	6 869	6 959

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	21 373	21 373
Number of minor assets at cost	-	3 151	3 151
TOTAL NUMBER OF MINOR ASSETS	-	24 524	24 524

Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	65	5 994	6 059
Additions	9	632	641
Disposals	-	161	161
TOTAL MINOR ASSETS	74	6 465	6 539

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	1	19 988	19 989
Number of minor assets at cost	27	3 180	3 207
TOTAL NUMBER OF MINOR ASSETS	28	23 168	23 196

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Movable assets written off

29.5 MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2015

	Machinery and equipment	Total
	R'000	R'000
Assets written off	279	279
Total	279	279

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2014

	Machinery and equipment	Total
	R'000	R'000
Assets written off	161	161
Total	161	161

Intangible Capital Assets

30. MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	692	10 959	-	11 651
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	138	-	-	138
TOTAL INTANGIBLE CAPITAL ASSETS	830	10 959	-	11 789

The current year adjustment to prior year balances in respect of Intangible Capital assets is as a result of communication hardware to the amount of R78 793.00 that was transferred to the Department of Basic Education.

Additions

30.1 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	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	-	10 959	-	-	10 959
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	-	10 959	-	-	10 959

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Movement for 2014/15

30.2 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	665	-	27	-	692
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	217	(79)	-	-	138
TOTAL INTANGIBLE CAPITAL ASSETS	882	(79)	27	-	830

30.2.1 Prior period error

Nature of prior period error

Communication hardware transferred to the Department of Basic Education	(79)
	(79)

	2014/15	2013/14
	R'000	R'000
31. Agent-principal arrangements		
31.1 Department acting as the agent		
31.1.1 Revenue received for agency activities		
National Skills Fund	-	-
	-	-

The Department has been appointed by the National Skills Fund to project manage the TVET College Infrastructure Development funded by the NSF and relevant SETAs. The beneficiaries of the project will be the respective TVET Colleges who will receive the new or improved TVET College sites once the construction has been completed. Any unspent funds will be returned to the NSF.

31.1.2 Reconciliation of agency funds and disbursements – 2014/15

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 variance
	R'000	R'000	R'000	R'000	
National Skills Fund	64 852	72 210	-	(7 358)	Amounts are claimed back from the NSF as claims recoverable.
	64 852	72 210	-	(7 358)	

The Department has been appointed by the National Skills Fund to project manage the infrastructure spend for the TVET Colleges across 16 sites country wide. Currently, active sites are Thabazimbi Campus for Waterberg TVET College, Nkandla A Campus and Bhambanana Campus for Umfolozi TVET College. The following amounts have been incurred to date at the campuses:

Thabazimbi:	R55 422 737.00 (Include accruals of R12.550 million)
Nkandla A:	R13 178 859.00 (Include accruals of R2.103 million)
Bhambanana:	R15 316 809.00 (Include accruals of R4.555 million)
Project management costs:	R 7 500 000.00 (2013/14: R158.222 million)

32. Transfer of functions

Outstanding balances of the Department of Education

An amount of R5 081.35 was cleared at the end of March 2015 to the books of the Department of Higher Education and Training. No separate financial statements will be prepared for the former Department of Education as the balance on that account is zero.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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33. STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES

	GRANT ALLOCATION				TRANSFER			SPENT			2013/14
NAME OF PROVINCE/ GRANT	Division of Revenue Act	Roll-Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re- allocations by National Treasury or National Department	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000		%	R'000	R'000	%	R'000
Summary by province											
Eastern Cape	319 517	-	-	319 517	319 517	-	-	319 517	311 464	97	297 816
Free State	185 111	-	-	185 111	185 111	-	-	185 111	173 535	94	172 882
Gauteng	725 809	-	-	725 809	725 809	-	-	725 809	713 588	98	677 060
KwaZulu-Natal	351 475	-	-	351 475	351 475	-	-	351 475	355 330	101	327 268
Limpopo	404 504	-	-	404 504	404 504	-	-	404 504	409 113	101	377 478
Mpumalanga	140 989	-	-	140 989	140 989	-	-	140 989	140 989	100	131 287
Northern Cape	43 652	-	-	43 652	43 652	-	-	43 652	43 652	100	40 710
North West	82 376	-	-	82 376	82 376	-	-	82 376	84 897	103	76 590
Western Cape	377 913	-	-	377 913	377 913	-	-	377 913	378 039	100	353 097
Total	2 631 346	-	-	2 631 346	2 631 346	-	-	2 631 346	2 610 607		2 454 188
Summary by grant											
Further Education and Training Colleges Grant	2 631 346	-	-	2 631 346	2 631 346	-	-	2 631 346	2 610 607	99	2 454 188
Total	2 631 346	-	-	2 631 346	2 631 346	-	-	2 631 346	2 610 607		2 454 188

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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33. STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES (continued)

	GRANT ALLOCATION				TRANSFER			SPENT			2013/14
NAME OF PROVINCE/ GRANT	Division of Revenue Act	Roll-Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re- allocations by National Treasury or National Department	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000		%	R'000	R'000	%	R'000
Further Education and Training Colleges Grant											
Eastern Cape	319 517	-	-	319 517	319 517	-	-	319 517	311 464	97	297 816
Free State	185 111	-	-	185 111	185 111	-	-	185 111	173 535	94	172 882
Gauteng	725 809	-	-	725 809	725 809	-	-	725 809	713 588	98	677 060
KwaZulu-Natal	351 475	-	-	351 475	351 475	-	-	351 475	355 330	101	327 268
Limpopo	404 504	-	-	404 504	404 504	-	-	404 504	409 113	101	377 478
Mpumalanga	140 989	-	-	140 989	140 989	-	-	140 989	140 989	100	131 287
Northern Cape	43 652	-	-	43 652	43 652	-	-	43 652	43 652	100	40 710
North West	82 376	-	-	82 376	82 376	-	-	82 376	84 897	103	76 590
Western Cape	377 913	-	-	377 913	377 913	-	-	377 913	378 039	100	353 097
Total	2 631 346	-	-	2 631 346	2 631 346	-	-	2 631 346	2 610 607		2 454 188

The Department hereby certifies that all transfers were deposited into the primary bank account of the province for the 2014/15 financial year. No conditional grant funds were utilised for the administration of this grant by the Department of Higher Education and Training. The total amount surrendered by Provincial Education Departments to the Department amounts to R46.559 million.



Annexures

Unaudited Supplementary Annexures

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1A

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2013/14
	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
Education Training and Development Practices SETA	173	-	-	173	-	0	165
Council on Higher Education	42 689	-	-	42 689	42 689	100	41 888
National Student Financial Aid Scheme	6 138 832	-	-	6 138 832	6 138 832	100	5 769 405
South African Qualifications Authority	55 008	-	-	55 008	55 008	100	49 401
Direct Charge: Sector Education and Training Authority	10 560 647	-	510 377	11 071 024	11 071 024	100	9 673 818
Direct Charge: National Skills Fund	2 639 353	-	128 421	2 767 774	2 767 774	100	2 416 368
Claims against the State	-	-	1	1	1	100	109
Quality Council for Trades and Occupations	23 167	-	-	23 167	23 167	100	21 747
Total	19 459 869	-	638 799	20 098 668	20 098 495		17 972 901

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ANNEXURE 1B

STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION				TRANSFER			2013/14
	Adjusted Appropriation Act	Roll-overs	Adjustments	Total available	Actual transfer	Amount not transferred	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Cape Peninsula University of Technology	872 294	-	150 781	1 023 075	1 023 075	-	0.0	975 542
Central University of Technology, Free State	313 964	-	121 232	435 196	435 196	-	0.0	428 626
Durban University of Technology	639 026	-	195 360	834 386	834 386	-	0.0	770 718
Mangosuthu University of Technology	237 156	-	98 945	336 101	336 101	-	0.0	331 923
Nelson Mandela Metropolitan University	718 816	-	128 090	846 906	846 906	-	0.0	784 803
North West University	1 186 116	-	163 858	1 349 974	1 349 974	-	0.0	1 228 919
Rhodes University	307 108	-	79 662	386 770	386 770	-	0.0	358 917
Tshwane University of Technology	1 338 338	-	285 746	1 624 084	1 624 084	-	0.0	1 494 423
University of Cape Town	1 044 332	-	140 392	1 184 724	1 184 724	-	0.0	1 127 750
University of Fort Hare	316 222	-	164 651	480 873	480 873	-	0.0	457 347
University of Free State	883 476	-	177 206	1 060 682	1 060 682	-	0.0	968 943
University of Johannesburg	1 298 222	-	118 399	1 416 621	1 416 621	-	0.0	1 385 539
University of KwaZulu-Natal	1 362 254	-	218 509	1 580 763	1 580 763	-	0.0	1 512 304
University of Mpumalanga	-	-	206 695	206 695	206 695	-	0.0	58 153
Sefako Makgatho Health Sciences University	-	-	255 257	255 257	255 257	-	0.0	-
Sol Plaatje University	-	-	77 969	77 969	77 969	-	0.0	180 303
University of Limpopo	730 717	-	185 921	916 638	916 638	-	0.0	850 172
University of Pretoria	1 591 924	-	236 049	1 827 973	1 827 973	-	0.0	1 810 933
University of South Africa	2 019 925	-	20 656	2 040 581	2 040 581	-	0.0	2 155 213
University of Stellenbosch	1 143 889	-	130 737	1 274 626	1 274 626	-	0.0	1 125 066
University of Venda	332 004	-	130 592	462 596	462 596	-	0.0	445 329
University of Western Cape	638 933	-	137 636	776 569	776 569	-	0.0	731 479
Witwatersrand University	1 090 778	-	601 804	1 692 582	1 692 582	-	0.0	1 212 593
University of Zululand	384 542	-	143 395	527 937	527 937	-	0.0	485 370
Vaal University of Technology	499 199	-	127 531	626 730	626 730	-	0.0	596 452

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ANNEXURE 1B (continued)

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION				TRANSFER			2013/14
	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
Walter Sisulu University	611 999	-	248 643	860 642	860 642	-	0.0	804 988
Higher Education Institutions: Other Grants	3 511 119	-	(3 511 119)	-	-	-	-	-
Interest and redemption of private and government infrastructure loans	13 000	-	(13 000)	-	-	-	-	-
Academic clinical training grants	410 740	-	(410 740)	-	-	-	-	-
New universities – Operations	159 000	-	(159 000)	-	-	-	-	-
New universities – Building of infrastructure	500 000	-	(500 000)	-	-	-	-	-
National Institute for Higher Education: Mpumalanga	-	-	17 645	17 645	17 645	-	0.0	78 389
National Institute for Higher Education: Northern Cape	-	-	30 498	30 498	30 498	-	0.0	28 573
Total	24 155 093	-	-	24 155 093	24 155 093	-		22 388 767

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ANNEXURE 1C

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT / INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2013/14
	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
Transfers							
Commonwealth of Learning	2 415	-	17	2 432	2 432	100.0	2 405
India-Brazil-South Africa Trilateral Commission	500	-	51	551	551	100.0	512
Total	2 915	-	68	2 983	2 983		2 917

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ANNEXURE 1D

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				EXPENDITURE		2013/14
	Adjusted Appropriation Act	Roll-overs	Adjustments	Total available	Actual transfer	% of Available funds transferred	Appropriation Act
NON-PROFIT INSTITUTIONS	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Higher Education South Africa (HESA)	7 420	-	-	7 420	7 420	100.0	7 000
<i>Further Education and Training Colleges: Subsidies</i>							
Buffalo City College	54 828	-	-	54 828	54 828	100.0	53 155
East Cape Midlands College	85 018	-	-	85 018	85 018	100.0	78 652
Ikhala College	54 147	-	-	54 147	54 147	100.0	51 165
Ingwe College	76 075	-	-	76 075	76 075	100.0	71 649
King Hintsa College	63 581	-	-	63 581	63 581	100.0	56 143
King Sabata College	84 296	-	-	84 296	84 296	100.0	80 898
Lovedale College	39 409	-	-	39 409	39 409	100.0	38 071
Port Elizabeth College	61 759	-	-	61 759	61 759	100.0	59 712
Flavius Mareka College	25 858	-	-	25 858	25 858	100.0	24 718
Gold Fields College	29 347	-	-	29 347	29 347	100.0	27 431
Maluti College	45 530	-	-	45 530	45 530	100.0	49 015
Motheo College	103 578	-	-	103 578	103 578	100.0	91 473
Central Johannesburg College	42 761	-	-	42 761	42 761	100.0	45 146
Ekurhuleni East College	63 464	-	-	63 464	63 464	100.0	58 558
Ekurhuleni West College	79 648	-	(2 731)	76 917	76 917	100.0	71 648
Sedibeng College	102 196	-	(2 066)	100 130	100 130	100.0	96 265
South West College	132 759	-	-	132 759	132 759	100.0	126 946
Tshwane North College	78 989	-	-	78 989	78 989	100.0	71 319
Tshwane South College	46 566	-	-	46 566	46 566	100.0	46 627
Western College	92 680	-	-	92 680	92 680	100.0	86 034
Coastal College	85 271	-	-	85 271	85 271	100.0	80 245
Elangeni College	91 090	-	-	91 090	91 090	100.0	85 279
Esayidi College	70 349	-	-	70 349	70 349	100.0	66 109

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ANNEXURE 1D (continued)

	TRANSFER ALLOCATION				EXPENDITURE		2013/14
	Adjusted Appropriation Act	Roll-overs	Adjustments	Total available	Actual transfer	% of Available funds transferred	Appro- priation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
NON-PROFIT INSTITUTIONS							
Majuba College	161 827	-	(2 738)	159 089	159 089	100.0	152 318
Mnambithi College	58 018	-	-	58 018	58 018	100.0	54 934
Mthashana College	38 860	-	-	38 860	38 860	100.0	37 253
Thekwini College	40 559	-	-	40 559	40 559	100.0	39 498
Umfoloji College	106 184	-	-	106 184	106 184	100.0	99 461
Umgungundlovu College	30 299	-	-	30 299	30 299	100.0	28 359
Capricorn College	44 128	-	-	44 128	44 128	100.0	39 107
Lephalale College	9 771	-	-	9 771	9 771	100.0	10 356
Letaba College	21 997	-	-	21 997	21 997	100.0	22 548
Mopani College	42 328	-	-	42 328	42 328	100.0	42 482
Sekhukhune College	22 031	-	-	22 031	22 031	100.0	22 137
Vhembe College	97 047	-	(2 465)	94 582	94 582	100.0	88 314
Waterberg College	15 917	-	-	15 917	15 917	100.0	13 804
Ehlanzeni College	83 037	-	-	83 037	83 037	100.0	78 654
Gert Sibande College	120 792	-	-	120 792	120 792	100.0	115 250
Nkangala College	69 046	-	-	69 046	69 046	100.0	63 376
Rural College	25 830	-	-	25 830	25 830	100.0	24 305
Urban College	24 945	-	-	24 945	24 945	100.0	23 568
Orbit College	139 517	-	-	139 517	139 517	100.0	128 254
Taletso College	49 551	-	-	49 551	49 551	100.0	46 607
Vuselela College	42 965	-	-	42 965	42 965	100.0	43 911
Boland College	47 995	-	-	47 995	47 995	100.0	42 204
Cape Town College	31 047	-	-	31 047	31 047	100.0	31 361
False Bay College	51 680	-	-	51 680	51 680	100.0	51 323
Northlink College	77 794	-	-	77 794	77 794	100.0	66 903
South Cape College	41 876	-	-	41 876	41 876	100.0	41 813
West Coast College	91 587	-	-	91 587	91 587	100.0	88 831
Total	3 203 247	-	(10 000)	3 193 247	3 193 247		3 020 189

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ANNEXURE 1E

STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2013/14
	Adjusted Appropriation Act	Roll-overs	Adjustments	Total available	Actual transfer	% of Available funds transferred	Appro- priation Act
HOUSEHOLDS	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Employee Social Benefits	25	-	211	236	237	100.0	1 815
Total	25	-	211	236	237		1 815

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ANNEXURE 1F

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2014/15 R'000	2013/14 R'000
Received in kind			
Germany	Attendance of GIZ SAGEN study tour to visit wind energy training centres in Germany	26	208
University of Cape Town	Attendance of Annual Institutional Forum Induction Workshop	-	5
The Kresge Foundation in partnership with the Institute of International Education	Attendance of the 2014 Achieving the Dream Conference in Orlando, Florida	-	31
The Kresge Foundation in partnership with Inyathelo	Attendance of Access and Success into Higher Education in South Africa (ASHESA) Data Symposium in Cape Town	5	-
Switzerland	Attendance of the International Congress on Vocational and Professions Education and Training in Switzerland	116	-
Mauritius	Attendance of the Commonwealth of Learning (COL) Focal Points meeting for the African and Mediterranean Regions in Mauritius	16	-
British Council	Attendance of second UK-South Africa Newtown Fund Task Force Meeting	22	-
Total		185	244

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ANNEXURE 1G

STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	Purpose	Opening Balance	Revenue	Expenditure	Closing Balance
		R'000	R'000	R'000	R'000
Received in cash					
Received in the PMG Account					
EU Budget Support	Career Guidance Services Project	3 131	18 087	19 181	2 037
Total		3 131	18 087	19 181	2 037
Received in cash in the RDP Fund					
EU Budget Support	Career Guidance Services Project	24 559	58 400	19 181	63 778
Total		24 559	58 400	19 181	63 778
Received in cash through the Department of Basic Education (Claims recoverable basis)					
European Union	EU Foundation Phase Project	-	868	3 582	(2 714)
Total		-	868	3 582	(2 714)
				2014/15	2013/14
				R'000	R'000
Received in kind					
Government of the Netherlands	Capacity building in Higher Education through Nuffic: Implementation of Standardised Business Management System in 3 pilot FET Colleges			955	10 325
Government of the Netherlands	Strengthening the National Certificate (NC(V)) programmes in line with labour market demands			1 215	4 654
Government of Denmark	Support for Education and Skills Development III (SESDIII)			21 556	7 461
European Union	Funding for a proposal for research on skills planning			-	400
Total				23 726	22 840

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ANNEXURE 1H

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP	2014/15	2013/14
	R'000	R'000
Made in kind		
Gifts for Budget Day Event	-	48
Farewell Gifts to staff who went on pension	2	4
Gifts for the Deputy Minister of Higher Education and Scientific Research from Iraq	-	3
Gifts for Speakers at Workshop on the Post-2015 Development Agenda	-	5
Gifts to BRICS counterparts	-	3
Total	2	63

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ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2015 – LOCAL

GUARANTOR INSTITUTION	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2014	Guarantees draw downs during the year	Guaranteed repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2015	Guaranteed interest for year ended 31 March 2015	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Housing								
Employees	Housing	284	70	-	50	-	20	-	-
Subtotal		284	70	-	50	-	20	-	-
	Other								
University of Free State	Tertiary Institutions	750	15	-	15	-	-	-	-
University of Johannesburg	Tertiary Institutions	14 382	1 771	-	1 119	-	652	38	-
University of Venda	Tertiary Institutions	54 752	129	-	129	-	-	-	-
Witwatersrand University	Tertiary Institutions	4 075	517	-	200	-	317	14	-
Subtotal		73 959	2 432	-	1 463	-	969	52	-
Total		74 243	2 502	-	1 513	-	989	52	-

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ANNEXURE 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2015

NATURE OF LIABILITY	Opening Balance 1 April 2014	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable	Closing balance 31 March 2015
	R'000	R'000	R'000	R'000	R'000
Claims against the Department					
Damaged cars	-	1	1	-	-
Johann Raath vs Minister of Higher Education and Training	1 800	-	1 700	-	100
Vital vs Vista University	4 000	-	-	-	4 000
Boss Tables cc vs Minister of Higher Education and Training	1 000	-	200	-	800
Kelly Group vs Minister of Higher Education and Training	150	-	150	-	-
Motaung vs Department of Higher Education and Training	1 000	-	1 000	-	-
N Taho vs Minister of Higher Education and Training	500	-	100	-	400
Hospital Association of SA vs Minister of Higher Education and Training	500	-	-	-	500
Road Freight Association vs Minister of Higher Education and Training	310	-	310	-	-
Business Unity SA vs Minister of Higher Education and Training	500	-	-	-	500
MP Ntshangase vs Minister of Higher Education and Training	200	-	-	-	200
LM Mapeka (Pilane) vs Department of Higher Education and Training	1 000	-	-	-	1 000
Solani Ramovha vs Department of Higher Education and Training	70	-	-	-	70
Moses Sithole and Others vs Mzukisi Dondole and Others	2 000	-	1 600	-	400
MT Jordan vs Minister of Higher Education and Training	800	-	800	-	-
NA Mundalamo vs Minister of Higher Education and Training	-	600	400	-	200
SB Lukhozi vs Department of Higher Education and Training	-	500	-	-	500
J Sibanda vs Minister of Higher Education and Training	-	200	-	-	200
MM Masisi vs Minister of Higher Education and Training	-	742	-	-	742
Tiaan Brand vs Minister of Higher Education and Training	-	70	59	-	11
JJ Mbama vs Minister of Higher Education and Training	-	1 000	493	-	507
Jeppe College of Commerce and computer studies (Pty) Ltd vs Minister of Higher Education and Training and others	-	180	-	-	180
Total	13 830	3 293	6 813	-	10 310

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

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ANNEXURE 3

CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit as at year end 2014/15	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Department of Basic Education	-	-	2 721	2 901	2 721	2 901		
Department of Health	-	-	6	6	6	6		
Department of Justice	-	-	8	8	8	8		
Department of Labour	-	-	160	18	160	18		
South African Revenue Service	-	-	102	102	102	102		
Human Sciences Research Council	-	-	-	200	-	200		
Gauteng Department of Education	-	-	51 367	51 420	51 367	51 420		
Limpopo Department of Education	-	-	106	80	106	80		
KZN Department of Economic Development	-	-	-	13	-	13		
Government Printers	-	-	2	2	2	2		
Mpumalanga Culture, Sport and Recreation	-	-	36	13	36	13		
Gauteng Department of Correctional Services	-	-	5	4	5	4		
National Treasury Pensions	-	-	145	145	145	145		
North West Provincial Administration	-	-	22	22	22	22		
Western Cape Provincial Administration	-	-	3	3	3	3		
Department of Roads and Public Works	-	-	107	833	107	833		
SA Military Ombudsman	-	-	24	24	24	24		
Limpopo Department of Health (Evuxakeni Hospital)	-	-	-	1	-	1		
Eastern Cape Department of Roads and Public Works	-	-	6	5	6	5		
Telecommunication and Postal Services	-	-	8	-	8	-		
The Presidency	-	-	29	-	29	-		
KZN Department of Social Development	-	-	3	-	3	-		
Department of Transport	-	-	1	-	1	-		
Total	-	-	54 861	55 800	54 861	55 800		-

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ANNEXURE 3 (continued)

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit as at year end 2014/15	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Other Government Entities								
National Skills Fund	-	-	212 670	143 869	212 670	143 869		
MERSETA	-	-	1	1	1	1		
Services SETA	-	-	290	441	290	441		
Quality Council for Trades and Occupations	-	-	326	12 379	326	12 379		134
SITA	-	-	31	30	31	30		
Local Government SETA	-	-	92	176	92	176		
ETDPSETA	-	-	517	-	517	-		
Ingwe TVET College (EC)	-	-	325	-	325	-		
Total	-	-	214 252	156 896	214 252	156 896		134
Total	-	-	269 113	212 696	269 113	212 696		134

The difference between Note 11 and Annexure 3 is due to the fact that amounts included under Annexure 3 only refers to Government entities.

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ANNEXURE 4

INVENTORY

INVENTORY	2014/15		2013/14	
	Quantity	R'000	Quantity	R'000
Opening balance	6 172	185	6 034	297
Add/(Less): Adjustments to prior year balances	-	(25)	-	-
Add: Additions/Purchases – Cash	362 299	14 549	221 553	10 869
Add: Additions – Non-cash	-	-	-	-
(Less): Disposals	-	-	-	-
(Less): Issues	(358 980)	(14 030)	(221 415)	(10 957)
Add/(Less): Adjustments	10	21	-	(24)
Closing balance	9 501	700	6 172	185

Additions include inventory bought through donor funds, NSF growth funds and NSF infrastructure funds.

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ANNEXURE 5A

INTER-ENTITY ADVANCES PAID (note 10)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Department of International Relations and Cooperation	-	-	3 714	4 617	3 714	4 617
Government Communications and Information System	-	-	1 713	4 451	1 713	4 451
Subtotal	-	-	5 427	9 068	5 427	9 068
PUBLIC ENTITIES						
National Skills Fund FET Infrastructure Grant	-	-	7 358	-	7 358	-
Subtotal	-	-	7 358	-	7 358	-
Total	-	-	12 785	9 068	12 785	9 068

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ANNEXURE 5B

INTER-ENTITY ADVANCES RECEIVED (note 16)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	R'000	R'000	R'000	R'000	R'000	R'000
PUBLIC ENTITIES						
Current						
National Skills Fund FET Infrastructure Grant	-	-	-	64 852	-	64 852
National Skills Fund International Scholarship Grant	-	-	1 963	-	1 963	-
Subtotal	-	-	1 963	64 852	1 963	64 852
Total	-	-	1 963	64 852	1 963	64 852
Current	-	-	1 963	64 852	1 963	64 852
Non-current	-	-	-	-	-	-

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