annual report

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Council on Higher Education

2005 - 2006

Annual Report

ANNUAL REPORT
2005 - 2006

CHE

In Memory of Dr Prem Naidoo

You can rest assured and content in the knowledge

That in your all too short life you selflessly gave more and achieved more than most people;

That in the CHE you created, innovated and built what others would have taken a decade to accomplish;

That you lived your life in a way that you should 'feel no torturing regrets for years without purpose';

That, indeed, you did give 'all (your) life and all (your) strength…

to the finest cause in the world – the liberation of (human) kind'.

Hamba Kahle!

FOREWORD

The Council on Higher Education (CHE) is an independent statutory body established by the *Higher Education Act* of 1997. The CHE is required annually to submit to parliament, through the Minister of Education, its activities and progress in the execution of its core mandate. This Annual Report for the financial year April 2005 to March 2006 is the eighth produced by the CHE since its inception in mid-1998.

The CHE Council again has reason to be satisfied with the performance of the CHE in executing its core mandate of:

- **Advising** the Minister at her request or proactively on all higher education (HE) policy issues
- **Assuming executive responsibility for quality assurance** within HE
- **Monitoring and evaluating** whether HE policy goals are being realized, including reporting regularly on the state of South African HE
- Contributing to developing HE through various activities.

The CHE possesses a highly professional, energetic and dedicated Secretariat, that is supported and supervised by the CHE Council and the HEQC Board. In addition, scores of academics and researchers contribute to the activities of the CHE, especially with respect to the execution of its quality assurance activities. I thank the Secretariat, the members of the CHE Council and HEQC Board, and numerous other collaborators for their contribution to the work of the CHE and HEQC.

The past year has seen the tragic loss of a key CHE staff member, Dr Prem Naidoo. I wish to pay tribute to his tremendous and seminal contribution to the development of the HEQC quality assurance policies, mechanisms and procedures. Prem's intellect, boundless energy, passion and commitment will be sorely missed. He personified the kind of person that higher education institutions require in abundance if they are to make an effective contribution to knowledge production and dissemination and to South Africa's economic and social challenges.

The end of June saw the departure of Prof. Saleem Badat, the first CEO of the CHE, to take up the position of Vice Chancellor of Rhodes University. In his seven years as CEO, Saleem's intellectual and organizational leadership, his mobilization of personnel with intellect, knowledge, expertise and skills, and his securing of finances from government and international donors made a pivotal contribution to making the CHE a vibrant and dynamic institution that has imaginatively and effectively discharged its legislated mandate.

I am confident that the CHE will continue to discharge its mandate with the imagination, dedication and professionalism that has been a characteristic of it since its inception.

Mr Saki Macozoma
Chairperson
Council on Higher Education

PREFACE

In her first budget speech, the Minister of Education indicated that her focus would be on 'stability and **consolidation** linked very directly to our existing positive policies and to any necessary adjustments that strengthen the framework of education, so that it provides the opportunities for transformation and development set out in various acts and policy instruments'.

The theme of consolidation was repeated at a CHE function: 'Given the significant changes that have taken place over the past ten years, it is now time for a period of **consolidation** in the policy arena over the coming two to three years'. The Minister, however, added that 'I must emphasize that this will provide us the opportunity to strengthen the system and build up public confidence in our universities and technikons.

Indeed, after an initial period of considerable flux and policy changes in higher education, in recent years there has been considerable certainty, consistency and continuity of national policy, which has been welcomed by the CHE and the higher education sector as a whole.

Just prior to the Minister proclaiming her focus on 'consolidation', the CHE itself had stated that

> The higher education 'system', and its constituent parts and actors continue to be in flux and to face major challenges. Priorities are for the Ministry to purposefully effect the restructuring that is necessary and to build and **consolidate** the *system* through planning, funding and quality assurance activities. There is considerable stress, strain and anxiety within higher education and a further and urgent priority is to work diligently to create **system and institutional stability.** The system, institutions and actors are at the limits of their capacities to absorb further policy changes. It would be prudent not to make any further major demands on institutions and actors beyond the necessary structural restructuring, institutionalization of a new academic policy system and the consolidation and enhancement of quality. The overall approach of the CHE takes this as its frame of reference'.

In recent years, therefore, and after an initial period of extensive policy advice to the Minister of Education, the CHE began to focus more on developing a framework for effective monitoring and evaluation of policy goals, the extent to which such goals are being effectively realized, and with what outcomes. In addition, concerted attention began to be given to completing the HEQC's quality assurance system (policies, mechanism, procedures, etc.) building activities in preparation for effective implementation of the system, as well as to the quality promotion and capacity building dimension of the HEQC's mandate.

Having consultatively finalized a monitoring and evaluation framework, the CHE is investigating a number of important issues related to the functioning of HE, its progress in achieving defined policy goals and objectives, and the necessary conditions for its enhanced performance. These issues include access and equity, postgraduate education, institutional culture and financing and funding. In due course, attention will be given to whether the mergers will indeed result in more equitable, higher quality, more effective and efficient, and more responsive HEIs.

The CHE is also working diligently to improve the quality of HE core functions, programmes and institutions through its accreditation of all new HE programmes, the re-accreditation of select programmes, and its audits of institutions. In addition, there have been and are numerous quality promotion and capacity development initiatives, including special projects related to merging institutions and the historically disadvantaged institutions.

Through this work the CHE will continue to draw the attention of institutions, government and other key actors to critical shortcomings and pressing challenges, and also seek to work with HEIs to address these through its mandates for quality promotion and capacity development and for contributing to the development of higher education through specific initiatives.

In the coming years, the key tasks and challenges of the CHE include:

- Consolidating the ability of the CHE to provide informed, considered and strategic advice to the Minister
- Effective evaluation and monitoring of higher education and demonstrating the value of these for higher education development
- The refinement of its quality assurance systems with a keen eye on their sustainability
- Ensuring that a culture of self-regulation takes root within HEIs
- Ensuring effective working relationships with key stakeholders and HEIs around quality promotion and capacity development
- Building and consolidating the consultative, integrated, interlocking and coordinated functioning of the various responsibilities and organizational components of the CHE (advice, quality assurance, monitoring and evaluation, and HE development)
- Effectively addressing through appropriate strategies the key risks that are embodied in its mandate and its organizational character.

On the basis of the intellectual and organizational expertise that it possesses, the wise counsel that is available to it through the CHE Council and the HEQC Board, its capacity for critical self-reflexivity and its experiences of the past eight years, the support of numerous academics and researchers, and the funding that has been secured through the National Treasury, the CHE is well positioned to continue to effectively discharge its mandate and responsibilities for many years to come.

Prof. Saleem Badat
Chief Executive Officer
Council on Higher Education

CONTENTS

ACRONYMS & ABBREVIATIONS

AAU	Association of African Universities
ACE	Advanced Certificate in Education
AHPCSA	Allied Health Professions Council of South Africa
APPETD	Association of Private Providers of Education, Training and Development
AUQA	Australian Universities Quality Agency
AUSAID	Australian Agency for International Development
BEd	Bachelor of Education
CBE	Council for the Built Environment
CENESA	Cooperation in Education between the Netherlands and SouthAfrica
CEO	Chief Executive Officer
CEPD	Centre for Education Policy Development
CHE	Council on Higher Education
CHED	Centre for Higher Education Development
CHELSA	Committee of Higher Education Librarians in South Africa
CHESP	Community Higher Education Services Partnerships
CHET	Centre for Higher Education Transformation
CODESRIA	Council for the Development of Social Science Research in Africa
COHORT	Committee of Heads of Research and Technology
CREST	Centre for Research on Science and Technology
CSHE	Centre for the Study of Higher Education
CTP	Committee of Technikon Principals
DAAD	Deutscher Akademischer Austausch Dienst (German Academic Exchange Service)
DfID	Department for International Development
DoE	Department of Education
DUT	Durban University of Technology
DVC	Deputy Vice Chancellor
ECSA	Engineering Council of South Africa
ED	Executive Director
ELM	Educational Leadership and Management
ELRC	Education Labour Relations Council
EMBA	Executive Master of Business Administration
ETDP SETA	Education, Training and Development Practices Sector Education and Training Authority
ETQA	Education and Training Quality Assurer
Exco	Executive Committee
FINHEEC	Finnish Higher Education Evaluation Council
FOTIM	Foundation of Tertiary Institutions of the Northern Metropolis
GATS	General Agreement on Trade in Services
HAI	Historically Advantaged Institution
HDI	Historically Disadvantaged Institution
HE	Higher Education
HEI	Higher Education Institution
HEMIS	Higher Education Management Information System
HEQC	Higher Education Quality Committee
HESA	Higher Education South Africa
HRD	Human Resource Development
HSRC	Human Sciences Research Council
ICT	Information and Communication Technology
IJC	Interim Joint Committee
INQAAHE	International Network for Quality Assurance Agencies in Higher Education
IT	Information Technology
JET	Joint Education Trust

JIPSA	Joint Initiative for Priority Skills Acquisition
MBA	Master of Business Administration
MBL	Master of Business Leadership
MEd	Master of Education
MIS	Management Information System
MoE	Ministry of Education
MoU	Memorandum of Understanding
NAAC	National Accreditation and Assessment Council (India)
NACI	National Advisory Council on Innovation
NADEOSA	National Association of Distance Education Organizations of South Africa
NAP	New Academic Policy
NASDEV	National Association of Student Development Officers
NCHE	National Council on Higher Education
NEHAWU	National Education, Health and Allied Workers' Union
NGO	Non-Governmental Organization
NLRD	National Learners' Records Database
NQF	National Qualifications Framework
NRF	National Research Foundation
NSFAS	National Student Financial Aid Scheme
OECD	Organization for Economic Cooperation and Development
PFMA	Public Financial Management Act
PGCE	Postgraduate Certificate in Education
POSLEC SETA	Police, Private Security, Legal and Correctional Services SETA
QA	Quality Assurance
QAA	Quality Assurance Agency
QPCD	Quality Promotion and Capacity Development
QPU	Quality Promotion Unit (of the Committee of University Principals)
RPL	Recognition of Prior Learning
SAADA	South African Academic Development Association
SAASTA	South African Agency for Science and Technology Advancement
SABC	South African Broadcasting Corporation
SACE	South African Council for Educators
SADC	Southern African Development Community
SAICA	South African Institute for Chartered Accountants
SAIDE	South African Institute of Distance Education
SANPAD	South African Netherlands Research Programme on Alternatives in Development
SAQA	South African Qualifications Authority
SASCE	South African Society for Cooperative Education
SASCO	South African Student Congress
SATSU	South African Technikons Student Union
SAUS	South African Union of Students
SAUSRC	South African University Student Representative Councils
SAUVCA	South African Universities' Vice Chancellors' Association
SERTEC	Certification Council for Technikon Education
SETA	Sector Education and Training Authorities
SPARQS	Student Participation in Quality (Scotland)
UMALUSI	Council for Quality Assurance in General and Further Education and Training
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNISA	University of South Africa
White Paper	*Education White Paper 3* of 1997, *A Programme for the Transformation of Higher Education*
WTO	World Trade Organization

OVERVIEW OF THE CHE

1 INTRODUCTION

The Council on Higher Education (CHE) exists as an independent statutory body in terms of the *Higher Education Act,* No. 101 of 1997. It operates in accordance with the prevailing legislative and regulatory frameworks of the Republic of South Africa and with due cognizance of its obligations and responsibilities in terms of such laws and regulations.

The *Higher Education Act* and *Education White Paper 3* of 1997. *A Programme for the Transformation of Higher Education* set out the mandate and responsibilities of the CHE.

The **vision** of the CHE is a transformed, equitable, high quality, economically and socially responsive, productive and sustainable higher education system in a transformed, equitable, just, humane and democratic South Africa, based on the principles and values of non-racialism, non-sexism, freedom of expression and other basic human and social rights.

The CHE defines its **mission** as contributing to the development of a higher education system characterized by quality and excellence, equity, responsiveness to economic and social development needs, and effective and efficient provision, governance and management. It seeks to make this contribution

- by providing informed, considered, independent and strategic advice on higher education (HE) policy issues to the Minister of Education;
- through the quality assurance activities of its subcommittee, the Higher Education Quality Committee (HEQC); and
- through publications and a broader dissemination of information, and through conferences and workshops on HE and other focused activities.

2 MEMBERSHIP

The Higher Education Act makes provision for a chairperson, 13 ordinary members, co-opted members (maximum three) and six non-voting members. The Minister of Education appoints the members of the CHE following a public call for nominations from HE stakeholders and the general public. Members are appointed for a four-year period and the chairperson for five years.

The Ministry of Education issued a public call for nominations to the CHE in early 2002. In June 2002, the CHE was reconstituted with the following membership during 2004-2005.

Chairperson
Mr S Macozoma*

Ordinary members

Prof. HP Africa	Prof. SF Coetzee*	Prof. B Figaji*
Ms JA Glennie	Dr MC Koorts	Mr J Mamabolo
Prof. AM Perez	Prof. MF Ramashala	Prof. SJ Saunders *
Dr F Ginwala	Ms N Sibiya	

Co-opted members
None

Non-voting members

Ms N Badsha*	(Department of Education)
Ms A Canca	(Department of Arts and Culture)
Mr SBA Isaacs	(South African Qualifications' Authority)
Dr A Kaniki	(National Research Foundation)
Vacant	(Representative of the Department of Labour)
Dr RC Lubisi	(Representative of the Provincial Heads of the Committee of Education)

Ex-officio
Prof. S Badat *
Dr M Singh *

(* Members serving on the Executive Committee of the CHE)

The members of the CHE are appointed in their own right as people with specialist knowledge and expertise on HE matters. In this regard, and despite the members of the CHE being drawn from various constituencies, the CHE functions as an independent, expert, statutory body rather than a body of delegates or representatives of organizations, institutions or constituencies. The current term of office of the ordinary CHE members is until June 2006, and that of the Chairperson until June 2007.

CHE COUNCIL

Mr S Macozoma	Prof. HP Africa	Ms JA Glennie	Prof. AM Perez	Dr F Ginwala
Prof. SF Coetzee	Dr MC Koorts	Prof. MF Ramashala	Ms N Sibiya	Prof. B Figaji
Mr J Mamabolo	Prof. SJ Saunders	Ms N Badsha	Ms A Canca	Mr SBA Isaacs
Dr A Kaniki	Dr RC Lubisi	Prof. S Badat	Dr M. Singh	
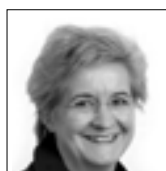
CHAPTER 1: OVERVIEW OF THE CHE

3   RESPONSIBILITIES OF THE CHE

The *Higher Education Act* and the *Education White Paper 3* of 1997 set out the responsibilities of the CHE. These include:

- advising the Minister on all HE issues on which the CHE's advice is sought;
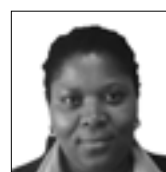- advising the Minister on its own initiative on HE issues which the CHE regards as important;
- designing and implementing a system for quality assurance in HE and establishing the HEQC;
- advising the Minister on the appropriate shape and size of the HE system, including its desired institutional configuration;
- advising the Minister in particular on the new funding arrangements for HE;
- advising the Minister in particular on the language policy in HE;
- developing a means for monitoring and evaluating whether, how, to what extent and with what consequences the vision, policy goals and objectives for HE defined in the *White Paper* on HE are being realized;
- promoting the access of students to HE;
- providing advice to the Minister on the proposed new Education Management Information System for HE;
- formulating advice for the Minister on a new academic policy for HE, including a diploma/degree structure which would advance the policy objectives of the *White Paper;*
- formulating advice for the Minister on stimulating greater institutional responsiveness to societal needs, especially those linked to stimulating South Africa's economy, such as greater HE–industry partnerships;
- appointing an independent assessment panel from which the Minister is able to appoint assessors to conduct investigations into particular issues at public HEIs;
- establishing healthy interactions with HE stakeholders on the CHE's work;
- producing regular reports on the state of South African HE;
- convening an annual consultative conference of HE stakeholders;
- participating in the development of a coherent human resource development framework for South Africa in concert with other organizations; and
- contributing to the development of HE through publications and conferences.

The numerous and varied responsibilities require the CHE to engage in many different forms and kinds of activities. The CHE is required to be both reactive and proactive in rendering advice to the Minister. It is also required to provide advice on both a formal and informal basis. On occasions, it has needed to provide advice at short notice and with considerable speed, while at other times, it has been relatively cushioned from immediate time pressures.

In summary, the work of the CHE involves:

- **advising** the Minister at his/her request or proactively on all policy matters related to higher education;
- assuming **executive responsibility for quality assurance** within higher education and training – including programme accreditation, institutional audits, programme evaluation, quality promotion and capacity building;
- **monitoring and evaluating** whether, how, to what extent and with what consequences the vision, policy goals and objectives for higher education are being realized, including **reporting** on the state of South African higher education;
- **contributing to developing higher education** – taking the lead (or initiative) in providing guidance on key national and systemic issues, producing publications and holding conferences and conducting research to sensitize government and stakeholders to immediate and long-term challenges of higher education; and
- **consulting with stakeholders** on aspects of higher education.

4   THE CHARACTER AND ROLE OF THE CHE

The CHE is a product of the intense debates about relations between state and civil society – debates that have resulted in a number of independent statutory bodies that are composed in a similar way to the CHE and have mandates similar to those of the CHE. Historically, there has been concensus on the virtue of having a body, such as the CHE, composed of persons with special knowledge of and experience in higher education and higher education-related matters, who are nominated by a public process, rather than a body of delegates or representatives of stakeholders.

The activities of the past six years have been significant in unfolding the institutional character, identity and role of the CHE. It is generally agreed that the CHE has four policy-related roles – policy *advice,* policy *monitoring*, policy *development* and policy *implementation*. However, the four functions vary depending on the responsibility and issue involved.

4.1   Policy advice

This is the principal role of the CHE, since its mandate is to advise the Minister of Education on policy matters both on request and proactively.

4.2   Policy monitoring

This is an important role of the CHE accorded to it by the *White Paper* and also implicit in the requirement of the Act, as amended, for the CHE to produce regular reports on the state of South African higher education. There is systemic value in an independent statutory body, working in partnership with various stakeholders and organizations, undertaking the monitoring and evaluation of progress towards achieving policy goals.

4.3   Policy development

This is undertaken in relation to and is essentially limited to the domain of quality assurance. The CHE has taken on work of a policy development nature outside of quality assurance – for example, on Academic Policy – only on the request of the Ministry of Education when it has been mutually agreed that it would be more appropriate for an independent body to conduct such work. However, the CHE has sought to ensure that engaging in work of a policy development nature does not compromise its responsibility to ultimately advise on final policy.

4.4   Policy implementation

This role pertains exclusively to the quality assurance (programme accreditation, re-accreditation and review, institutional audits and quality promotion and capacity development) function of the CHE.

The CHE seeks to work closely and cooperatively with stakeholders (including the Department of Education), to hear their views on a number of issues, and to respond to their concerns and interests. Representatives of, and participants from, national stakeholder organizations and individual HEIs contribute extensively to the work of some of the committees and activities of the CHE. At the same time, the CHE tries to accommodate all invitations and requests from stakeholders and individual institutions related to participation in meetings, conferences, workshops, seminars and other activities.

CHAPTER 1: OVERVIEW OF THE CHE

Some of the views of the CHE and its advice to the Minister of Education find favour with a large number of stakeholders and institutions, but leave a few dissatisfied. Other views and advice correspond with the views of some stakeholders and institutions, but not with those of others. In some cases, advice receives endorsement from only a few stakeholders.

Overall, the CHE does not demur from providing advice and recommendations to the Minister that are at odds with the views of individual stakeholders or sectors of higher education, but which the CHE believes to be in the best interests of the system at large. This, of course, may not always endear the CHE to the stakeholders. Such a situation is to be expected and must be seen as accruing from the CHE's legislative mandate. Indeed, some criticism is perhaps integral to the very nature of the CHE.

The interpretation of its role that the CHE publicly promotes through its practice is that it is not a conduit for the views of stakeholders. Stakeholders must and do communicate directly with the Minister. The CHE is also not a go-between, as has sometimes been perceived, in the sense of mediating between institutions and government, although if such a role is required, there is nothing, in principle, that precludes this. Instead, the interpretation of its role that the CHE promotes is that it has been purposively and deliberately established in order to provide the Minister, without prejudice or apprehension, with informed, considered and independent advice that is in the national interest.

In other words, while the CHE must and does take the views of stakeholders seriously, it is required to do considerably more than simply collate and aggregate these views in advising the Minister of Education. It is also required to interrogate and mediate these views, and to offer its own independent advice to the Minister.

Thus, as an alternative to both the conduit and go-between modes of operation, the CHE tries to contribute to a central steering model by defining a space for an independent, a proactive and an intellectually engaged (or rational) mode of intervention.

This proactive role in putting issues on the agenda of stakeholders and stimulating debate appears to be particularly necessary to counteract two relatively generalized tendencies in policy-making and implementation. The first is the tendency, on the part of some actors in the field of HE, to interpret and implement policy in highly selective ways with the effect of all but distorting and undermining the original policy goals and objectives.

Secondly, there is the equally unsatisfactory tendency to formulate policy without giving sufficient consideration to both the conceptual and practical issues that implementation raises. The recent past has alerted the CHE to the need to draw attention to conceptual aspects of policy when these are overshadowed by concern with implementation, and also to critique policy, if it is conceptually or technically lacking or when implementation is inadequate, ineffective or random. The steering model also implies another kind of intellectual engagement – keeping up with the current international debates on HE, bringing to the fore issues deemed relevant to South Africa and stimulating discussion among stakeholders.

The institutional character of the CHE as an independent body must therefore be embodied in its roles of
- providing the Minister, without prejudice or apprehension, with the carefully considered, informed and independent advice that it deems to be in the national interest;
- making considered, fair and objective decisions and judgements on quality matters; and
- providing intellectual leadership on key national and systemic issues.

For example, the CHE must certainly take as its point of departure the values, principles and policy goals of the *White Paper,* and the policy instruments and mechanisms that are advanced for the achievement of policy goals. However, it must also, where necessary, subject these goals and instruments to critical scrutiny, and raise the question of their appropriateness in relation to the fiscal environment, the capacities of HEIs, the available human and financial resources, and so on.

Such a role may occasionally bring the CHE into disagreements and even conflict with stakeholders, including the Department of Education (DoE). This cannot be avoided, without the independence (and value) of the CHE being compromised. It does, however, demand a great deal of wisdom, and absolute integrity, honesty and fairness on the part of the CHE.

Of course, the CHE does not operate in a vacuum. Its activities and advice to the Minister of Education are and will be shaped by a number of factors. These include:

- the legislative framework for higher education and the values, principles and policy goals and objectives contained in the 1997 *White Paper* and the 2001 National Plan for Higher Education;
- the changing requirements of the economy and of society and its different social groups;
- the goals, aims, aspirations and initiatives of national stakeholders and HEIs and science and technology institutions;
- the local and international knowledge and information base regarding higher education issues, questions and practices; and
- the financial resources and human capacities of the CHE.

FULFILLING THE MANDATE OF THE CHE

CHAPTER 2

1 PROGRESS TOWARDS THE MANDATE

As has been noted, the responsibilities allocated to the CHE are extensive and varied. Table 2.1, below, indicates the CHE's responsibilities and its progress and activities over the past six years, and especially during the past year, towards their fulfilment.

Table 2.1: Progress towards fulfilling the mandate of the CHE

RESPONSIBILITY	PERFORMANCE TO DATE

1. Advising the Minister on all HE issues on which the CHE's advice is sought	• Advice given on
	  - HE Amendments Bills of 1999, 2000, 2001 and 2002
	  - 1999 NSFAS Bill
	  - Shape and Size of HE (2000)
	  - 2002 Regulations for the registration of private providers of HE
	  - New Academic Policy for HE (2001)
	  - Proposed new funding framework (2001)
	  - Criteria and process for determining proposed programme mix and niches of institutions (2002)
	  - Cooperative Governance (2002)
	  - Ministry proposals on institutional restructuring (2002)
	  - Nomenclature of comprehensive institutions (2002)
	  - Conditions and criteria for the use of the designations, such as 'university', 'technikon' and the like, and for offering/awarding degrees and postgraduate qualifications (2003)
	  - Proposed new funding framework (2003)
	Performance during 2004-2005
	• Advice given on
	  - Aspects of Distance Higher Education in South Africa
	• Comments on
	  - The Ministry's Draft Code of Conduct for Cross Border/Trans-national Delivery of Higher Education Programmes
	Performance during 2005-2006
	• The CHE provided advice to the Minister on the following policies
	  - Student Enrolment Plan
	  - Further Education and Training Certificate
	  - Higher Education Qualifications Framework.

2. Advising the Minister on its own initiative on HE issues that the CHE regards as important	• Advice given on
	  - Private HE (2000)
	  - Weighting of student subsidy and earmarking funds for black students for academic development
	  - NQF Study Team report (2002)
	  - Institutional redress policy, strategy and funding (2003)
	  - NQF Consultative Document (2003)
	  - New Academic Policy process (2003)
	  - Undertaking of investigation and preparation of draft advice on GATS and its Implications for Higher Education

Performance during 2004-2005/2005-2006
- Investigation for the purpose of providing policy advice on
  - GATS and its Implications for Higher Education
  - Building the Responsiveness of Higher Education Project to enable the CHE to advise the Minister
  - Government Regulation, Institutional Autonomy and Academic Freedom
- The CHE also commissioned a report on
  - The Impact of Changing Funding Sources on Higher Education Institutions, which was shared with the Ministry and the DoE.

3. Designing and implementing a system for quality assurance in HE and establishing the HEQC	**• Establishment of HEQC** - Established an Interim HEQC in June 2000 - Extensive and ongoing consultations with all key stakeholders - Applied to SAQA and received accreditation as an ETQA in 2001 - Released for public comment draft *Founding Document* for HEQC - Produced *Founding Document* for HEQC - Called for nominations and constituted a HEQC in 2001 - Publicly launched HEQC in May 2001 **• Research and development** - Extensive research on various aspects of quality assurance as part of developing programme accreditation and institutional audit policies and systems - Held national conference on quality assurance with international participants in May 2001 - Conducted evaluation of QPU and SERTEC and produced publication - Conducted research on QA systems of professional councils and SETAs and produced publication - Commissioned report on quality assurance terminology - Produced *SERTEC Transition Plan,* 2001–2002 - Produced directory of ETQAs and Professional Bodies (August 2003) - Commissioned research on short courses - Commissioned research on recognition of prior learning - Commissioned research and held workshop on vocational education - Commissioned research on NQF Consultative Document proposals **Performance during 2004-2005** - Production of the Improving Teaching and Learning Resource Pack - Production of the draft Quality Promotion and Capacity Building Development framework document for stakeholder comment - Research on short courses - Research on recognition of prior learning - Research on vocational education

CHAPTER 2: FULFILLING THE MANDATE OF THE CHE

4. Advising the Minister on the appropriate shape and size of the HE system, including its desired institutional configuration	• Produced Memorandum and met with the Minister (December 1999) • Established Task Team and produced Shape and Size report (July 2000) • Extensive engagements with HEIs and stakeholders concerning the Shape and Size report • Obtained and analysed stakeholder submissions on Shape and Size report in preparation for *National Plan* • Discussions with Minister and DoE concerning *National Plan* • Established standing Committee on Shape and Size • Commented on National Working Group report on restructuring • Advised on criteria and process for determining proposed programme mix and niches of institutions • Advised on the Ministry's final restructuring proposals • Advice to Minister on conditions and criteria for the use of the designations, such as 'university', 'technikon' and the like, and for offering/awarding degrees and postgraduate qualifications (2003) **Performance during 2004-2005** • Initial engagements with the Ministry's proposed student enrolment planning in HE and new admission requirements to HE draft documents **Performance during 2005-2006** • The CHE provided advice to the Minister on the Student Enrolment Plan
5. Advising the Minister on the new funding arrangements for HE	• Established CHE Financing and Funding Task Team • Advised Minister on weighting of student subsidy and earmarking funds for black students for academic development • Produced draft document on proposed funding framework (2001) • Obtained and analysed stakeholder submissions • Advised on proposed new funding framework (2001) • Public release of CHE advice to the Minister (2002) • Established Task Team on Institutional Redress policy, strategy and funding • Established Standing Committee on Financing and Funding • Advised on institutional redress policy, strategy and funding (2003) • Advised on proposed new funding framework (2003) **Performance during 2004-2005** • Commissioning of investigation into financing of HEIs for the purposes of providing possible advice to the Minister **Performance during 2005-2006** • CHE published a report: *The Impact of Changing Funding Sources on Higher Education Institutions in South Africa* (March 2006)

6. Advising the Minister on language policy in HE	• Established CHE Language Policy Task Team • Task Team report on language policy framework for HE • Discussed and finalized report of Language Policy Task Team • Advice and report to Minister on language policy • Preliminary interaction with Minister regarding advice • Minister's language policy on higher education draws substantially on CHE advice • Public release of CHE advice to the Minister (2003) **Performance during 2005-2006** • No further policy work has been undertaken as the Ministry has formulated a policy on language in higher education

7. Developing a means for monitoring and evaluating whether, how, and the extent to which the vision, policy goals and objectives for HE defined in the *White Paper* on HE are being realized, and what their consequences are	• Project and funding proposal produced and submitted to donor – R 2.4 million funding received from Ford Foundation towards building a monitoring and evaluation system
	• State of HE Reports of 1998/1999 and 2000/2001 provided as detailed an analysis as feasible on progress towards policy goals
	• Establishment of Reference Group to guide development of a conceptual framework and system for Monitoring and Evaluation
	• Production of numerous drafts of framework document on Monitoring and Evaluation
	• Finalization of a Discussion Document: *Towards A Framework for the Monitoring and Evaluation of South African Higher Education*
	• Preparations for release for public comment of Discussion Document
	Performance during 2004-2005
	• Ongoing monitoring and evaluation of projects
	• Commissioning of research for the Triennial Review of Higher Education publication
	• Publication of a report on the *State of Provision of the MBA in South Africa*
	• Publication of a report, *South African Higher Education in the First Decade of Democracy*
	Performance during 2005-2006
	• Publication of HE Monitor on *South African Higher Education Responses to Students with Disabilities*
	• Publication of HE Monitor on *The impact of changing funding sources of Higher Education Institutions in South Africa*
	• Ongoing monitoring and evaluation projects
	  - The critical review for the chapters of the Triennial Review was completed
	  - Production of Institutional Profiles for University of Cape Town, Stellenbosch University, Rhodes University and Vaal University of Technology
	  - Research project on the state of postgraduate education in South Africa
	  - Research project on the impact of institutional culture on student throughput − three case studies

CHAPTER 2: FULFILLING THE MANDATE OF THE CHE

8. Promoting the access of students to HE	• The Shape and Size report • Provided justification for increasing the participation rate from about 15% to 20% • Called for increased and widened access – especially for historically disadvantaged • Called for increased support for the NSFAS and increasing size of grants • Engagements around RPL and monitoring of developments in this area • Commissioned research on RPL and short courses • CHE decision to commission work on the barriers to equity of access, opportunity and outcomes in HE **Performance during 2004-2005** • Ongoing research on RPL and short courses • Continued work on the barriers to equity of access, opportunity and outcomes in HE • Project on participation of students in quality assurance and promotion **Performance during 2005-2006** • Research project on the influence that institutional cultures have on access and success of students at three higher education institutions • In its advice to the Ministry on the Student Enrolment Plan, the CHE emphasized the matter of increased enrolments in higher education and the need to mobilize more finances.
9. Providing advice to the Minister on the proposed new Education Management Information System for HE	• Recommendations made to DoE following presentation on HEMIS in 1999 • Ongoing communication with DoE and SAQA regarding HEMIS and NLRD in relation to CHE databases for monitoring and quality assurance **Performance during 2004-2005** • Ongoing collaboration with DoE and SAQA regarding HEMIS and NLRD in relation to CHE databases for monitoring and quality assurance **Performance during 2005-2006** • Worked with the HEMIS directorate of the Higher Education Branch of the DoE in relation to different aspects of data collection for the HE system • Advice is no longer necessary as the HEMIS system has been operational since 2000
10. Formulating advice for the Minister on a new academic policy for HE, including a diploma/degree structure which would advance the policy objectives of the *White Paper*	• Academic Policy Task Team with representatives from key constituencies established to undertake work for DoE • Work suspended for decisions related to Shape and Size; reactivation of work during late 2000 • Work of CHE convened Joint Implementation Committee and IJC fed into work of the Academic Policy Task Team • Report on *New Academic Policy* (NAP) approved as discussion document by CHE (2001) • Report handed over to the DoE in late 2001 for public comment process and finalization • Ongoing communication with Ministry regarding NAP and also with SAQA • Awaiting final document from DoE for advice

	Performance during 2004-2005 • Ongoing communication with Ministry regarding NAP and also with SAQA • Awaiting final document from DoE for advice **Performance during 2005-2006** • Ongoing communication with Ministry regarding NAP and also with SAQA • Awaiting final document from DoE for advice
11. Formulating advice for the Minister on stimulating greater institutional responsiveness to societal needs, especially those linked to stimulating South Africa's economy, such as greater HE–industry partnerships	• Project established in 2001 • Project proposal developed and submitted to donor and donor funding secured • Meeting with Minister and discussions with other government ministers and departments and prospective partners • Studies and papers commissioned and published • National colloquium held on 27–28 June 2002 • Publication on commissioned research and colloquium • Colloquium on HE responsiveness at local government level (2003) • Facilitated process to develop an MoU between HEIs in Johannesburg and Johannesburg Metropolitan Council • MoU between HEIs in Johannesburg and Johannesburg Metropolitan Council signed in 2003 • Advice and recommendations to Minister to be finalized in late 2004 **Performance during 2004-2005** • Continuing work on the Building the Responsiveness of Higher Education project to enable the CHE to advise the Minister in late 2005 **Performance during 2005-2006** • The CHE has discharged most aspects of this performance mandate previously. A final document to the Minister of Education on this issue is in production.
12. Appointing an independent assessment panel from which the Minister is able to appoint assessors to conduct investigations into particular issues at public HE institutions	• An initial panel established in 1998 • Panel supplemented with new members during 2000 • Panel supplemented with new members during 2001 • Minister used panel members for investigations at a number of institutions • Panel supplemented with new members during 2003 • Minister used panel member for investigation at the University of Durban-Westville **Performance during 2004-2005** • Ongoing maintenance of panel of assessors **Performance during 2005-2006** • Ongoing maintenance of panel of assessors • Minister used panel member for investigation at DUT

CHAPTER 2: FULFILLING THE MANDATE OF THE CHE

13. Establishing healthy interactions with HE stakeholders on the CHE's work	• Bilateral meetings with CTP and SAUVCA during 1999 • Bilateral meetings with SASCO and CTP during 2000 • Bilateral meetings with all national stakeholders during 2002 • Consultative Conference serves as major forum for interaction • National stakeholders and individual HEIs contribute to the work of the CHE in various ways • Extensive engagements with national stakeholders and HEIs about Shape and Size during 2000 • Extensive contact with DoE and joint activities in select areas • Bilateral meetings with various national stakeholders • Extensive engagements with national stakeholders and HEIs about quality assurance issues **Performance during 2004-2005** • Bilateral meetings with various national stakeholders • Extensive engagements with national stakeholders and HEIs about quality assurance issues • National colloquium in November 2004, linked to ten years of democracy **Performance 2005-2006** • The CEO of the CHE and the Executive Director of the HEQC held meetings with SAUVCA/HESA, student organizations, professional associations and SAQA.

14. Producing reports on the state of HE	• Produced a State of HE report for 1998/1999 – extensive report on the state of HE and the work of the CHE
	• Produced a State of HE report for 2000/2001 – extensive report on the state of HE and the work of the CHE
	• Framework developed for producing ever more comprehensive and analytical reports on the state of HE
	• Future State of HE reports will be facilitated by
	  - CHE Monitoring and Evaluation activities
	  - Protocols with institutions and organizations on data collection and sharing
	  - CHE Triennial Review of HE project
	  - Effective HEMIS system of DoE
	  - NLRD of SAQA
	Performance during 2004-2005
	• Publication of a major report on South African Higher Education in the First Decade of Democracy
	Performance 2005-2006
	• No new system review was produced as these are to be produced only every three years.
	• Design of a new methodology to analyse the state of higher education that looks at institutional profiles rather than system level data. Four institutional profiles were produced during the financial year under review.

15. Convening an annual consultative conference of HE stakeholders	• Convened
	  - 1st Consultative conference in November 1999
	  - 2nd Consultative conference in November 2000
	  - 3rd Consultative conference in November 2001
	  - 4th Consultative conference in November 2002
	  - 5th Consultative conference in November 2003
	Performance during 2004-2005
	• Convened Colloquium on the Ten Years of Democracy and Higher Education on 10-12 November 2004
	Performance during 2005-2006
	  Decision taken to hold the consultative conferences biennially

16. Participating in the development of a coherent human resource development framework for South Africa in concert with other organisations	• Contributions through attendance at workshops • Informal contributions through HRD discussions in context of NQF • Key issue for Responsiveness of HE project and of HE colloquium of 27–28 June 2002 **Performance during 2004-2005** • Meetings with SA Tourism, South African Police Services and other organizations regarding the quantity and quality of human resources • Discussions with SAQA regarding the generalization of the Joint Implementation Plan committee of SAQA, CHE, the South African Police Services and the POSLEC SETA • Contributions through participation workshops, colloquia and meetings **Performance during 2005-2006** • Work with SAQA on Joint Implementation Plan committee related to South African Police Services qualifications • Participation in discussions in the Higher Education Working Group of the President • Attendance of meetings on JIPSA

17. Contributing to the development of HE through publications and conferences	• Initiated a range of publications: Policy Reports, Research Reports, Occasional Papers, Higher Education Monitor, Newsletters and *Kagisano* – a HE Discussion Series to stimulate discussion and debate on important issues related to higher education
	• Initiated a *CHE Discussion Forum* – five held thus far:
	  - Key Global and International Trends in Higher Education: Challenges for South Africa and Developing Countries (Prof. Philip Altbach)
	  - Globalization, National Development and Higher Education (Prof. Manuel Castells)
	  - A Decade of Higher Education Reform in Argentina (Dr Marcela Mollis)
	  - Tertiary Education in the New South Africa: A Lover's Complaint (Prof. Bob Wolff)
	  - A Conceptual Critique of the Consultative Document *An Interdependent National Qualifications Framework System* (Prof. Michael Young)
	  - Numerous conferences, seminars and workshops convened by the HEQC to promote quality and build institutional and individual capabilities

CHAPTER 2: FULFILLING THE MANDATE OF THE CHE

Performance during 2004-2005

- Production of new Policy Reports, Research Reports, Higher Education Monitors and newsletters
- Seminar on 9 March 2005 on theme of *International Trends in Higher Education Quality Assurance: Some National Perspectives*
- Hosted a national seminar in February 2005 to discuss *Provider Readiness to Offer Programmes Using Distance Education*
- CHE Discussion Forum on 15 July 2004 on *The Role of Private Higher Education in South Africa*
- Partnered the AAU, CODESRIA and UNESCO conference on 27–29 April 2004 in Accra, Ghana, on *The General Agreement on Trade in Services (GATS) and the World Trade Organization (WTO) and Higher Education*
- Numerous conferences, seminars and workshops convened by the HEQC to promote quality and to build institutional and individual capabilities

Performance during 2005-2006

- Production of new Policy Reports, Research Reports, Higher Education Monitors and newsletters
- Publication of HE Monitor on *South African Higher Education Responses to Students with Disabilities*
- Publication of HE Monitor on *The impact of changing funding sources of Higher Education Institutions in South Africa* Publication of A Good Practice Guide for Quality Management of Research

Overall, within the constraints of human and financial resources, excellent progress has been registered during the past five years, including during the past year with respect to the execution of responsibilities.

2. INTERACTION WITH THE MINISTER/MINISTRY OF EDUCATION

Meetings with the Minister

The CHE meets with the Minister of Education on a needs basis and on request. A number of meetings were held with the Minister regarding the national review of MEd programmes.

There was also written correspondence on various issues between the CHE and the Minister.

Requests for Advice from the Minister of Education

The Minister requested the CHE to advise her on the following –
  a) Student Enrolment Planning in Public Higher Education
  b) Minimum Admission Requirements for Higher Certificate, Diploma and Bachelor's Degree Programmes requiring a Further Education and Training Certificate (General)
  c) The Higher Education Qualifications Framework.

In March 2005 the CHE's *Policy Advice Report: Advice to the Minister of Education on Aspects of Distance Education Provision in South African Higher Education* (March 2004) was released by the Minister for public comment.

Proactive Advice to the Minister of Education

The CHE also provides proactive advice to the Minister. A number of issues that have been identified for possible advice have been the subject of research and investigations:

a) Barriers (educational, financial, institutional, etc.) to equity of student access and especially opportunity and outcomes in higher education

b) The funding and financing of higher education

c) The macro implementation of institutional restructuring and its impact, outcomes and consequences

d) South African government involvement in and regulation of higher education, institutional autonomy and academic freedom

e) The General Agreement on Trade in Services (GATS) and its implications for higher education

f) Internationalization of South African higher education.

Meetings with the Department of Education

The practice of regular meetings between senior CHE staff and senior officials of the Higher Education Branch of the Ministry of Education has continued and provides an important mechanism for addressing various matters.

3.   CHE STANDING COMMITTEES, TASK TEAMS AND PROJECTS

CHE activities are undertaken through CHE Standing Committees, Task Teams and Projects.

3.1   Standing Committees

Standing Committees are devoted to key HE policy areas and issues that require the ongoing attention of the CHE. The Chairperson and members of Standing Committees are appointed by the CHE. Provision is made for the participation of non-CHE members with the approval of the CHE Council. While Standing Committees are directed and supervised by CHE members, the CHE Secretariat handles their management and administration.

There are three Standing Committees.

Shape and Size

The *Shape and Size Standing Committee* deals with the issues of the overall capacity (*size* in terms of number of institutions, enrolments and participation rate) of the higher education system in relation to the need to develop high level and varied intellectual and conceptual knowledge, abilities and skills to meet the local, regional, national and international requirements of a developing democracy. This Standing Committee also deals with the development of intellectual and conceptual knowledge and skills as well as the ongoing development of professionals at different levels, for different economic and social sectors, in different fields and disciplines and through different kinds of HEIs and educational and pedagogic modes *(shape)*.

CHAPTER 2: FULFILLING THE MANDATE OF THE CHE

The Committee met to discuss and finalize for submission to the CHE Council advice on the Student Enrolment Plan, the Further Education and Training Certificate, and the Higher Education Qualifications Framework, and also to explore possible new issues for investigation.

The Standing Committee is headed by Prof. SF Coetzee and comprises the following members: Prof. M Ramashala, Dr F Ginwala, Mr J Mamabolo, Mr SBA Isaacs and Prof. S Badat.

Funding and Financing

The *Funding and Financing Standing Committee* deals with all aspects of the funding and financing of higher education. *The Higher Education Act* and the *White Paper* allocate specific responsibilities to the CHE in this regard, such as advising on 'the policies, principles and criteria that should govern the allocation of public funds among higher education providers', 'a mechanism for the allocation of public funds', 'student financial aid', 'policy regarding public and private financing and provision, the level and distribution of public subsidies to higher education' and 'forms of student financial assistance'.

Prof. SJ Saunders chairs the Standing Committee and its members are Ms J Glennie, Prof. B Figaji, Prof. M Ramashala, Prof. S Badat and Prof. RH Stumpf (invited non-CHE member).

The Committee met on various occasions to discuss the funding of higher education, and the CHE commissioned report that resulted in the publication, *The Impact of Changing Funding Sources on Higher Education Institutions in South Africa* (March 2006). There was also interaction with the Financial and Fiscal Commission on the funding of health professional training and with the Department of Education (DoE) on the mobilization of further funding for higher education and the DoE/National Treasury Task Team on higher education funding.

Monitoring and Evaluation

The *White Paper* refers to the CHE advising the Minister of Education on
> the performance of the system, having regard to available performance indicators; and
> the progress being made towards achieving national equity and human resource development goals and measures to overcome impediments to achieving transformation goals (Section 3.25i & j).

The CHE's monitoring and evaluation activities are located in the Directorate: Monitoring and Evaluation and are guided and supervised by the *Monitoring and Evaluation Standing Committee*. Prof. AM Perez chairs the Standing Committee and its members include Prof. M Ramashala, Prof. SJ Saunders, and Dr Lis Lange.

During the past year, the following initiatives were undertaken –
  a) Since monitoring and evaluation draw on the analysis of HE data available within the National System of Innovation, the CHE has worked on developing collaborative relationships for the exchange of data with several national bodies. In this regard, the CHE signed a protocol of collaboration and data exchange with the National Research Foundation (NRF) in mid 2005. The CHE has also signed a three-year annually renewable contract with Stellenbosch University's Centre for Research on Science and Technology (CREST).
  b) The CHE produces a *Higher Education Monitor* series, as a vehicle for the dissemination of the results of CHE in-house and commissioned research reports. During this period the following HE Monitors were produced – *South African Higher Education Responses to Students with Disabilities* and *The impact of changing funding sources of Higher Education Institutions in South Africa.*

c) A collaborative research project with the HSRC on a tracer study, *Pathways from further education and training to higher education to the labour market: factors affecting student choice, retention, throughput, and destination;* it has entered its final stages.

d) The Centre for the Study of Higher Education (CSHE) at the University of the Western Cape (UWC) has finalized a study on *equity of access to higher education for disabled students* which the CHE commissioned in association with the Inclusive Education Directorate of the Department of Education. The research report was published as *Higher Education Monitor No.3* in June 2005.

3.2 Task Teams

CHE *Task Teams* are focused on systemic or major HE policy issues on which the Minister has requested the CHE's advice or on which the CHE wishes to provide advice proactively. They are established according to need. The members of Task Teams, including the Chairperson, are appointed by the CHE and non-CHE members may participate with the approval of the Council. The CHE Secretariat is responsible for the management and administration of Task Teams.

Distance Education

The CHE's advice to the Minister of Education on 'the role of distance education in the development of the higher education system' was released by the Minister to stakeholders and the public for comment in March 2005. The Policy Advice Report is available on the CHE's website, as is a major Research Report titled *Enhancing the Contribution of Distance Higher Education in South Africa* on which the CHE drew in providing advice.

South African Government Involvement in and Regulation of Higher Education, Institutional Autonomy and Academic Freedom

In March 2005, the CHE established a Task Team to investigate the past decade of regulation of South African higher education by government and other agencies, and to promote debate on conceptions of institutional autonomy, academic freedom and public accountability, in general, and in the specific context of higher education transformation. Amid concerns and claims by some that the nature of government involvement in higher education is in danger of moving from 'state steering' to 'state interference', the CHE believed it important to undertake a sober and rigorous investigation of the issues, so giving effect to the CHE's responsibilities independently to advise the Minister of Education, to monitor and evaluate higher education, and to contribute to higher education development.

Specifically, the Task Team investigation aims to

- stimulate research and writing
- build shared understandings of institutional autonomy, academic freedom and public accountability, through the creation of various public forums, public discussion and debate on these important principles
- develop consensus, as far as is possible, on the nature and modes of government involvement in higher education transformation, and on the relationships between government and other regulatory bodies and HEIs.

In July 2005, the Task Team agreed on its terms of reference and programme of work. Five key mechanisms were adopted for the purposes of information-gathering, research and engagement: a commissioned overview of recent and current debates; stakeholder submissions; commissioned research; interviews; and structured fora.

CHAPTER 2: FULFILLING THE MANDATE OF THE CHE

The following progress had been made by end-March 2006 –

1. An overview of recent and current debates in South African higher education concerning academic freedom, institutional autonomy and public accountability was commissioned and completed in October 2005. This served as a point of departure for the Task Team in interrogating submissions (see 2. below) and in commissioning research (see 3. below). The overview was posted on the CHE Website, together with a select bibliography of further reading, as a means of informing and stimulating wider debate.

2. In July 2005, the Task Team issued an invitation to stakeholders (institutions, stakeholder bodies and individuals) to make submissions in writing or in person, on issues falling within the scope of the HEIAAF enquiry. Some 25 written submissions were received by October 2005 (two-thirds of these from HEIs). Themes arising from these submissions were analysed and used to inform the directions of commissioned research (see 3. below) and the kinds of issues to be addressed in regional fora (see 5. below). Given that some stakeholders had been unable to complete submissions within the original timeframe, this date was extended to end-February 2006. In addition, as HEIs had generally been unable to consult all their stakeholders in the process of making formal 'institutional' submissions, the Task Team agreed to invite submissions directly from institutions' academic staff associations, other staff representative bodies, and Students' Representative Councils.

3. The process of commissioning research began in November 2005, and five independent research projects commenced in March 2006 for completion by July 2006. These are:
   • an evaluation of cooperative governance, matching empirical perspectives with constitutional and public policy perspectives (Dr 'Maboreng Maharasoa, Central University of Technology)
   • interrogation of the practice of academic freedom in South Africa (and Africa) and implications for the wider practice of intellectual freedom (Dr Adam Habib, Dr Sean Morrow and Dr Kristina Bentley, Human Sciences Research Council)
   • exploration of the potential of a 'social pact(s)' for institutional autonomy (Prof. André du Toit, University of Cape Town)
   • focus on theoretical and empirical dimensions of public accountability in South African higher education (Mr Steven Friedman, Institute for Democracy in South Africa and Mr Omano Edigheji, Centre for Policy Studies)
   • cross-cutting theoretical analysis deriving a principled and contextualized framework for the state-sector relationship, taking into account the South African, global and 'market' contexts of higher education (Prof. Ruth Jonathan).

4. The Task Team is conducting interviews with selected individuals or groups having relevant knowledge, experience, perspectives or affiliations (especially individuals or groups who have not made submissions). By end-March 2006, the Task Team had met with: members of the Executive Committee of Higher Education South Africa; representatives of the Department of Education; representatives of the Board of the Higher Education Quality Committee; and representatives of the student movement, led by the South African Students' Congress. A presentation to the Parliamentary Portfolio Committees on Education, and on Science and Technology, had been scheduled.

5. The Task Team is both organizing and accessing structured fora, in order to facilitate discussion, exchange views, and further debate. A key element of the HEIAAF process is a series of regional fora for the purposes of engaging institutional and other stakeholders in the debate. The first such forum was held in Pretoria in March 2006, while five further regional fora (Bloemfontein, Cape Town, Johannesburg, Durban and Port Elizabeth) had been scheduled to take place by the beginning of June 2006. The fora draw on the perspectives of knowledgeable individuals through keynote addresses and discussant responses, while providing ample opportunity for discussion from the floor. In addition, the Task Team participates where possible in meetings and fora convened by stakeholders (e.g. students, trades union), in order to open up debate on HEIAAF issues.

In 2005, Task Team inputs were made at two student movement events, and at the annual congress of the National Union of Tertiary Employees of South Africa.

The Task Team's investigation will culminate in an independent research report; a national seminar for the purposes of disseminating the report; and a report to the Minister of Education (which may be the research report, or alternatively, may be a policy report prepared by the CHE on the basis of the Task Team's independent report). It is envisaged that these outcomes will eventuate in the second half of 2007, while the investigation will be consolidated between April 2006 and mid-2007 through interim reports, publications, further consultations and, possibly, supplementary research.

3.3 Projects

Issues that are not related to the immediate policy advice responsibilities of the CHE are, with the approval and guidance of the CHE, directed, supervised and managed by the CHE Secretariat as Projects. These include:

- research and investigations that give effect to and/or inform the diverse work of the CHE. The results of these can, following discussion by the Council, lead to advice to the Minister.
- reporting on the state of South African higher education
- the annual Consultative Conference
- CHE conferences and discussion forums
- CHE publications and other media
- the production of the CHE Annual Report that must be submitted to parliament.

The CHE's projects seek to give effect to or help facilitate the execution of the responsibilities that have been accorded to the CHE. The requirement to contribute to the development of higher education provides considerable leeway for the CHE to identify systemic and national HE issues that deserve critical reflection and to initiate projects in this regard. The privileged vantage point that the CHE enjoys with respect to national HE and HE-related developments also makes it easier to identify issues for investigation.

The CHE is convinced that its own ability to provide considered, independent and especially proactive advice is dependent on promoting and helping to sustain high quality critical scholarship on South African HE and HE in general. In the South African context, this requires encouraging and helping to develop and nurture a community of HE scholars and policy analysts within and outside HEIs. Through a number of its projects – monitoring and evaluation, critical triennial review of HE, the role of HE in social transformation, to mention just a few – the CHE seeks to involve established and emerging academics and researchers and contribute to building institutional capacity for HE studies.

Building Relationships between Higher Education and the Private and Public Sectors to respond to Knowledge and High-Level Human Resource Needs in the context of Inequality and Unemployment.

The purpose of the 'responsiveness' project was to give effect to the CHE's statutory responsibility 'to formulate advice to the Minister on stimulating greater institutional responsiveness to societal needs, especially those linked to stimulating the South African economy, such as greater higher education–industry partnerships'.

The project has aimed to understand labour market needs, the fit between graduates' skills, competencies and attributes and employers' needs, while reviewing the theoretical and methodological approaches that underpin the issue of responsiveness. In addition, the project brought together leaders of higher education and leaders from the private and public sector and labour unions to talk about expectations, needs, and especially, the possibility of relationships that are not only beneficial for higher education and employers, but also appropriate for the economic and social needs of the country.

CHAPTER 2: FULFILLING THE MANDATE OF THE CHE

This project, which has been funded by a grant from the United Kingdom Department for International Development (DfID), is now synthesizing the lessons of the past few years and preparing a Policy Advice Report for the CHE to discuss and approve, before submission to the Minister of Education. This Report takes into account the CHE experience of facilitating actual collaborative partnerships between higher education and different private and public stakeholders (2003), as well as the analysis of the fit between sectoral needs and graduate skills through the lens of the re-accreditation of the MBA.

Triennial Review of HE

This project, funded by the Rockefeller Foundation, entails the production of a research-based publication called the *Triennial Review of South African Higher Education.* The purpose of this publication is to gather specialist research on issues on higher education that are of local importance but have at the same time international resonance. The publication has as its main purposes to reflect on emergent trends and issues in South Africa and to advance new ways of thinking about and understanding higher education. At the same time, the commissioning of research papers for the *Review* from research groups around the country is seen as an ideal opportunity to encourage the involvement of young South African researchers, especially black and female researchers, in a research-based publication.

The following are the research topics that have been commissioned –
   • Systemic Governance, Public Accountability and Institutional Autonomy
   • Transformation of Institutional Cultures: A Critical Analysis
   • Changes and Continuities in South African Higher Education 1994-2004
   • Understanding the Discourses of Pedagogy, Change and the Role of Technology in South African Higher Education
   • Equity, Access and Success in Higher Education in South Africa for Adult Learners and Workers
   • Changing Sources of Funding in South African Higher Education.

Final drafts of the research reports have been submitted to the Editorial Team, and these will be peer reviewed and published as monographs. Articles based on the research will be included in a CHE publication during the second half of 2006.

One of the research reports emanating from the Triennial Review project has been published as the HE Monitor No. 4 *The Impact of Changing Funding Sources on Higher Education Institutions in South Africa.*

GATS and its Implication for South African Higher Education

The aims of the project are to
1.   Identify the critical issues and key challenges of principle, strategy, policy and practice that GATS raises in relation to higher education and the implications it has for South African higher education policymakers, regulators (the Ministry and the CHE as far as quality assurance is concerned) and providers (public and private higher education institutions)
2.   Describe and analyse the claims being made in the context of GATS at the WTO by a small number of countries on the South African Government with respect to higher education
3.   Advance approaches and strategies and possible policy options and recommendations with regard to 1. above
4.   Advance approaches and strategies and possible policy options and recommendations with regard to 2. above.

The CHE successfully partnered the AAU, CODESRIA and UNESCO in a conference on 27-29 April 2004 in Accra, Ghana, on GATS and the WTO and higher education, whereafter progress has been made to improve and expand the third draft report, based on ideas and issues that emerged at this conference.

The CHE also attended the AAU General Conference in Cape Town in February 2005, which had as its theme Cross-Border Provision and GATS.

Several bibliographies have been produced as part of the CHE's commitment to the AAU.

A Research Report and Policy Advice Report will be produced.

4.   OTHER ACTIVITIES OF THE CHE

4.1   Conferences, workshops and seminars

The CEO of the CHE, the HEQC Executive Director (ED) and other senior staff of the CHE and HEQC addressed and represented the CHE at numerous regional, national and international seminars, workshops and conferences of stakeholders, HE and HE-related organizations, and HEIs. Significant events included:
   • the Minister of Education's consultative summit on deepening the policy dialogue in Durban at the end of May/early June, which was attended by the CEO, Prof. Coetzee, Dr Singh and Prof. Africa
   • the DoE and Department of Science and Technology conference on Human Resources for Knowledge Production held on 23-24 June 2005 in Cape Town, and attended by CEO and Dr Lange.

4.2   External representation

External representation on other national bodies included:

   • Committee of Heads of Research and Technology (COHORT)

The CHE is an active member of COHORT, an important forum that regularly brings together all the heads of science and research councils, national higher education organizations (CHE, Higher Education Branch of the DoE, SAUVCA and CTP) and the Ministry of Arts, Culture, Science and Technology to discuss matters of science and technology, policy and development, and strategies for addressing challenges in these regards. The CHE CEO serves on the Executive Committee of COHORT.

   • South African Qualifications Authority
      The CHE CEO serves on the SAQA Authority.

   • General and Further Education and Training Council (UMALUSI)
      The HEQC Executive Director serves on UMALUSI.

External representation on other national bodies included:
   • Association of African Universities
      -   The CHE has Associate membership of the AAU.
      -   A CHE member serves on Scientific Committee of the Study Programme on Higher Education Management in Africa.

   • United Nations Education, Scientific and Cultural Orgnisation (UNESCO)
      -   A CHE member serves on the UNESCO Global Forum on International Quality Assurance, Accreditation and the Recognition of Qualifications in Higher Education.
      -   A CHE member serves on the UNESCO Forum on Higher Education, Research and Knowledge.

CHAPTER 2: FULFILLING THE MANDATE OF THE CHE

- International Network of Quality Assurance Agencies on Higher Education
  A CHE member serves on the Board.

- Council for Higher Education Accreditation (USA)
  A CHE member serves on the International Commission.

4.3   Current CHE/HEQC International Agreements

- Tripartite MoU with Polytechnic Namibia and Namibian Qualifications Authority
  Memorandum of Understanding on HEQC quality assurance support to the Polytechnic Namibia

- Australian Universities Quality Agency
  Memorandum of Understanding on HEQC-AUQA cooperation on quality assurance matters

- Quality Assurance Agency (UK)
  Memorandum of Understanding on HEQC-QAA cooperation on quality assurance matters

- National Assessment and Accreditation Council (NAAC), India
  Memorandum of Understanding on HEQC-NAAC cooperation on quality assurance matters

- Norwegian Agency for Quality Assurance in Education
  Memorandum of Understanding on HEQC-NOKUT cooperation on quality assurance matters

4.4   External donor relations

- Ford Foundation
  - Funding of Monitoring and Evaluation project
  - Funding of Quality Promotion and Capacity Development
  - Funding of the Task Team on South African Government Involvement in and Regulation of Higher Education, Institutional Autonomy and Academic Freedom

- Carnegie Corporation
  - Funding of Quality Promotion and Capacity Development

- Rockefeller Foundation
  - Funding of Monitoring and Evaluation project

- Department for International Development (UK)
  - Funding of Responsiveness project
  - Funding of quality assurance

- CENESA (Netherlands)
  - Funding of quality assurance project on research benchmarking

- Finnish Government
  - Funding of Quality Promotion and Capacity Development (bi-national through the Department of Education)

4.5   CHE publications

In accordance with its mandate to contribute to the development of HE through publications, the CHE and HEQC produce a range of publications – Research Reports, Policy Reports, Policy Advice Reports, Policy Documents, Discussion Documents, Occasional Papers, Conference Reports, Newsletters, Kagisano, the CHE's Higher Education Discussion Series and Organizational Brochures. In addition, when necessary, the CHE also issues Press Releases.

Higher Education Monitor
- *The impact of changing funding sources of Higher Education Institutions in South Africa* (No. 4, March 2006)
- *South African Higher Education Responses to Students with Disabilities* (No. 3, September 2005)

A complete list of all CHE publications since its inception can be found under 'CHE Media'. The CHE website – www.che.ac.za provides electronic versions of all CHE publications.

QUALITY ASSURANCE: THE WORK OF THE HEQC

CHAPTER 3

1   INTRODUCTION

Quality assurance is a statutory responsibility of the CHE, carried out through its permanent sub-committee, the Higher Education Quality Committee (HEQC). According to the *Higher Education Act* of 1997, the functions of the HEQC are to
  • promote quality in higher education;
  • audit the quality assurance mechanisms of higher education institutions; and
  • accredit programmes of higher education.

To the above three mandate areas, the Board of the HEQC has added quality-related capacity development.

The HEQC operates within the framework of the NQF and is accredited by SAQA as the band ETQA for higher education.

2   HEQC BOARD AND MEMBERSHIP

The HEQC has its own Board with two CHE members represented on it (the chairperson of the CHE and one other). HEQC members are chosen by the CHE on the basis of nominations from interested parties in higher education. All HEQC members are appointed in their own right for a three to four year period. Board members bring expertise from different stakeholder domains. The new Board was constituted in April 2005. The current membership comprises

Chairperson

Prof. HP Africa *	Independent Consultant, CHE Member

Voting Members

Ms J Glennie *	Director, South African Institute for Distance Education CHE Member
Dr M Motshekga Sebolai*	Academic Director, PC Training and Business College
Ms J Favish*	Director, Institutional Planning, University of Cape Town
Dr D Gihwala*	Dean of Science, Cape Peninsula University of Technology
Dr R Stumpf*	Vice Chancellor and Rector, Nelson Mandela Metropolitan University
Prof. H Hanrahan	Prof. of Communications Engineering, University of the Witwatersrand
Prof. C Manganyi	Vice-Principal, University of Pretoria
Dr D Mogari	Director: Quality Assurance and Promotion Directorate, University of Venda for Science and Technology
Dr NM Takalo	Vice-Principal, North-West University
Mr M Cele	Deputy Director Research, Department of Science and Technology
Mr T Yako	Secretary General, South African Students' Congress
Dr P Naves	Director: Human Capital, SABC

Co-opted members

Ms N Nxesi	Chief Executive Officer, ETDP SETA
Ms S Jawoodeen	Regional Secretary, NEHAWU Ikapa Metropole Region

Non-voting members

Dr M Qhobela	Chief Director, Higher Education Branch, Department of Education
Dr P Lolwana	Chief Executive Officer, UMALUSI
Prof. S Badat *	Chief Executive Officer, Council on Higher Education
Dr M Singh *	Executive Director, Higher Education Quality Committee

(* Members serving on the Executive Committee of the HEQC)

Prof. HP Africa	Ms J Glennie	Dr M Motshekga Sebolai	Ms J Favish	Dr D Gihwala
Dr R Stumpf	Prof. H Hanrahan	Prof. C Manganyi	Dr D Mogari	Dr NM Takalo
Mr M Cele	Mr T Yako	Ms N Nxesi	Ms S Jawoodeen	Dr M Qhobela
Dr P Lolwana	Prof. S Badat	Dr M Singh		
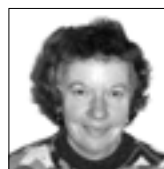
3   ORGANIZATION

The HEQC Board meets every three months and the HEQC Executive Committee (Exco) meets once a month. The work of the HEQC is conducted through the following subcommittees:

- The Exco
- Policy Development and Review Committee
- Accreditation Committee
- Institutional Audit Committee
- The MoU and Delegations Committee

An expanded Exco functions as a Policy Development and Review Committee. Regular reports on the work of the HEQC are tabled at the bi-monthly full meetings of the CHE.

During the past year, the HEQC Board and the Exco met regularly as scheduled and also on an *ad hoc* basis.

CHAPTER 3: QUALITY ASSURANCE: THE WORK OF THE HEQC

The work of the HEQC is divided among three directorates and the office of the Executive Director. The three Directorates are

- Programme Accreditation and Coordination
- Institutional Audits
- Quality Promotion and Capacity Development.

The HEQC Directorates work closely with the Monitoring and Evaluation Directorate of the CHE. The HEQC comprises 30 full-time members of staff who are grouped into the Office of the Executive Director (three), the Programme Accreditation and Coordination Directorate (15), the Institutional Audit Directorate (six), and the Quality Promotion and Capacity Development Directorate (six). The HEQC also uses a number of contract staff and consultants as well as the services of local and foreign quality assurance experts at higher education and other institutions and in other organizations. It draws on the general infrastructure of the CHE for its finance, personnel and media-related requirements. The Executive Director and directors meet once a month, and the Executive Director, directors and managers also meet once a month in a separate meeting.

4   OFFICE OF THE EXECUTIVE DIRECTOR

Overview

The end of the year under review was marked by the tragic death of Dr Prem Naidoo, Deputy Executive Director of the HEQC. His strategic vision, commitment and energy were behind many of the achievements of the HEQC in the reporting period.

The HEQC continued to deepen its implementation work in relation to both mandate areas of institutional audit and programme accreditation. The second year of a six-year audit cycle was a busy one with audits of three research universities and a number of private providers. On the whole, both public and private higher education institutions have indicated that the audit preparations were valuable for ongoing institutional development, with many benefits for strengthening quality throughout the institution. The HEQC also made progress with developing a modified audit arrangement for private providers. The training of large numbers of auditors also helped to increase institutional knowledge of quality issues in the three core function areas. What remains to be seen, is how such understanding is institutionalized and integrated in a sustainable way in the work of higher education institutions.

In relation to accreditation, the launch of the online system in June 2005 marked a significant step forward in this critical area of the HEQC's work. It facilitated a single accreditation application system for public and private providers and made it possible for the HEQC secretariat to process applications more efficiently. The completion of the MBA evaluation in 2004 was followed by a second round of national reviews in 2005. The decision by the board of the HEQC to review a selection of professional and academic programmes in teacher education was given effect with the evaluation of 23 MEd programmes offered at 19 higher education institutions. This will be followed by a national review of the BEd, Postgraduate Certificate in Education (PGCE) and the Advanced Certificate in Education (ACE) programmes in 2006-7. The national review in this qualification area has helped to focus attention on the quality of teacher preparation in schooling, which is a priority for national development. In addition to the national review, a number of routine accreditations, re-accreditations and follow-up reviews of conditions set in previous rounds of accreditation were undertaken. There was slow progress in relation to the coordination responsibility of the HEQC. The continuing lack of systemic resolution of implementation challenges pertaining to the NQF was the source of many delays and difficulties. The HEQC is now looking at a modification of its MoU approach in order to address some of the obstacles to greater cooperation among ETQAs in higher education.

Quality Promotion and Capacity Development was again, as in the previous year, a hive of activity in a number of project areas. Several auditor and evaluator preparation workshops were held, in addition to other types of developmental workshops. The directorate continued with its work of facilitating discussions on and producing resources for use by higher education colleagues, for example, Guide to Good Practice for Quality in Research Management (in partnership with CREST and senior research managers) and Guide to the Quality Management of Service Learning (in partnership with JET/CHESP). The wide range of activities by this Directorate is a good reflection of the responsiveness of the HEQC to the capacity development needs of the different higher education sectors and constituencies in the country. However, in the coming year, a re-assessment of focus and workload issues will be undertaken in order to streamline and reduce the number of projects and to consolidate the promotion and development work of the Directorate.

Overall, it was a successful year in what is still an early phase of implementation of new systems and procedures. The HEQC continued to use the implementation experience to refine and improve its work. Loss of senior staff towards the end of the reporting period created initial uncertainty. Re-allocation of project responsibility, initiatives to replace staff, especially at senior levels, and enormous commitment and acceptance of increased workloads have stabilized the work to a large extent. In the coming year, the HEQC will have to give ongoing attention to ensuring that evaluation outcomes can be supported by credible processes and appropriate evidence, and that internal systems and capacity challenges are addressed timeously and effectively. In addition, the HEQC will have to keep a close watch on implementation challenges related to national policy, e.g. in respect of the mergers, and take these into account in its own work.

4.1   International Liaison

4.1.1   Staff Activities

HEQC staff were again very active participants in a number of international quality assurance activities with ongoing participation in UNESCO, the Organization for Economic Cooperation and Development (OECD), the International Network for Quality Assurance Agencies in Higher Education (INQAAHE) and the Association of African Universities (AAU). As before, such international interactions make it possible for HEQC senior staff to contribute to international debates on quality assurance and to benchmark the work of the HEQC on the basis of information about quality assurance trends and developments in other parts of the world. Some of these activities included:

- the appointment of Dr Prem Naidoo, the deputy Executive Director of the HEQC to the Board of INQAAHE in April 2005;
- the finalization in 2005 of the UNESCO/OECD Guidelines for Quality in Cross-border Higher Education in an international initiative of which Dr Mala Singh was Vice-Chairperson;
- the ongoing involvement of Dr Singh in the UNESCO Global Forum on Higher Education, Research and Knowledge as Vice-Chairperson of the Africa Scientific Committee;
- the ongoing involvement of Dr Singh in supporting the AAU to develop a programme and funding proposal for a quality assurance focus in the AAU Plan of Action;
- a presentation by Mr Theo Bhengu on the work of the HEQC at a regional UNESCO meeting in Kenya in February 2006;
- the participation of Dr Singh in a panel set up by the Australian government to evaluate the AUQA in February 2006. Dr Singh was one of two heads of QA agencies from outside Australia invited to participate as a reviewer;
- the presentation by Dr Singh of a course on International Trends in Quality Assurance at the International Leadership Institute of the United Nations University in Jordan in March 2006; and
- the participation by Dr Singh in an Experts Meeting on the renewal of African Universities arranged by NEPAD and the African Union in October 2005.

CHAPTER 3: QUALITY ASSURANCE: THE WORK OF THE HEQC

4.2   International visitors to the HEQC

The HEQC hosted a number of visiting delegations during the reporting period.
- Three colleagues from the National Council on Higher Education (NCHE) in Uganda visited the HEQC in August/September 2005. The Ugandan colleagues gathered information in respect of CHE and HEQC systems, provided information on their own emerging quality assurance system, and visited universities in Pretoria on the basis of arrangements made by the HEQC.
- Three Australian DVCs were hosted for a week in September 2005 and made presentations on merger issues, community engagement, improvement of Teaching and Learning, etc., at workshops organized by the HEQC in different cities. The workshops facilitated information sharing and building closer links between Australian and South African universities.
- Dr J Patil from the National Assessment and Accreditation Council (NAAC) in India with whom the HEQC has a Memorandum of Understanding was invited to participate in a MEd site visit in October 2005. He also made a presentation at a national workshop on Student Participation in Quality Assurance held at Tshwane University of Technology.
- The HEQC hosted a five person delegation from Finland in November 2005. The Finnish delegation participated in workshops organized by the HEQC under the auspices of the Quality Systems Restructuring Project, which is part of a South African Finland Cooperation programme.

4.3   International visits facilitated by HEQC

- In November 2005, the HEQC arranged a one week visit for a delegation of South African academic leaders to a range of Scottish Universities. The team included Professor Africa (chairperson of the HEQC Board), Professor Nthabiseng Ogude (Deputy Vice Chancellor: Academic, Nelson Mandela Metropolitan University); Ms Chrissie Boughey (Director: Academic Development Centre, Rhodes University); Dr Makhapa Makhafola (Director: Quality Assurance, Walter Sisulu University) and Ms Barbara Morrow (Manager, HEQC). The visit aimed to strengthen South African approaches to Teaching and Learning quality enhancement, and to exchange ideas and share information with Scottish colleagues.
- Professor Anthony Staak from Cape Peninsula University of Technology and Dr Mark Hay of the HEQC visited eight Australian universities in November / December 2005 to explore linkages between Australian and South African universities, and especially to link South African Universities of Technology to their Australian counterparts. Links were made with the Australian Technology Network with a view to developing initiatives on benchmarking, sharing of good practice and possible sharing of staff and students.

5   PROGRAMME ACCREDITATION AND COORDINATION DIRECTORATE

The Programme and Coordination Directorate has a wide range of responsibilities, which include:
- accreditation of new programmes from private and public higher education institutions;
- national reviews: the re-accreditation of existing programmes in a particular programme/discipline area;
- collaboration with other ETQAs, professional councils and other regulatory authorities on quality assurance in higher education. This includes delegation of certain quality assurance responsibilities to bodies or institutions with systems to carry out such responsibilities. The delegation of short courses, RPL, assessor training, moderation of assessment and certification arrangements to institutions fall within this category of work.

Three major highlights of the work of this Directorate during this period were:
- the launch of *heqc-online,* a web-based system enabling higher education institutions to apply for accreditation within the HEQC's new accreditation system;
- a national review of existing MEd programmes; and

- the initiation of a developmental system of working with other ETQAs and professional councils with a view to signing MoUs in future.

5.1   New Online Accreditation System

On 20 June 2005, the HEQC launched *heqc-online,* a web-based accreditation application system.   The introduction of the online system was a significant milestone for the HEQC as it gave effect to one of the major goals of *White Paper 3: A Programme for the Transformation for Higher Education* (1997), namely, the introduction of an integrated accreditation system for public and private higher education institutions.

5.1.1   Routine Accreditation (Public Providers)

During this period, the HEQC received 32 applications from public higher education institutions for accreditation of learning programmes, of which 22 were evaluated. The results of this evaluation are shown in the following table.

Table 3.1: Summary of Routine Accreditation (Public Providers), April 2005 – March 2006

Number of Programmes Received	Number Evaluated	Number of Programmes Accredited	Success Rate
32	22	19	86%

There was a decrease in the number of applications submitted by public institutions during this period in contrast to previous years. In the light of this, the HEQC is commissioning an investigation into the impact of its new accreditation system on programme responsiveness.

5.1.2   Re-accreditation of MTech: Chiropractic Programmes (Public Institutions)

In the collaborative project between the HEQC, HESA and the Allied Health Professions Council of South Africa (AHPCSA), criteria were developed and finalized during this period. The project involved the Durban University of Technology and the University of Johannesburg. The objective of this project is to:
- undertake a comprehensive evaluation of MTech Chiropractic programmes on offer at higher education institutions in order to establish the quality of provision; and
- determine whether the quality of MTech: Chiropractic programmes meets the basic quality requirements of the HEQC in relation to postgraduate provision.

Institutions have already submitted their portfolios in the required format. Site visits will be undertaken in the last quarter of 2006.

5.1.3   Routine Accreditation (Private Providers)

In the period in which the HEQC was phasing in the new online system, seven programmes were submitted by private providers, using the old system for these providers. Six of these programmes were accredited. Under the new system, 22 new programmes were received in the reporting period. Of these, four were accredited. This low success rate is related to the more rigorous nature of the new system, with its nine criteria and minimum standards for candidacy. The routine accreditation outcomes for private providers is shown in the following table.

CHAPTER 3: QUALITY ASSURANCE: THE WORK OF THE HEQC

Table 3.2: Summary of Routine Accreditation (Private Providers), April 2005 – March 2006

Routine Accreditation	Number Received and Evaluated	Number of Programmes Accredited	Success Rate
Old system	7	6	86%
Online system	22	4	19%

5.1.4   Representations (Private Providers)

The HEQC has a system whereby institutions whose programmes have not been accredited can submit representations on errors of fact or omission and request a review of decisions by the HEQC within 21 working days of receipt of the report. During this reporting period, the HEQC processed 38 applications for review of which forty-seven per cent were accredited. The information on these representations is indicated in the following table.

Table 3.3: Representations (Private Providers), April 2005 – March 2006

Number of Representations Received and Evaluated	Number of Programmes Accredited	Number of Programmes Not Accredited	Success Rate
38	18	20	47%

5.1.5   Re-accreditation of Private Providers

During this period, the HEQC processed 21 programmes from five institutions for re-accreditation. Seventy-six per cent of these programmes were accredited and twenty-four per cent had accreditation withdrawn by the HEQC. The details are shown in the following table.

Table 3.4: Summary of Re-accreditation of Programmes (Private Providers), April 2005–March 2006

Number of Providers	Number of Programmes	Number Accredited	Number Not Accredited	Success Rate
5	21	16	5	76%

5.1.6   Evaluation of Multiple Sites of Delivery (Private Providers)

In accordance with the *Regulations for the Registration of Private Providers* (December 2002), every site of delivery of a private institution must be accredited and registered in its own right, hence the need for this project. In this period, the HEQC received applications from one private institution wishing to offer **173** programmes at **19** sites of delivery countrywide. The Directorate first did a desktop evaluation of all 19 sites and 173 programmes. These were followed up with site visits. **Seven** of the **19** sites of delivery and **45** of **173** programmes received were evaluated through site visits.

All sites were accredited (success rate: **100 per cent**). Of the programmes evaluated at each site of delivery, **36** were accredited and **nine** were not accredited, leading to a success rate of **80 per cent**. The evaluation of other sites and programmes will continue to the end of 2006 in a modified approach that is still going to be discussed with the DoE. The current state of affairs in which the HEQC evaluates each site of delivery has posed capacity challenges for the organization.

Table 3.5: Accreditation of Multiple Sites of Delivery (Private Providers)

Total number of sites evaluated	No. of sites accredited	Success rate	Number of Programmes evaluated	Number of programmes not accredited	Number of programmes accredited	Success rate
7	7	100%	45	9	36	80%

5.1.7 Follow-up on Conditional Accreditation (Private Providers)

Since its inception, the HEQC has been accrediting private providers and their learning programmes. In certain instances, conditional accreditation has been granted to programmes and institutions that have been given a year to comply with the conditions of accreditation. The HEQC has been following up on these conditions. During this period, the HEQC received 224 conditional accreditation compliance reports from private providers of which 156 were evaluated; 68 programmes are in the process of being evaluated. Eighty-eight per cent of the programmes were granted full accreditation after complying with their conditions of accreditation, and twelve per cent had their accreditation withdrawn as they failed to address the conditions of accreditation despite the time available for this. Information on follow-up on conditional accreditation is provided in the table below:

Table 3.6: Follow-up on Conditional Accreditation (Private Providers)

Number of Providers	Number of Programmes Received	Number of Programmes Evaluated	Number of Programmes Accredited	Number of Programmes De-accredited	Success Rate
72	224	156	138	18	61%

5.1.8 National Accreditation Database (Public and Private Providers)

In 2004, the HEQC in collaboration with the CHE Monitoring and Evaluation Directorate embarked on a project to develop a synchronized database for accreditation, registration and approval of programmes and qualifications. The aim of this project is to:

- provide the CHE and the HEQC with accurate information on the accreditation status and details of programmes submitted for accreditation to the HEQC since 2001. The information will allow the HEQC and the CHE to produce accreditation profiles of public and private providers, which are essential in developing institutional profiles; and to analyse trends in programme responsiveness in higher education.
- provide the HEQC with complete data on accreditation, which will in the future interface with the online accreditation system. This will allow the organization to produce accurate reports and statistics for its own internal reporting and will support decision-making at the level of the Accreditation Committee and the Board.

CHAPTER 3: QUALITY ASSURANCE: THE WORK OF THE HEQC

During the reporting period, the HEQC submitted information on accreditation to the institutions, the DoE and SAQA for verification purposes.

5.1.9   Institutional Accreditation (Private Providers)

In June 2005, the HEQC Board approved a differentiated approach to institutional audits, meaning that only large private providers and those offering postgraduate level qualifications would be audited. Institutions to be included in the rest of the first cycle of audits will be chosen on the basis of the following criteria –
   •   full registration with the DoE;
   •   full programme accreditation with the HEQC;
   •   more than four cohorts of students who have graduated (some institutions audited had no or very few graduands which limited the scope of the audit);
   •   the institution has been functioning for at least five years (the scope of the audit presumes that the institution has been functioning for some time and has the majority of it policies and quality management systems in place); and
   •   the level of the programmes offered by the institution (whether at NQF level 5 or at levels 6 and above).

This decision means that the large majority of private providers will not go through an institutional audit. The HEQC Board decided that an institutional accreditation system should be developed collaboratively by the Directorates for Accreditation and Coordination and Institutional Audits, in order to evaluate institutional arrangements for quality at the private providers which are not being fully audited. The development of the institutional framework to guide this process is in progress.

5.2   National review of Professional and Academic programmes in Education

In 2004, the HEQC Board took a decision that the HEQC would conduct a national review of selected professional and academic programmes in Education. The review commenced in 2005 with the evaluation of the Master of Education (MEd) programmes in Educational Leadership and Management. Institutions not offering this programme had an alternative specialization selected for review. The national review continues in 2006 and 2007 when the HEQC evaluates the Bachelor of Education (BEd), the Postgraduate Certificate in Education (PGCE) and the Advanced Certificate in Education (ACE) programmes.

5.2.1   Consultation

During the period covered by this report, the HEQC continued with the process of consulting stakeholders involved in teacher education and other education programmes. The following consultations took place during the reporting period −
   •   On 7 June 2005, the HEQC met with the Parliamentary Portfolio Committee on Education. The aim of the meeting was to outline the work of the CHE and HEQC, including a briefing on the national review. The national review was discussed again with the Education Portfolio Committee at another meeting held on 11 October 2005.
   •   On 10 June, the HEQC conducted a workshop with Deans of Education, Quality Assurance Managers and relevant MEd Programme Directors to prepare them for the national review and impending site visits. This was followed by another meeting with the Deans of Education on 1 August before the commencement of the site visits, and on the 30 November, after the MEd Re-accreditation Committee had made its recommendations on each of the programmes.
   •   One hundred and thirty MEd programme evaluators were trained between March and August. The workshops were conducted by the Directorates for Quality Promotion and Capacity Development and Accreditation and Coordination.

- Meetings of the Advisory Committee were held on 29 July and 11 November 2005.
- A second briefing meeting was held with the Minister of Education on 9 December 2005 as a follow-up to that held on 4 March 2005.

5.2.2 Evaluation Phase

Before the site visits began, four institutions voluntarily withdrew from the review. These were: Durban, Vaal and Tshwane Universities of Technology and the University of Zululand. They have all submitted plans on how they will phase out the affected MEd (or MTech) programmes. The list of institutions and MEd programmes reviewed is shown in the following table.

Table 3.7: List of Institutions and MEd Programmes Reviewed in 2005

Institution	Programme
University of the Witwatersrand	MEd (Structured)
University of Stellenbosch	MEd (Education Policy Studies)
Nelson Mandela Metropolitan University	MEd (Educational Management)
Walter Sisulu University	MEd (Educational Management & Policy)
University of KwaZulu-Natal (Durban)	MEd (Education, Leadership & Management)
University of KwaZulu-Natal (Pietermaritzburg)	
University of Fort Hare (Alice)	MEd (Dissertation)
University of Fort Hare (East London)	
University of Cape Town	MEd (Educational Administration, Planning & Social Policy)
Rhodes University (Grahamstown)	MEd (Educational Leadership & Management)
Rhodes University (Namibia)	
University of Venda	MEd (Education Management)
North-West University (Mafikeng)	MEd (Educational Planning & Administration)
North-West University (Potchefstroom)	MEd in Educational Practice (Education Management)
Unisa	MEd (Education Management)
University of Pretoria	MEd (Educational Leadership)
University of the Western Cape	MEd (Educational Management, Administration and Policy)
Cape Peninsula University of Technology (Mowbray)	MEd (Structured)
University of Limpopo	MEd (Dissertation: Education Management)
University of the Free State	MEd (Education Management)
University of Johannesburg	MEd (Educational Management)
Central University of Technology (Bloemfontein)	MEd (Educational Management)
Central University of Technology (Welkom)	

Withdrawal of programmes by the four institutions mentioned earlier meant that 23 MEd programmes of 19 institutions remained to be evaluated. Three-day site visits were conducted by HEQC-appointed expert peer evaluators between 23 August and 9 November 2005. After each site visit, panels compiled reports containing their findings and recommendations on each programme evaluated.

The HEQC then appointed a team of eight established academics to examine all the reports and to ensure consistency in the application of the criteria and in decision-making by the different panels. Where inconsistencies were found, such reports were referred back to the panels for reconsideration.

5.2.3   Decision-making

The HEQC Board appointed a 13-member MEd Re-accreditation Committee. Its composition was as follows –
- six MEd specialists
- two HEQC Board members
- one DoE representative
- one HESA representative
- three HEQC staff members in ex officio capacity

As a subcommittee of the HEQC Board, the role of the MEd Re-accreditation Committee was to:
- serve as the penultimate layer of decision-making before the HEQC Board;
- consider the reports of the panels against the original submissions made by institutions and other relevant documentation;
- ensure consistency in the reports;
- consider the quality of the reports and make appropriate changes;
- make recommendations to the HEQC Board on each programme evaluated; and
- sign off on the draft reports before they were sent to the institutions.

The MEd Re-accreditation Committee met from 23 to 25 November 2005 to consider the reports on each MEd programme evaluated. Reports containing the recommendations of the MEd Re-accreditation Committee were sent to institutions on 14 December 2005. In line with administrative justice requirements, institutions were given until 17 February 2006 to submit responses to these reports on errors of fact or omissions or to refute the report or make representations.

The HEQC Board met on 7 and 8 March to make final decisions on each of the programmes evaluated after considering the reports of panels, recommendations of the MEd Re-accreditation Committee and responses from institutions. The following table shows the decisions made by the HEQC Board in relation to programmes under review.

Table 3.8: HEQC Board Decisions on the MEd. Review

Institution	Programme	Decision
University of the Witwatersrand	MEd (Structured)	Full Accreditation
University of Stellenbosch	MEd (Education Policy Studies)	Full Accreditation
Nelson Mandela Metropolitan University	MEd (Educational Management)	Full Accreditation
Walter Sisulu University	MEd (Educational Management & Policy)	Accreditation with Conditions
University of KwaZulu-Natal (Durban)	MEd: Education, Leadership & Management	Full Accreditation
University of KwaZulu-Natal (Pietermaritzburg)		Full Accreditation
University of Fort Hare (Alice)	MEd (Dissertation)	Accreditation with Conditions

University of Fort Hare (East London)		Accreditation with Conditions
University of Cape Town	MEd (Education Administration, Planning & Policy)	Full Accreditation
Rhodes University (Grahamstown)	MEd (Education Leadership & Management)	Full Accreditation
Rhodes University (Namibia)		Full Accreditation
University of Venda	MEd (Education Management)	Accreditation with Conditions
North-West University (Mafikeng)	MEd (Educational Planning & Administration)	Accreditation with Conditions
North-West University (Potchefstroom)	MEd (Education Management)	Withdrawal of Accreditation
University of South Africa (Unisa)	MEd (Education Management)	Accreditation with Conditions
University of Pretoria	MEd (Educational Leadership)	Provisional Accreditation*
University of the Western Cape	MEd (Education Management, Administration & Policy)	Full Accreditation
Cape Peninsula University of Technology (Mowbray)	MEd (Structured)	Provisional Accreditation*
University of the Free State	MEd (Education Management)	Withdrawal of Accreditation
Central University of Technology (Bloemfontein)	MEd (Educational Management)	Pending
Central University of Technology (Welkom)		Pending
University of Limpopo	MEd (Education Management)	Withdrawal of Accreditation
University of Johannesburg	MEd (Educational Management)	Pending

Note: Provisional Accreditation was granted in the case of institutions which have new programmes that have not yet graduated a first cohort of students.

5.2.4 Review of BEd, PGCE and ACE programmes

The HEQC is preparing for the further review of professional programmes in Education. This review will take place over two years (2006 and 2007). Institutions which have recently undergone restructuring/mergers and those that have not produced a cohort of graduates will be evaluated in 2007. Institutions that have not been affected by the merger process or which merged before 2004 will be evaluated in 2006. As with the MEd review, the review of these programmes will focus on the following specializations –
   • BEd (Foundation Phase)
   • PGCE (FET Phase)
   • ACE (Maths, Science and Technology).

Institutions not offering these specializations will have a different specialization selected. The HEQC has indicated to institutions that it will reserve the authority to evaluate any specialization using criteria, such as students enrolled in that specialization and other considerations. The following activities have taken place in relation to this review −
   • The criteria were finalized and sent to institutions in February 2006.
   • The training of evaluators commenced on 6 March and will continue until 15 June.
   • The HEQC met the Deans of Education on 3 March 2006 to present information on which programmes and sites of delivery were to be reviewed in each institution.

5.2.5   Next steps

The following activities are underway in relation to the national review −
- A meeting with the Council of Education Ministers (CEM) was held on 21 April 2006. The HEQC was invited to this meeting to make a presentation on the national review.
- Two institutional preparedness workshops were scheduled for 24 and 26 April. The aim of these workshops was to provide institutions with a set of guidelines on preparing their portfolios and preparing for the forthcoming site visits.
- Five regional information-sharing workshops with students and academics were held in June.
- Institutions that were evaluated in 2006 had to submit their portfolios by 30 June. These submissions undergo a desktop analysis to determine lines of enquiry and to enable the HEQC to prepare for the site visit.
- After the 2006 group of institutions has submitted portfolios by the end of June, site visits will be conducted between August and October. For the 2007 group of institutions, portfolios will be due for submission in February 2007, and site visits will be conducted between March and April. The Re-accreditation Committee will meet in June 2007 and the final decisions will be made by the HEQC Board in August 2007.

6   COORDINATION

6.1   Memoranda of Understanding

As a band ETQA for higher education with responsibility for coordinating quality assurance in higher education, the HEQC continues to face enormous challenges in the area of coordination. The strong request made by higher education institutions in a workshop held in 2003 was that delegation of quality assurance responsibility to other ETQAs and professional councils should be on the basis of other bodies aligning their criteria with those of the HEQC. There are about 70 bodies (ETQAs and professional councils) currently operating in higher education alongside the HEQC. Because of the difficulties experienced in this area of work caused by the various quality assurance systems of the different ETQAs, the HEQC has adopted a developmental approach which involves the sharing of its systems with other bodies.

In August 2005, the HEQC held a workshop to train evaluators and quality assurance managers from the sector education and training authorities (SETAs) on the HEQC's programme accreditation system. The aim was to foster a common approach to quality assurance by bodies involved in the accreditation of higher education programmes. A similar workshop was held with the Allied Health Professions Council of South Africa (AHPCSA) in February 2006. Similar workshops are planned with the Engineering Council of South Africa (ECSA) and the South African Institute of Chartered Accountants (SAICA) later in 2006.

Discussions are at an advanced stage in relation to the signing of MoUs with the Engineering Council of South Africa (ECSA), the South African Institute of Chartered Accountants (SAICA) and the Council for the Built Environment (CBE). At the same time, the HEQC is also investigating a modified approach to MoUs.

6.2   Quality Assurance functions delegated to Higher Education Institutions

The HEQC is required to report to SAQA on how its constituent providers ensure quality in the following areas −
- Recognition of Prior Learning (RPL)
- Assessor Training and Development
- Moderation of Assessment
- Certification Arrangements
- Short Courses.

The HEQC indicated to SAQA and to all higher education institutions its intention to delegate responsibility to institutions for quality management of these areas. During this period, the HEQC received progress reports in respect of improvement plans already submitted. These were evaluated by a group of experts contracted by the HEQC.

The HEQC is in the process of developing a framework for the delegation of these functions to higher education institutions. This delegation will be carried out over a three-year period (2006 – 2009) as it will involve site visits to institutions to verify their quality management systems in relation to these areas. The HEQC is planning workshops for institutions to share good practices in these areas. These workshops will be organized in collaboration with APPETD, HESA and regional higher education consortia.

7   INSTITUTIONAL AUDITS DIRECTORATE

In the period under review, the chief activities of the directorate included the preparation for and conduct of the audit programme for 2005, work on the audit reports from the 2004 audits, preparations for the 2006 audits, further systems development and refinement of activities, and the commissioning of research on institutional audits which were conducted in 2004 and 2005.

7.1   Audit Programme, 2004-2005 (follow-up) and 2005-2006

The Directorate moved into its second year of implementation of the audit cycle after a generally successful first year of conducting audits. Feedback received from institutions audited in 2004 and 2005 indicated that the conduct of the exercise was relatively well received within the institutions. Likewise, feedback from peers on audit panels was positive, and suggests that the institutional audit system is working reasonably well.

The final audit reports for the 2004 institutions were sent to the institutions concerned, and the executive summaries of the reports placed on the CHE website for public access. A number of the 2005 audit reports have also been finalized and sent to the relevant institutions. The executive summaries of the audit reports for Helderberg College, Centurion Akademie and the University of Cape Town were placed on the CHE website.

Table 3.9: Audits conducted by the HEQC between April 2005 and March 2006

Name of higher education institution	Dates of the audit visit	Type of institution
Helderberg College	18-21 April 2005	Private HEI
Centurion Akademie	3-6 May 2005	Private HEI
University of Cape Town	16-20 May 2005	Public HEI
Rhodes University	5-9 September 2005	Public HEI
Stellenbosch University	10-14 October 2005	Public HEI
Cranefield College of Project and Programme Management	28-30 March 2006	Private HEI

7.2   Preparations for Institutional Audits

Preparations for institutional audits include internal HEQC audit-planning meetings which also focus on the institutional profiles produced by the CHE's Monitoring and Evaluation Directorate. In this process, insights from the profile are integrated with lines of enquiry emerging from a reading of the institution's self-evaluation portfolio, and a set of key themes for the audit is produced.

CHAPTER 3: QUALITY ASSURANCE: THE WORK OF THE HEQC

These themes and lines of enquiry inform the production of preliminary questions for the various interview sessions planned during the audit visit.

In the case of institutions with multiple campuses, the Directorate arranges preliminary one-day visits to satellite campuses for a provisional assessment of the arrangements for quality, and provides a report with recommendations on how the management of quality at the multiple campuses should be addressed during the audit visit.

Detailed arrangements for the conduct of the audits taking place between April 2006 and March 2007 have been underway since 2005. These include finalizing the composition of the audit panels, ensuring that all auditors have participated in auditor preparation programmes, conducting preparation visits to the respective institutions, providing feedback to institutions on draft portfolios, and attending to the extensive logistical arrangements associated with the conduct of audits.

Once the date for the audit of an institution has been finalized in the audit schedule, the HEQC Secretariat conducts an initial notification visit to the institution. Informing the institution of the nature of the audit process includes providing information on issues, such as the scope of the audit, conducting the institutional self-evaluation, preparing the audit self-evaluation portfolio, and HEQC visits to satellite campuses. During the reporting period, notification visits to the following institutions took place.

Table 3.10: Notified institutions and their audit dates

Name of higher education institution	Audit dates	Type of institution
Vaal University of Technology	15-19 May 2006	Private HEI
Da Vinci Institute	5-9 June 2006	Private HEI
PC Training and Business College	14-18 August 2006	Private HEI
Monash SA	28 Aug–1 Sept 2006	Private HEI
University of Witwatersrand	18-22 September 2006	Public HEI
University of the Free State	16-20 October 2006	Public HEI
Tshwane University of Technology	16-20 April 2007	Public HEI
University of Pretoria	21-25 May 2007	Public HEI

The HEQC is in the process of completing notification visits to institutions to be audited in 2007, as the following table shows.

Table 3.11: HEQC notification visits (in preparation)

Name of higher education institution	Audit dates	Type of institution
Polytechnic of Namibia (by special agreement and at the request of the Polytechnic)	5-9 March 2007	International public HEI
Midrand Graduate Institute	7-11 May 2007	Private HEI
Advtech Group	23-27 July 2007	Private HEI
Durban University of Technology	13-17 August 2007	Public HEI
University of the Western Cape	10-14 September 2007	Public HEI

7.3   Schedule of Audits for the First Cycle (2004–2009)

In 2004, the Directorate compiled a provisional schedule of audits for the first cycle of audits (2004-2009) to meet the mandate to audit higher education institutions. During this cycle, all public higher education institutions will be audited in full according to the HEQC *Framework for Institutional Audits.* However, given the experience of auditing private providers in the first two years of the cycle, and following the decision of HEQC Board, the Directorate developed a differentiated approach to the audits of private higher education providers in order to optimize the use of the HEQC's resources and to avoid unnecessary duplication of quality assurance activities. It was thus decided that large private providers will be audited in the usual way, and that small private providers offering postgraduate qualifications would undergo a modified audit focusing on postgraduate provision. Small private providers will not be audited in the first audit cycle. Instead, the HEQC will rely on the institutional accreditation processes to ensure that such providers meet the HEQC's minimum quality assurance requirements.

A process to identify private providers to be audited in terms of this approach has been completed, and institutions have been informed. This has resulted in a modification of the original list of institutions proposed for audit, with the HEQC deferring the audit of some small private providers to the next audit cycle when the audit priorities will again be reviewed. The HEQC Board approved the differentiated approach to audit in June 2005.

The HEQC Secretariat developed a draft process for the conduct of modified audits of small postgraduate providers. An institutional Audit Manual to guide providers in audit preparation was drafted and tested during the audit of one postgraduate provider. As a result of this, the Directorate signalled that a further review of the audit system for postgraduate providers and large private providers will be undertaken in April 2006.

7.4   Institutional profiles

In an innovation tested for the first time in 2005, the CHE's Monitoring and Evaluation Directorate developed institutional profiles to assist audit panels in planning their audits of public higher education institutions. These profiles are compiled using publicly available information, and aim to identify trends and patterns in the management of quality at institutional level which can be used in the audit process. In particular, the profiles offer a comparative analysis of the institution being audited against the performance of comparable public higher education institutions. The institutional profiles will be made available to the relevant institutions.

7.5   Developing an Online Administration System for Audit

Following the recent development of an online system for the Accreditation and Coordination Directorate, an online audit administration system for the Institutional Audit Directorate is under development. Directorate staff are currently collaborating with staff from the Monitoring and Evaluation Directorate to design a system that will strengthen the management of workflows within the Directorate. The audit online system will not include online portfolio submissions from institutions. It is anticipated that the system will be available for testing in early 2007.

7.6   Research

The HEQC commenced its first cycle of institutional audits in 2004, and by the end of 2005 had audited four public institutions and five private providers. The HEQC has elicited feedback from the institutions which were audited and, on the basis of this, will seek to optimize preparations for audit, especially the conduct of the audit site visit and the production of the audit report.

CHAPTER 3: QUALITY ASSURANCE: THE WORK OF THE HEQC

Research was commissioned that will be used to inform the ongoing assessment of the methodology of the current audit system, as well as the eventual review of the present system itself, in order to signal possible modifications that may be necessary for the second audit cycle starting in 2009. Insights from the research which could be useful to enhance their own continuous improvement processes will be shared with higher education institutions. The research report will be submitted in the second part of 2006.

7.7   Training of Audit Panellists, Audit Chairpersons and Audit Report Writers

In collaboration with the Quality Promotion and Capacity Development Directorate, workshops to prepare auditors, audit Chairpersons and audit report writers were conducted in April, May, July, October and November 2005, and in March 2006. Further workshops to prepare auditors, audit panel Chairpersons and report writers are planned for the remainder of 2006.

7.8   Support for Institutions undergoing Audits

The HEQC routinely invites institutions which are due to be audited to send members of their senior management teams to auditor preparation workshops, and where appropriate some individuals are invited to serve on audit panels. A special workshop on institutional readiness for audit was conducted in December 2005 in support of institutions preparing for audit in 2006 and 2007. This workshop was developed in collaboration with institutions which were audited in 2005 and those preparing for audit in 2006.

7.9   Guidelines to Institutions for the Development of Improvement Plans

The Directorate provided draft guidelines to institutions for the development of post-audit visit, improvement plans, which audited institutions are required to submit within five months of receiving their audit reports. In September, the HEQC held a workshop at the University of Cape Town, attended by senior staff from audited institutions, on the development of improvement plans and post-audit implementation of the plans. The workshop included a presentation by a senior Australian academic on the Australian institutional experience of preparing and implementing post-audit improvement plans. Participants were able to draw on these insights, as well as on the experience of recently audited South African institutions.

The four institutions audited in 2004 submitted improvement plans in November 2005. These plans will be tabled for discussion at an Institutional Audit Committee meeting.

7.10   The Institutional Audit Committee

The HEQC Board approved the formation of an Institutional Audit Committee whose role on behalf of the Board is to scrutinize draft audit reports before they are sent to institutions for comment. The final draft of each report is tabled for approval by the full HEQC Board. Committee membership is constituted by members of the HEQC Board as well as from the higher education sector.

7.11   Audit Manuals

The draft *Institutional Audit Manual* and *Auditor Manual* continued to undergo revision as a result of the experience of the first two years of the implementation of the audit system. The institutional audit system processes have now stabilized and the manuals are due for completion in the latter half of 2006.

7.12   Report Writer's Manual

One of the most challenging tasks facing the Directorate is the production of high-quality audit reports. The HEQC Secretariat is currently working on developing systematic approaches to ensure the production of high quality audit reports. A Report Writer's Manual is in the process of being prepared. It is due to be completed at the end of 2006.

7.13   Audit Regulations

The directorate produced a draft set of regulations pertaining to institutional audits. These will be incorporated into the HEQC Regulations, and will give legal authority to the key requirements of the institutional audit process.

7.14   HEQC review of the first two years of the First Institutional Audit Cycle (2004-2009)

A two-day workshop to review the implementation of the audit system during the first two years of the current six-year cycle was held in November 2005. The aims of the workshop were to identify the strengths and weaknesses of the audit system, and to take appropriate steps for its refinement and improvement. A detailed set of planned refinements is scheduled for implementation in 2006.

7.15   Planning for 2006-2007

The audit directorate held an extended meeting in December 2005 to review and plan its audit activities. An action plan, which will form the basis for the work of the directorate in 2006-2007, was developed.

8   QUALITY PROMOTION AND CAPACITY DEVELOPMENT DIRECTORATE

The Quality Promotion and Capacity Development (QPCD) Directorate has three broad areas of responsibility:
1   Preparation of institutional auditors and programme evaluators in support of the national audit and accreditation systems of the HEQC
2   Quality Promotion: to institutionalize a quality culture in higher education and a commitment to continuous improvement
3   Capacity Development: to build and enhance the capacity of quality assurance systems at HEIs in order to improve the quality of provision at systemic, institutional, programme and individual level.

A tragic blow to the Directorate, with a critical impact on the leadership required to carry out its activities, was the death in February 2006 of its Director, Dr Prem Naidoo. Between his death and the end of the reporting period, Dr Lis Lange has been the Acting Director, and there was some adjustment of activities to take account of this sudden loss. Fundamentally, however, staff continued with work as planned and it is to their credit, and to that of the organization as a whole, that disruptions have been kept to a minimum.

8.1   Institutional Auditor Preparation

The HEQC system of institutional audits requires a pool of peers and experts who can arrive at sound judgements based on evidence linked to the HEQC's criteria. In the period 1 April 2005 to 31 March 2006, the Directorate held four auditor preparation workshops which trained almost 130 potential auditors. As has been the case since the inception of this programme, the aims, content and methods of the workshops were developed and presented collaboratively with the Institutional Audit Directorate, with the structure of the workshops following the steps of audit as closely as possible. Participants were drawn mainly from public and private HEIs.

CHAPTER 3: QUALITY ASSURANCE: THE WORK OF THE HEQC

Table 3.12: Auditor Preparation Workshops, April 2005-March 2006

Date	Participants
25-27 May 2005	30
27-29 July 2005	32
18-20 October 2005	32
24-26 March 2006	32
Chairpersons and report writer workshops	
10-12 April 2005	20
31 October – 2 November 2005	17

As the table above shows, separate but related workshops were held for potential audit panel chairpersons and audit report writers. These in particular were the subject of detailed reconsideration by the Audit and QPCD directorates, as the roles and responsibilities of the chairpersons and report writers became clearer through experience of actual audits. Evaluation of all the workshops, and of their relationship with and value to HEQC audits and to the quality of HE generally, was regularly undertaken. Participant feedback and external assessment informed programme review. Information from these exercises will support, in particular, a substantial auditor preparation and audit review to be completed within the second half of 2006.

8.2 Programme Evaluator Preparation

The programme accreditation system depends on panels of expert peers who can make evidence-based judgements in relation to the HEQC criteria. The training of potential panellists takes place mainly through regional workshops. From early 2005, the model adopted for these workshops has been to request HEIs to host them, with a number of places at each workshop being reserved for the host institution. This builds capacity at institutional level as well as enlarging the pool of potential evaluators.

Table 3.13: Programme Evaluator Preparation Workshops, April 2005-March 2006

Date	Institute	Participants
5-6 April 2005	University of Johannesburg	40
5-6 May	University of the Western Cape	36
26-27 May	Tshwane University of Technology	40
29-30 June	Colleges of Agriculture	35
14-15 July	Private providers	35
17-19 August	Unisa	35
25-26 August	ADvTECH	24
29-31 August	Nelson Mandela Metropolitan University	40
18-19 October	University of the Witwatersrand	32
27-28 October	North-West University	36
15-16 November	EDUCOR	30
9-10 February 2006	In collaboration with the Allied Health Professions Council	33

In addition, as part of the national review of education programmes undertaken by the HEQC in 2005 and 2006, training was provided to a cohort of evaluators to enable them to conduct site visits and to write reports to be used by the HEQC Board in making re-accreditation decisions.

Table 3.14: National Review Evaluator Preparation Workshops

Date	Institution	Participants
4-5 July	North-West University	18
6-8 July	University of the Western Cape	24
21-22 July	University of KwaZulu-Natal	24

Additional national-level workshops were held on 1, 2 and 3 August.

8.3 Improvement of Core Functions

8.3.1 Improving Teaching and Learning for Success Project

This project is associated with the dissemination of the teaching and learning resources and the lessons learned from HEQC audits. The Centre for Higher Education Development (CHED) at the University of Cape Town was commissioned to support the project. The aim of the phase under review was to reflect on the kinds of intervention which institutions have tended to employ in order to improve student throughput and success rates by improving teaching and learning; and to build the capacity of institutions, with particular emphasis on foundation and extended curriculum programmes. The Department of Education has agreed to make the necessary data available and has earmarked supporting funds.

In September 2005, the HEQC in collaboration with CHED and the DoE held a national meeting, attended by thirty-five senior managers from public HEIs, on the design and development of foundation and extended programmes. In November, the QPCD Director, Dr Prem Naidoo, and Dr John Carneson made presentations at the annual conference of the South African Academic Development Association (SAADA). This followed discussions through 2005 with the Association on the value of closer collaboration on the Improving Teaching and Learning for Success project.

The purpose of the second phase of the project, which starts toward the end of 2006, will be to make a series of recommendations to improve student success rates across the higher education system.

8.3.2 Guide to Good Practice for Quality in Research Management

This guide is the outcome of collaboration between the HEQC, the Centre for Research on Science and Technology (CREST) at Stellenbosch University and senior managers responsible for research at HEIs. The guide was published in July 2005 on the CHE Website, and circulated in print form to all HEIs. In October, a two-day workshop was run for all institutions on how to undertake self-evaluation and develop the institutional portfolio for the research function. The Quality Promotion and Capacity Development Directorate has entered into an agreement with CREST to support two meetings per annum of the Research Directors' Forum, which includes all the directors and deans of research at the public higher education institutions. The agendas of these meetings include the management of the research function at institutions and how this relates to the improvement of research quality.

CHAPTER 3: QUALITY ASSURANCE: THE WORK OF THE HEQC

8.3.3   Community Engagement Project

Within institutional audits, quality issues relating to community engagement form part of the HEQC's focus. This project, in collaboration with the Joint Education Trust (JET), aims to promote quality, share good practice and build capacity in the area of community engagement (which includes service learning). A draft Guide to the Quality Management of Service Learning, completed in August, was discussed at regional workshops in the second half of the year. During the same period, HEQC and JET participated in an international conference held at the University of Stellenbosch, convening a session at which further inputs on the draft Guide were made. The national conference on Community-University Engagement planned for the year under review will now take place in September 2006.

8.4   HEQC Quality Managers' Forum

The HEQC convenes a forum approximately twice a year for quality assurance managers from public and private HEIs. The purpose of the forum is to facilitate debate on key issues, to share experiences and to disseminate information. Programme content is developed in collaboration with Higher Education South Africa (HESA), the Association of Private Providers of Education (APPEDT), and other interest groups.

Table 3.15: Quality Managers' Forum meetings

Institutions	Date	Participants
Public HEIs	5-6 April 2005	36
	16-17 February 2006	36
Private HEIs	2 June 2005	80
	28 February 2006	90

8.5   University Librarians' Project

As part of its collaboration with academic support service organizations on quality related issues, the HEQC has been assisting the Committee of Higher Education Librarians in South Africa (CHELSA) to produce a guide to good practice and a protocol for self-evaluation and peer review. The HEQC's involvement with CHELSA was finalized with Dr John Carneson's participation in the launch of the good practice guide in March.

8.6   South Africa – Scotland Links

This linkage is one of the results of the Memorandum of Understanding between the CHE and its counterpart organization, the Quality Assurance Agency (QAA), in the United Kingdom. Its main purpose is to enable Scottish and South African quality assurance practitioners, and the HEQC and QAA, to exchange experiences and share information. In November 2005, a five-person group consisting of the Chair of the HEQC Board, senior academic staff from the Nelson Mandela Metropolitan University, Walter Sisulu University of Technology, Rhodes University, and a QPCD staff member undertook a one-week visit to six Scottish universities and to the QAA in Scotland.

During the latter part of the current reporting period, planning took place for a return visit, scheduled for September 2006. This will coincide with a national event on Assessment, convened by Rhodes University.

8.7   Data, Information and Evidence for Quality Assurance in Higher Education

Drawing on the experience of the audit process and other CHE-related activities, there has been a growing recognition within the organization of the need throughout the higher education sector for skills in, and knowledge and understanding of, the use of data and information in planning for the improved quality of HEIs' core activities. A workshop for all public HEIs held on 16 and 17 March at the Kopanong Hotel, Benoni, was an initial step in defining more precisely what these needs are, and what the role of the CHE should be in responding to them.

Presentations dealt with issues at national level, and with institutional experiences and case studies. A small working group was set up to further examine issues arising from the workshop, and to set an agenda for activity for the next two to three years. The emphasis in this activity will be on collaboration between institutions, with the CHE playing an appropriate facilitating role.

8.7.1   'Student Quality Literacy' Project

This project aims to provide students with the knowledge, skills and tools which they need to become in-volved in quality promotion and quality assurance processes at HEIs. Using a different set of activities for each, the project targets two categories of students: prospective students, and those who are currently within the HE system. Between April and September 2005, a researcher contracted to the HEQC carried out a baseline survey on student participation in quality matters at six public institutions: Nelson Mandela Metro-politan University, Border Technikon (now part of the Walter Sisulu University of Technology), University of Fort Hare, University of Johannesburg, University of Pretoria and the University of the Witwatersrand. Meetings of the reference group established in early 2005 also took place to advise and provide strategic direction to the project.

8.7.2   Focus on Prospective Students

Major activities for this category of students were an information campaign, involving dissemination of HEQC advocacy and 'quality literacy' material; and HEQC participation in two SABC career exhibitions in February and March 2006.

8.7.3   Focus on Current Students

Through the first half of 2005, a commissioned researcher conducted a baseline survey on the current state of student awareness and participation in quality issues. Focus group discussions were conducted with students at five institutions, and deans of students and quality managers were also surveyed. The report of this baseline survey will be published on the CHE Website at the end of August 2006. In July, the HEQC will conduct a full-scale quality awareness campaign for currently registered students and student leadership.

Between 26 April and 6 May 2005, a team consisting of the CHE CEO, the HEQC manager responsible for the project, two students, a dean of students and a representative from the constituency affairs of DoE visited Scotland to take part in training activities of the Student Participation in Quality Scotland (SPARQS) Organization. The aim of this visit was to gain insights into the involvement of students in quality assurance. A planned workshop on student participation in quality assurance, to have been co-hosted by HEQC and SPARQS in September 2005, did not take place; however, the HEQC conducted three regional workshops in October 2005 with Dr J Patil from the National Accreditation and Assessment Council (NAAC) of India. Tshwane University of Technology hosted a national workshop on student participation in quality assurance, which brought together SRCs, quality assurance managers and student affairs officers. Smaller workshops were subsequently held in KwaZulu-Natal and in the Eastern Cape.

CHAPTER 3: QUALITY ASSURANCE: THE WORK OF THE HEQC

In October and November, the HEQC presented workshops at two public institutions with newly elected Student Parliament representatives. At the end of March 2006, the new South African Union of Students (SAUS) was launched at Stellenbosch University, attended by student representative councils from all public HEIs. A resolution of the congress was to adopt the 'Student Quality Literacy' project as one of the initiatives that the union will seek to promote.

8.8   The Quality Systems Restructuring Project

This project is part of the South Africa-Finland Cooperation Programme which includes Information and Communications Technology (ICT), Quality Assurance, and Research and Collaboration. The HEQC is responsible for managing the Quality Assurance component. Direction is by a Steering Committee consisting of representatives of the DoE, HEIs, the Centre for Educational Policy Development (CEPD), the Finnish government and the HEQC. The project, funded as part of the Cooperation Programme from the HEQC's own resources, has three components. The major emphases are on support for merging institutions, particularly in relation to building their new quality management systems; and on the refinement of quality management systems at HDIs. In addition, institutions not included in the above categories are invited to bid for grants to support improvement and innovation projects in the core function areas of higher education.

During the reporting period, the HEQC continued its series of visits to merged and historically disadvantaged institutions, in order to provide information about the project, and to ensure that quality is high on the institutional agenda.

Table 3.16: Project-related Visits by Senior HEQC Staff to Merged and Historically Disadvantaged Institutions, April 2005-March 2006[1]

Institution	Date
University of Johannesburg	31 May
Durban University of Technology and Mangosuthu Technikon	3 June
North-West University	1 August
Nelson Mandela Metropolitan University	5 August
University of Limpopo	15 August
Cape Peninsula University of Technology	17 August
University of the Western Cape	17 August
Tshwane University of Technology	18 August
Durban University of Technology	19 August
Unisa	25 August
Walter Sisulu University	30 August
University of Fort Hare	7 September
University of Zululand	4 October
University of Venda	12 October

A number of national workshops were presented. On 30 June 2005, a national workshop took place at the Tshwane University of Technology on problems related to pipeline students in merged institutions. From 18-20 September, a national workshop, co-hosted by the HEQC and the DoE, took place at Unisa on the development of a new academic organizational and programme structure for merged institutions.

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[1] For the purposes of the project, HDIs include institutions which are historically disadvantaged, but which do not form part of merged institutions: *viz.* the Universities of Venda, Fort Hare, Zululand and the Western Cape, as well as Mangosuthu Technikon.

From 28-29 November 2005, a national workshop took place on the diagnostic analysis and review of institutional and programme quality arrangements at merged institutions. This was attended by a group of Finnish experts as part of the Cooperation Programme.

In addition, a number of institutional workshops on the HEQC's systems were hosted at the request of institutions.

Table 3.17: Institutional Workshops on HEQC Systems, April 2005-March 2006

Institution	Date
North-West University	17 May 2005
Tshwane University of Technology	13 June
University of Limpopo	28 June
Unisa	22 August
University of Zululand	4 October

On 18 July 2005, the first meeting of the Steering Committee of the project took place. A Joint Steering Committee meeting took place on 2 November 2005. This included the ICT and Research and Collaboration components of the programme. Meetings with institutional contact persons took place on 15 and 16 November 2005. The purpose of these was to discuss possible initiatives for the project for 2006, and to reflect on the programme during 2005. The Supervisory Board of the South Africa-Finland Cooperation Programme had its first meeting on 23 November 2005. The HEQC's report for 2005 which was tabled at the meeting was received favourably.

A meeting on 2 December 2005 discussed the development of criteria, processes and other issues relating to the awarding of competitive grants to institutions and departments in 2006 and 2007. On 17 January 2006, the project's Screening Committee considered proposals from ten higher education institutions for funding for development of their quality management systems. Eight proposals were approved, with a total of R1 832 121.00 being allocated to institutions. This amount included funds allocated in the project for 2006, as well as those rolled over from 2005.

On 2 March 2006, the Committee responsible for the development of criteria and processes for awarding competitive grants met at the University of Cape Town's Centre for Higher Education Development (CHED) and discussed a pre-final draft of the concept framework for awarding the grants to institutions.

Dr Herman du Toit, who manages the project within HEQC, visited Finland in March 2006 as part of a delegation, which also included members of the DoE and a member of the Research and Collaboration component of the South Africa-Finland Cooperation Programme. He visited the Finnish Higher Education Evaluation Council (FINHEEC), as well as a number of universities, polytechnics and institutes. Particularly interesting from a quality assurance perspective was FINHEEC's recent evaluation of doctoral studies, as well as its systems for the training of evaluators and auditors. Issues discussed also included possible exchange mechanisms for HEQC and FINHEEC staff, as well as for Finnish peers to serve on HEQC audit panels and vice versa.

8.9   Universities of Technology Network: South African – Australian Links

The HEQC received AusAid funding in July to establish links between South African and Australian HEIs. A number of national workshops were held in September 2005 at which three Australian Pro-Vice Chancellors made presentations.

CHAPTER 3: QUALITY ASSURANCE: THE WORK OF THE HEQC

Between 21 November and 3 December, Professor Anthony Staak (Deputy Vice Chancellor: Cape Peninsula University of Technology) and Dr Mark Hay of the HEQC visited eight Australian universities and universities of technology to explore possible institutional collaboration and sharing of good practice, particularly in the area of quality assurance. Contacts were established on behalf of the South African Universities of Technology with the Australian Technology Network (ATN) to explore areas for collaboration, such as benchmarking activities, sharing good practice, exploring common research interests and the exchange of staff and students.

8.10   Distance Education Project

Following the HEQC Board's identification of an increased understanding of quality issues in distance education as a priority, the South African Institute for Distance Education (SAIDE) was commissioned to carry out a multi-outcome project in this field on behalf of the HEQC. During the current reporting period, work continued or was completed on a number of deliverables: convening a seminar and producing a guide on institutional readiness to provide higher education through distance methods; providing distance education-related training for programme evaluators and audit panellists; providing expert input into preparations for the national review of teacher education; and development of a Good Practice Guide for distance education.

8.11   e-Learning Project

The purpose of this project, launched in the first quarter of the reporting period, is to support the needs of both the DoE and the CHE in responding to initiatives in the rapidly developing field of e-learning, in their respective planning and accreditation activities. The initial phase, completed during the year under report, and of which much of the work was outsourced to SAIDE, has resulted in a comprehensive review of international regulatory frameworks for e-learning; case studies of South African practice; modification of HEQC audit and accreditation documents and training processes to take account of e-learning; and the development of literature suitable for the 'student quality literacy' project.

8.12   Vocational Education Project

The aim of this project is to improve the quality of vocational education programmes and qualifications by enhancing the articulation of vocational qualifications with career pathways and formative education, and by improving the quality of work-integrated learning. The project has been coordinated by CTP, now part of Higher Education South Africa (HESA). The first phase, to the end of 2005, involved assessing the current standards of NQF level qualifications as an appropriate entry qualification to HE. The second phase, which will start in the second half of 2006, deals with the development of high quality vocational education qualifications that articulate with the world of work and with formative education qualifications.

In July 2005, two senior HEQC staff members were invited to participate in the annual cooperative education convention held at Vaal University of Technology. In November, Chairpersons of regional working groups, which had chosen different programmes to re-curriculate, met in Durban to discuss progress and to plan for the coming year. This meeting decided that the end date of the project should be adjusted to July 2006. It was also agreed that an external consultant should be commissioned to finalize and produce a comprehensive report and publication on Phase 1 of the project; this report is expected be finalized by July 2006. In April, a workshop was presented at the South African Society for Cooperative Education (SASCE) conference, where the initial findings of the project and the question of more data gathering were discussed.

8.13 The Development of Generic Standards for the NQF Level 5 Qualifications Project

This HEQC-initiated project is supported by the DoE, SAQA, SAUVCA and CTP (now reconstituted as HESA), and APPETD, and critically examines standards of existing Level 5 qualifications and their generic descriptors, and where necessary proposes new descriptors for discussion. These will be used to develop exemplar Level 5 programmes in four different fields of learning, related to career and to formative qualifications. During the reporting period, a working panel, chaired by Professor John Cook of the University of KwaZulu-Natal, produced a set of draft level descriptors, which have been submitted to SAQA. The HEQC is considering the implementation of a second phase of this project in which the newly developed level descriptors will be used as a point of departure for the analysis of qualifications in four identified areas, *viz.* Human & Social Sciences; Natural Sciences and Applied Sciences; Health Sciences and Commerce.

8.14 Framework for Quality Promotion and Capacity Development

Background research on different national and international agencies' approaches to capacity development and quality promotion was completed in the second quarter of the reporting period, with the results presented at a national workshop on 23 September 2005. The report was placed on the CHE Website in January 2006, and published in the following month. The draft Quality Promotion and Capacity Development Framework Document is undergoing internal comment and editing, and is intended for release for stakeholder comment in the second half of 2006.

8.15 Standards Setting Project

The CHE has commissioned two consultants, supported by HEQC staff, to investigate the development of standards setting and standards generating in higher education; the most appropriate approach to standards setting and standards generating in higher education in South Africa; and an organizational model for managing standards setting and standards generating that takes into account the different roles that the CHE, higher education institutions and other key role players, such as professional councils, professional bodies, SETAs and SAQA play in relation to this function.

The outcome of the investigations and research will be three reports corresponding to the aims described above. It is envisaged that a final report will be available by the end of 2006.

8.16 Other Activities

The directorate also arranged seminars aimed at providing the HE community with opportunities to engage on issues of shared interest with a range of experts from South Africa and outside the country. In September, taking advantage of the visit to the HEQC by three Australian Pro-Vice Chancellors and with financial support from the Finnish government and Australian Aid (AusAid), a series of events was held on themes relating to the improvement of teaching and learning; universities of technology; merging institutions; community engagement in HEIs; post-institutional audit quality improvements; and quality promotion and capacity development in South African higher education.

CHE: ORGANIZATION, STRUCTURE AND PERSONNEL

1   ORGANIZATION

1.1   Governance

The CHE comprises the Council, an Executive Committee, and a Secretariat headed by the CEO. During the past year, the Council of the CHE has had four full Board Meetings, while the Executive Committee has met four times. The HEQC Board has had four meetings and the Executive Committee of HEQC has had seven meetings. CHE Standing Committees, Task Teams and Projects have met as required. As noted, the HEQC has its own Board with two CHE members represented on it (the chairperson of the HEQC and one other).

1.2   Operational Structure

Each of the Directorates of the CHE has specified responsibilities and operates within a framework of defined regulations, authority, autonomy and accountability and reporting.

1.3   CHE 2006-2009 Programme (Goals, Strategy and Plan)

The CHE 2006-2009 Programme was reviewed and updated in September 2005. This programme sets out the overall direction to be deployed by the Council on Higher education in pursuance of its mandate and responsibilities as outlined in the Higher Education Act, No. 101 of 1997. The CHE 2006-2009 programme adopts a three-year view and is managed as a dynamic framework of activities that can be developed in accordance with changing conditions and through interaction with key higher education stakeholders.

1.4   Management Information System

The development of a national quality assurance system, which is the responsibility of the HEQC, necessitated the development of a comprehensive and appropriate management information system (MIS) capable of dealing with the processes involved in the accreditation of programmes, the performance of institutional audits and the tasks associated with quality promotion and capacity development. The first phase that was completed and implemented in June 2005 resulted in the immediate improvement of the processing of applications for accreditation and of the overall workflow. The development of the second phase to make provision for the information needs of auditing is well underway.

1.5   Risk Management

During 2004, the CHE commissioned KPMG to conduct an independent and comprehensive assessment of risk and to advise on strategies and mechanisms to reduce and/or eliminate risk. This risk register was updated in February 2006 and submitted to the Department of Education as part of the CHE's reporting obligations to comply with the Public Finance Management Act (PFMA).

2   HUMAN RESOURCES

2.1   Positions

During the course of the year, the CHE lost one of its directors who passed away. A further seven positions also became vacant, including that of a director. Of these, positions were linked to projects that were funded by donors, while six positions were partially funded through cost recovery as in the case of the accreditation of private provider programmes.

The CHE continued with its strategy to draw on and utilize the specialist knowledge and expertise of local policy research and development agencies, especially on major investigations and research and development projects. During the course of the year under review, consultants and short-term contract staff has been employed.

2.2 Employment equity

The CHE is deeply committed to employment equity and pays serious attention to its equity profile. While the overall equity profile of the CHE is good (see Table 4.1 below), especially in terms of gender (sixty six per cent of personnel are women), challenges are the 'race' and gender profiles especially at the executive and senior staff levels. Staff development, mentoring and effective succession planning are required to address these challenges.

Table 4.1: Equity profile of CHE Staff

Race→	African		Coloured		Asian		White		TOTAL	
Rank ↓	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Executive					1	1			**1**	**1**
Directors					1		1	1	**2**	**1**
Acting Dep. Directors	2								**2**	
Managers	1	2	1	1			3	1	**5**	**4**
Project Administrators	2	2	1	2			1	5	**4**	**9**
Administrators	1	6		1		1		1	**1**	**9**
Clerical Staff	4	10							**4**	**10**
Total Gender	**10**	**20**	**2**	**4**	**2**	**2**	**5**	**8**	**19**	**34**
% by Gender	53%	59%	10.5%	12%	10.5%	6%	26%	23.5%	100%	100%
Total (Race)	**29**		**6**		**4**		**13**		**53**	
% by Race	57%		11%		7.5%		24.5%		100%	

2.3 Personnel development

Performance reviews were conducted in late November/early December 2005 for the purposes of analysing performance, commending good performance and strengths, identifying weaknesses and instituting strategies to improve performance. The reviews have resulted, where appropriate, in performance rewards and have also fed into the CHE staff development programme for 2005. Personnel have, where necessary, been redeployed so as to better the position of the CHE to discharge its varied responsibilities, and also to make more effective use of the expertise and experiences of certain personnel.

In addition, the internal staff development seminar programme has been continued, with the CHE CEO and other senior staff playing a strong and direct role in the intellectual, professional and organizational development of personnel. The objective of these seminars is to enhance the staff's theoretical, conceptual, historical and sociological knowledge of South African higher education, to develop their intellectual, professional and organizational skills and to sharpen their understanding of the CHE and its work.

APPENDIX CHE MEDIA

Research Reports

- Higher Education Monitor on *The impact of changing funding sources of Higher Education Institutions in South Africa* (March 2006)
- *Towards a Framework for Quality Promotion and Capacity Development in South African Higher Education* (Research Report on QPCD Framework) (December 2005)
- Higher Education Monitor on *South African Higher Education Responses to Students with Disabilities* (September 2005)
- *A Good Practice Guide for Quality Management of Research* (July 2005)
- *South African Higher Education in the First Decade of Democracy* (November 2004)
- *Considerations on the Designation and Nomenclature of Higher Education Institutions* (November 2004)
- *Enhancing the Contribution of Distance Higher Education in South Africa* (September 2004)
- *The Governance of Merger in South African Higher Education* (August 2004)
- *Governance in South African Higher Education* (May 2002)
- *Clarification of private provider usage of the terms 'accreditation', 'validation' and 'endorsement' and related terms* (August 2001)
- *Conditions and criteria under which higher education institutions should be permitted to use the term 'university'* (July 2001)
- *Registration and recognition of private higher education providers: Problems, prospects and possibilities with specific reference to the Higher Education Amendment Bill,* 2000 (July 2001)
- *Sertec transition plan, 2001–2002* (April 2001)
- *Quality assurance in higher education: The role and approach of professional bodies and SETAs to quality assurance* (November 2000)
- *Thinking about the South African higher education institutional landscape: An international comparative perspective on institutional differentiation and restructuring* (November 2000)
- *An evaluation of Sertec and the Quality Promotion Unit* (June 2000)

Policy Reports

- *Promoting Good Governance in South African Higher Education* (May 2002)
- *Towards a New Higher Education Landscape: Meeting the Equity, Quality and Social Development Imperatives of SA in the 21st Century* (July 2000)

Policy Advice Reports (Approved by the Minister of Education for Public Release)

- *CHE Advice to the Minister of Education on Aspects of Distance Education Provision in South African Higher Education,* 15 March 2004 (Released March 2005)
- *CHE Advice to the Minister of Education on the Ministry's Higher Education Restructuring Proposals, as Published in the Government Gazettes Numbers 23 459 (21 June 2002) and 23 550 (24 June 2002), September 2002* (Released late 2002)
- *Language Policy Framework for South African Higher Education,* July 2001 (Released 2002)
- *CHE Advice to the Minister of Education: The Proposed New Higher Education Funding Framework of the Ministry of Education and its Implications for the Reconfiguration of Higher Education,* 2001 (Released 2002)

Policy Documents

- *Higher Education Quality Committee: Founding Document* (January 2001)
- *Higher Education Quality Committee: Draft Founding Document* (August 2000)

Occasional Papers

- *Human Resource Development and Higher Education Planning: Important National and Continental Initiatives* (No. 1, February 2002)

Discussion Documents

- *Towards a Framework for Quality Promotion and Capacity Development in South African Higher Education* (Research Report on QPCD Framework) (December 2005)
- *The Abertay Conversation – Communiqué to G8 leaders* (July 2005)
- *Improving Teaching and Learning (ITL) Resources* (March 2005)
- *Framework for Programme Accreditation* (November 2004)
- *Criteria for Programme Accreditation* (November 2004)
- *Towards a Framework for the Monitoring and Evaluation of South African Higher Education: Discussion Document* (April 2004)
- *Proposed criteria for the HEQC's first cycle of audits: 2004–2009* (March 2004)
- *Framework for Institutional Audits* (June 2002)
- *Criteria for Institutional Audits* (June 2002)
- *A New Academic Policy for Programmes and Qualifications in Higher Education: Discussion Document* (October 2001)

Kagisano (Discussion Series)

- *The General Agreement in Trade in Services and Higher Education* (No. 3, Summer 2003)
- *Good Governance in Higher Education* (No. 2, Autumn 2003)
- *Reinserting the Public Good into Higher Education Transformation* (No. 1, November 2001)

Higher Education Monitor

- Higher Education Monitor on *The impact of changing funding sources of Higher Education Institutions in South Africa* (March 2006)
- Higher Education Monitor on *South African Higher Education Responses to Students with Disabilities* (September 2005)
- *The State of the Provision of the MBA in South Africa* (No. 2, October 2004)
- *The State of Private Higher Education in South Africa* (No. 1, 2003)

Conference Reports

- *Report on the Colloquium on Ten Years of Democracy and Higher Education Change* (10–12 November 2004)
- *Proceedings of the Colloquium on Building Relationships between Higher Education and the Private and Public Sectors* (27–28 June 2002)
- *The Council on Higher Education 3rd Annual Consultative Conference* (29–30 November 2001)
- *HEQC institutional audit and programme review training workshop* (25–29 September 2001)
- *Workshop of HEQC Forum of quality assurance managers of higher education institutions* (24 July 2001)
- *The HEQC launch and strategic planning workshop* (May/June 2001)
- *The Council on Higher Education 2nd Annual Consultative Conference* (23–24 November 2000)
- *The Council on Higher Education 1st Annual Consultative Conference* (29–30 November 1999)

APPENDIX

CHE MEDIA

Directory

- *Directory of South African Quality Assurers and Professional Bodies* (September 2003)

Annual Reports

- *Annual Report 2004/2005* (August 2004)
- *Annual Report 2003/2004* (August 2004)
- *Annual Report 2002/2003* (August 2003)
- *Annual Report 2001/2002* (August 2002)
- *Annual Report 2000/2001* (November 2001)
- *Annual Report 1999/2000* (November 2000)
- *Annual Report 1998/1999* (November 1999)

Newsletters

- *CHE News No. 8* (November 2004)
- *CHE News No.7* Special Issue (May 2004)
- *CHE News No.6* (August 2003)
- *CHE News No.5* (April 2003)
- *CHE News No.4* (November 2001)
- *CHE News No.3* (May 2001)
- *CHE News No.2* (November 2000)
- *CHE News No.1* (November 1999)

Press Releases

- Clarification of the work done by the HEQC (30 October 2005)
- Statement by Mr Saki Macozoma, Chairperson of the CHE Council on appointment of Prof Saleem Badat as Vice Chancellor en Rector at Rhodes University (6 October 2005)
- Press Release on the CHE website on Accreditation of two more MBA programmes (30 June 2005)
- The HEQC of the CHE signs a Memorandum of Understanding with the Quality Assurance Agencies of the United Kingdom and India (10 March 2005)
- The HEQC of the CHE signs a Memorandum of Understanding with the Quality Assurance Agencies of the United Kingdom and India (10 March 2005)
- CHE/HEQC MBA Review (22 February 2005)
- CHE/HEQC MBA Review (7 December 2004)
- CHE/HEQC National MBA Review: Three more MBA programmes are given full accreditation status (22 September 2004)
- Release of the Results of the Re-accreditation of MBA Programmes by the HEQC (20 May 2004)
- Auditor Orientation (22 July 2003)
- Meeting between the Council on Higher Education and the Minister of Education on the Ministry's Higher Education Restructuring Proposals (3 May 2002)
- CHE Colloquium: Building Relationships between Higher Education and the Private and Public Sectors and Contributing to their High-level Person-power and Knowledge Needs (20 June 2002)
- New Membership of the Council on Higher Education, 2002–2006 (19 June 2002)
- Launch of the Higher Education Quality Committee of the Council on Higher Education (2 May 2001)
- Public handover to the Minister of Education, Professor Kader Asmal, of the CHE Size and Shape Task Team Report, *Towards a New Higher Education Landscape: Meeting the Equity, Quality and Social Development Imperatives of South Africa in the Twenty-first Century* (18 July 2001)
- *The National Plan for Higher Education* of the Ministry of Education (5 March 2001)

Organisational Brochures

- *Quality Assurance in Higher Education: The Higher Education Quality Committee* (July 2002)
- *The CHE Higher Education Quality Committee* (2000)
- *The Council on Higher Education* (2000)

Internet site

- http://www.che.ac.za

CHE in the Media

Articles and advertisements in newspapers

- Feature on Accreditation: *Sunday Tribune* (12 February 2006)
- Feature on Accreditation: *Weekend Argus* (11 February 2006)
- Feature on Accreditation: *The Star* (8 February 2006)
- Article in the *City Press* (17 October 2005)
- Advertisements *Sunday Times* (30 October 2005)
- Advertisements in *Mail and Guardian* (28 October 2005)
- Article in *Saturday Star* (20 August 2005)
- Advertisements and *Sunday Times* (31 July 2005)
- Advertisements in *Mail and Guardian* (29 July 2005)
- Follow-up article in *Business Day* (8 July 2005)
- Article in B*usiness Day* (5 July 2005)
- Article in the *City Press* (3 July 2005)
- MoU signing press release on the CHE website article appeared in the *Sowetan* (10 March 2005)
- MBA press release on the CHE website, articles appeared in *Die Beeld* (24 February 2005)
- CHE article in *Pretoria News* (23 February 2005)
- CHE placed advertisements directed at prospective students as part of its information campaign in the *Sowetan, Isolezwe* and *Illanga* and four community newspapers in the Western Cape (*Plainsman, Vukani, Southern Mail* and *Athlone News*) (Jan–Feb 2005).
- *Financial Mail* MBA article (10 September 2004)
- The release of the MBA Re-accreditation results was also covered by international newspapers (*The Chronicle of Higher Education,* Washington), *Business Week Online,* UK (interview), *Australian Times Higher* (interview)
- The following daily and national newspapers covered the release of the MBA re-accreditation during May and June 2004: *Sowetan, Star, Pretoria News, This Day, Beeld, Business Day, Mercury, Argus, Cape Times, Herald Eastern Cape, Burger, Natal Witness, Daily Dispatch, Sunday Times, City Press, Rapport, Mail & Guardian, Sunday Independent, Financial Mail, Time* magazine, MBA.co.za website
- MBA article in *Reaching Out* magazine (Autumn 2004)
- MBA feature in *Gauteng Provincial Government Leadership Journal* Vol 1. No2 (July 2004)
- CHE response on survey on Setas in *Sunday Times* (29 April 2004 and 8 May 2004)
- Comprehensive MBA re-accreditation article in *Time* magazine (April 2004)
- Coverage on private HEIs in the *Sowetan* (January 2004)
- Unitech quarterly newspaper Vol 1, 2 MBA article.
- Follow-up articles on the mergers and general higher education issues (September 2003)
- MBA fokus in *Die Beeld* (20 August 2003)
- MBA review in *Financial Mail* (1 August 2003)
- MBA review in *Mail & Guardian, Getting Ahead* Supplement (1 August 2003)

APPENDIX
CHE MEDIA

- MBA feature in *Mail & Guardian* (July 2003)
- The state of private higher education in South Africa in *Illanga* (July 2003)
- The state of private higher education in South Africa in *Business Day* (10 July 2003)
- MBA short course in *Business Day* (30 June 2003)
- MBA Review in *Business Day* (18 June 2003)
- Audits and pilots in *Die Beeld* (14 May 2003)
- Follow up on the MBAs in *Business Day* (14 May 2003)
- MBA review in *Business Day* (13 May 2003)
- Audits and pilot audits in *Business Day* (2 May 2003)

Radio and television

- Radio Interview Prof Badat (18 October 2005)
- Radio interview SAFM with Mr T Bhengu (10 July 2005)
- Radio Interview on Radio 703 (12:15) (4 July 2005)
- CHE staff participates in radio Metro panel discussion on higher education (Feb 2005)
- Radio interview Jozie Live on SAfm about accreditation of programmes (Jan 2005)
- The following radio stations covered the release of the MBA Re-accreditation results: SAfm Midday Live, SABC Newsbreak, Monitor – Mafikeng, Kaya FM, Radio 702, Cape Talk, Jacaranda, Radio Pretoria (May 2004)
- The MBA re-accreditation results were also covered by the broadcast media: SABC Africa, Evening news main bulletin SABC 3, Business Update SABC 3, Botswana television The Eye (May 2004)
- Radio interview conducted in Zulu on ICORA FM (Accreditation of nursing colleges and private higher education provision)
- SABC Newsbreak about the State of Private Higher Education in South Africa in *Business Day* (17 July 2003)
- Radio 702 about the State of Private Higher Education in South Africa in *Business Day* (10 July 2003)
- SABC Polokwane about the above-mentioned MBA article (May 2003)

Supplements in newspapers

- Supplement on Accreditation: *Sunday Tribune* (12 February 2006)
- Supplement on Accreditation: *Weekend Argus* (11 February 2006)
- Supplement on Accreditation: *The Star* (8 February 2006)
- A distance education poster included in the supplement of *The Teacher* newspaper Vol. 10, No. 2, February 2005
- Articles by CHE staff contributed to the *Sunday Times Higher Education* supplement of 6 February 2004
- Two articles contributed to the *Mail & Guardian* supplement on the MBA
  o On private providers
    o *The Teacher* (7 April 2004)
    o *Sunday Tribune* (29 February 2004)
    o *Isolezwe* (27 February 2004)
    o *The Post* (26 February 2004)
    o *The Star* (25 February 2004)
    o *Cape Times* (24 February 2004)
  o Illegal private providers (*Rapport* and *City Press*, 25 May 2003)

International requests for comments on the MBA review

- An article in *African Mirror* (January 2004)
- MBA review in *PMR Africa* (September 2003)
- MBA article in *Overseas, Overwhelmed,* Bulletin for Canadian International Education Professionals (21 May 2003)
- Article submitted upon request from *Chronicles on Higher Education,* Washington D.C. (May 2003)
- Interview with the *Times Higher Education Supplement,* UK (May 2003)

RECENT PUBLICATIONS

CHE
The Impact of Changing Funding Sources on Higher Education Institutions in South Africa

CHE
Annual Report 2004 - 2005

CHE
A Good Practice Guide for Quality Management of Research

CHE
South African Higher Education Responses to Students with disabilities

CHE
Towards a Framework for Quality Promotion and Capacity Development in South African Higher Education

AUDIT REPORT

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE COUNCIL ON HIGHER EDUCATION FOR THE YEAR ENDED 31 MARCH 2006

1.   AUDIT ASSIGNMENT

The financial statements as set out on pages 73 to 94, for the year ended 31 March 2006, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996, read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 18 of the Higher Education Act, 1997 (Act No. 101 of 1997). These financial statements are the responsibility of the Council on Higher Education (CHE). My responsibility is to express an opinion on these financial statements, based on the audit.

2.   SCOPE

The audit was conducted in accordance with the International Standards on Auditing read with *General Notice 544 of 2006*, issued in *Government Gazette* no. 28723 of 10 April 2006 and *General Notice 808 of 2006*, issued in *Government Gazette* no. 28954 of 23 June 2006. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:
• examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements
• assessing the accounting principles used and significant estimates made by management
• evaluating the overall financial statement presentation.

I believe that the audit provides a reasonable basis for my opinion.

3. BASIS OF ACCOUNTING

The entity's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, as described in note 1.1 to the financial statements.

4. AUDIT OPINION

In my opinion, the financial statements present fairly, in all material respects, the financial position of Council on Higher Education at 31 March 2006 and the results of its operations and its cash flows for the year then ended, in accordance with the basis of accounting determined by the National Treasury of South Africa, as described in note 1.1 to the financial statements, and in the manner required by the Public Finance Management Act, 1999 (Act No.1 of 1999).

5. APPRECIATION

The assistance rendered by the staff of Council on Higher Education during the audit is sincerely appreciated.

K Naicker for Auditor General

Pretoria

11 August 2006

AUDITOR-GENERAL

REPORT OF THE AUDIT COMMITTEE

Audit Committee members

Mr Andrè de Wet	University of Witwatersrand, Chairperson
Mr SBA Isaacs	CHE Council member
Prof G Lenyai	Tshwane University of Technology
Dr R Stumph	HEQC Board member

The Audit Committee established in terms of Treasury Regulations 27.1, met twice during the year under review i.e. on 6 March and 27 July 2006. The Committee reports that it has reviewed the formal terms of reference that was adopted and wishes to confirm the ongoing relevance of its charter. The Committee further confirms that it has satisfied its responsibilities for the year, in compliance with its terms of reference.

The internal audit function was performed by the Internal Audit section of the Department of Education. Their report was tabled and discussed by the Audit Committee. An action plan with time schedule was approved for issues following from this audit, that have to be addressed.

The Audit Committee wishes to record its satisfaction with the CHE that, for the period under review, it has maintained:
  • Effective, efficient and transparent systems of financial and risk management and internal control
  • An appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective
  • A system for properly evaluating all major capital projects prior to a final decision on the project
  • Effective and appropriate steps to
    o Collect all revenue due to the CHE
    o Prevent irregular expenditure, fruitless and wasteful expenditure, and losses
    o Manage available working capital efficiently and economically.

The Committee has reviewed and discussed with the Auditor-General the audited financial statements to be included in the annual report as well as the Auditor-General's letter and management report.

The Committee noted that the implementation of the prescribed Standards of Generally Recognised Accounting Practices (GRAP) resulted in significant changes in the presentation of the financial statements in general. These changes occasioned a considerable number of audit queries, some of which required a fundamental revision of certain accounting procedures within the CHE. The Committee is satisfied that management's responses to the queries raised in the Auditor's management report reflect the remedies that are required.

The Auditor-General issued the CHE with an unqualified report for 31 March 2006. The Audit committee has therefore recommended that the Executive Committee of the CHE Council adopts the annual financial statements at its meeting held on 29 July 2006.
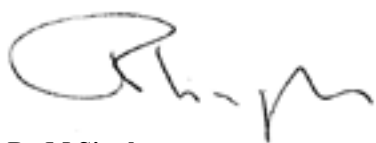
Mr Andrè de Wet
Chairperson
11 August 2006

FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 MARCH 2006

Director's approval of the annual financial statements

The annual financial statements for the year ended 31 March 2006 set out on pages 73-96 were approved and are signed by –

Dr M Singh
Acting Chief Executive Officer
7 August 2006

ACCOUNTING AUTHORITY REPORT

For the year ended 31 March 2006

**Report by the Accounting Authority to the Executive Authority and
Parliament of the Republic of South Africa**

1. INTRODUCTION

The CHE members present their annual report that forms part of the audited annual financial statements for the year ended 31 March 2006.

The Council on Higher Education is listed as a national public entity in schedule 3A of the Public Finance Management Act, 1999, as amended, (PFMA).

The CHE members act as the accounting authority in terms of the PFMA.

2. MEMBERS AND SECRETARY OF THE ENTITY

Executive member
      S Badat (Chief Executive Officer)

Non-executive members
      HP Africa
      R Singh
      N Badsha
      A Canca
      SF Coetzee
      B Figaji
      JA Glennie
      SBA Isaacs
      A Kaniki
      MC Koorts
      S Macozoma (Chairperson)
      J Mamabolo
      AM Perez
      MF Ramashala
      SJ Saunders

The secretary of the group is Prof. S Badat and his business and postal addresses are as follows:

Business address:	**Postal address:**
210 Didacta Building	P O Box 3554
211 Skinner Street	The Tramshed
Pretoria	Pretoria

3. ORGANISATIONAL STRUCTURE

The CHE comprises of the Council, an Executive Committee, and a Secretariat headed by the CEO. The Higher Education Act (Act 101 of 1997) assigned to the CHE statutory responsibility for accrediting of programmes, quality assurance and quality promotion in higher education, to be carried out through a permanent body, the Higher Education Quality Committee (HEQC).

CHE activities are undertaken through CHE *Standing Committees, Task Teams* and *Projects.*

ACCOUNTING AUTHORITY REPORT

4.   PRINCIPAL RESPONSIBILITIES

The *Higher Education Act* and the *Education White Paper 3* of 1997 establish the **responsibilities** of the CHE. These include

- Advising the Minister on all HE issues on which the CHE's advice is sought;
- Advising the Minister on its own initiative on HE issues which the CHE regards as important;
- Designing and implementing a system for quality assurance in HE and establishing the HEQC;
- Advising the Minister on the appropriate shape and size of the HE system, including its desired institutional configuration;
- Advising the Minister in particular on the new funding arrangements for HE and on language policy in HE;
- Developing a means for monitoring and evaluating whether, how, to what extent and with what consequences the vision, policy goals and objectives for HE defined in the White Paper on HE are being realised;
- Promoting the access of students to HE;
- Providing advice to the Minister on the proposed new Education Management Information System for HE;
- Formulating advice for the Minister on a new academic policy for HE, including a diploma/degree structure which would advance the policy objectives of the White Paper;
- Formulating advice for the Minister on stimulating greater institutional responsiveness to societal needs, especially those linked to stimulating South Africa's economy, such as greater HE-industry partnerships;
- Appointing an independent assessment panel from which the Minister is able to appoint assessors to conduct investigations into particular issues at public HE institutions;
- Establishing healthy interactions with HE stakeholders on the CHE's work
- Producing an Annual Report on the state of HE for submission to parliament;
- Convening an annual consultative conference of HE stakeholders;
- Participating in the development of a coherent human resource development framework for South Africa in concert with other organisations;
- Contributing to the development of HE through publications and conferences.

5.   REVIEW OF OPERATIONS

The amount of revenue increased by 46% for the year amounting to R33 344 324 as a result of an increase in the government grant.

6.   REVIEW OF FINANCIAL POSITION

The CHE derived its operating income from four sources:
- R 26 615 539 (80%) from the National Treasury (through the Department of Education)
- R 5 181 291 (16%) from donors
- R 777 536 (2%) from sundry income
- R 769 958 (2%) from statutorily mandated quality assurance services provided to the providers of private higher education on a partially cost-recovery basis.

With respect to spending, 83% of the 2005-2006 operating income of R33 344 324 was expended in the execution of responsibilities. Of the total expenditure of R27 672 000, expenses incurred on quality assurance activities constituted 65%. The advisory, monitoring and reporting functions of the CHE and financial and administrative operations constituted 35%.

Personnel and consultancy costs constituted 58% which is the bulk of overall CHE expenditure. This is appropriate since CHE activities are knowledge and information intensive and therefore also personnel intensive.

ACCOUNTING AUTHORITY REPORT

Other major areas of expenditure were programme accreditation and co-ordination (8%), advisory, monitoring and higher education development projects (17%), quality promotion and capacity development (12%) and institutional audits (3%). Almost 3% of total expenditure was on the development of an information and communication technology infrastructure, including data management systems and databases for key CHE activities.

Going Concern

The CHE will be able to meet its mandate due to the recent institutionalization of quality assurance funding.

Events Subsequent to Balance Date

The accounting authority are not aware of any matters or circumstances arising since the end of the financial year, not otherwise dealt with in the annual financial statements, which significantly affect the financial position of the group or the results of its operations.

7.   ADDRESSES

The entity's business, postal and registered addresses are as follows:

Business address:	Postal address:	Registered address:
Didacta Building	P O Box 3554	Didacta Building
211 Skinner Street	The Tramshed	211 Skinner Street
Pretoria	Pretoria	Pretoria
0001	0126	0001

8.   APPROVAL

The annual financial statements set out on pages 73 to 94 have been approved by the Accounting Authority.

Mr Saki Macozoma
Chairperson of the CHE Council
31 May 2006

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2006

	Notes	2006	Restated 2005
		R	R
ASSETS			
Non-current assets		**2,470,121**	**2,304,248**
Property, plant and equipment	2	2,470,121	2,304,248
Current assets		**22,415,071**	**15,681,235**
Trade and other receivables	3	803,118	188,135
Prepayments	4	97,154	75,749
Cash and cash equivalents	5	21,514,799	15,417,351
Total Assets		**24,885,192**	**17,985,483**
LIABILITIES			
Current Liabilities		**5,574,188**	5,111,768
Trade and other payables	6	4,967,208	4,533,819
Provisions	7	486,980	470,340
Finance lease obligations	8	120,000	107,609
Non-current liabilities		**5,459,806**	6,002,801
Finance lease obligations	8	177,552	69,112
Deferred income	9	5,282,254	5,933,689
Total liabilities		**11,033,994**	**11,114,569**
Net assets		**13,851,198**	**6,870,914**
NET ASSETS			
Accumulated surplus		13,851,198	6,870,914
Total net assets		**13,851,198**	**6,870,914**

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2006

	Notes	2006	Restated 2005
		R	R
Revenue	10	33,344,324	22,832,853
Less: Expenses		(27,672,000)	(23,267,575)
Operating surplus	11	5,672,324	(434,722)
Net finance income	12	1,307,960	1,082,241
Surplus for the year		6,980,284	647,519

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 MARCH 2006

	Notes	Accumulated Surplus R	Total R
Balance at 1 April 2004 as previously stated		11,275,548	11,275,548
Correction of prior year error	13	(5,052,153)	(5,052,153)
Balance at 1 April 2004 restated		6,223,395	6,223,395
Surplus for the year		647,519	647,519
As previously stated		2,257,929	2,257,929
Correction of prior year error	13	(1,610,410)	(1,610,410)
Restated balance at 1 April 2005		6,870,914	6,870,914
Surplus for the year		6,980,284	6,980,284
Balance as at 31 March 2006		**13,851,198**	**13,851,198**

CASH FLOW STATEMENT FOR YEAR ENDED 31 MARCH 2006

	Notes	2006 R	Restated 2005 R
Cash flows From Operating Activities			
Cash receipts from customers		32,707,936	22,464,219
Cash paid to suppliers and employees		(27,326,032)	(29,132,902)
Cash generated by operating activities	14	5,381,904	(6,668,683)
Finance costs		(24,268)	(17,714)
Finance income		1,307,960	1,082,241
Net cash flows from operating activities		**6,665,596**	(5,604,156)
Cash Flows From Investing Activities			
Purchase of plant and equipment	15	(688,979)	(846,228)
Net cash flows from investing activities		**(688,979)**	(846,228)
Cash Flows From Financing Activities			
Increase in finance lease liabilities		120,831	176,721
Net cash flows from financing activities		**120,831**	176,721
Net increase/(decrease) in cash and cash equivalents		6,097,448	(6,273,663)
Cash and cash equivalents at beginning of period		15,417,351	21,691,014
Cash and cash equivalents at end of period	5	**21,514,799**	15,417,351

NOTES TO THE STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2006

1.   ACCOUNTING POLICIES

1.1   Basis of preparation

The financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practices (GAAP) including any interpretations of such Statements issued by the Accounting Practices Board, with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards as follows:

Standard of GRAP	Replaced Statement of GAAP
GRAP 1: Presentations of financial Statements	AC101: Presentation of financial statements
GRAP 2: Cash flow statements	AC118: Cash flow statements
GRAP 3: Accounting policies, changes in accounting estimates and errors	AC103: Accounting policies, changes in accounting estimates and errors

The recognition and measurement principles in the above GRAP and GAAP Statements do not differ or result in material differences in items presented and disclosed in the financial statements. The implementation of GRAP 1, 2 & 3 has resulted in the following significant changes in the presentation of the financial statements:

Terminology differences:

Standard of GRAP	Replaced Statement of GAAP
Statement of financial performance	Income Statement
Statement of financial position	Balance sheet
Statement of changes in net assets	Statement of changes in equity
Net assets	Equity
Surplus/deficit for the period	Profit/loss for the period
Accumulated surplus/deficit	Retained earnings
Contributions to owners	Dividends
Reporting date	Balance sheet date

1.2   The cash flow statement can only be prepared in accordance with the direct method.

1.3   Specific information such as:
   (a)   receivables from non-exchange transactions, including taxes and transfers;
   (b)   taxes and transfers payable;
   (c)   trade and other payables from non-exchange transactions must be presented separately on the statement of financial position

1.4   The amount and nature of any restrictions on cash balances is required to be disclosed.

Paragraph 11 – 15 of GRAP has not been implemented as the budget reporting standard is in the process of being developed by the international and local standards setters. Although the inclusion of budget information would enhance the usefulness of the financial statements, non-disclosure will not affect fair presentation.

2.   CURRENCY

The financial statements are presented in South African Rands since that is the currency in which majority of the entity transactions are denominated.

NOTES TO THE STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2006

3.   HISTORICAL COST

The financial statements have been prepared on a historical cost basis and the accounting policies have been applied consistently throughout the period.

4.   REVENUE

Revenue represents government grant received from the Department of Education (DoE), donations received and fees charged for accreditation of courses provided by Private Higher Education providers. Charges for accreditation are recognised when work done is billed to providers.

5.   IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

Irregular and fruitless and wasteful expenditure is charged against income in the period in which they are incurred.

6.   PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses. Where necessary property, plant and equipment is broken into significant component parts, and each component is depreciated separately over its estimated useful life.

Those items of property, plant and equipment which are of such a nature that they are replaced as a whole and not in terms of components parts, are not broken into significant components as the useful lives of the components are expected to approximate the useful lives of the items taken as a whole.

The estimated useful lives and residual values of property, plant and equipment are reviewed on an annual basis. Where estimates differ from those previously assessed the change is recognised as a change in accounting estimate.

Depreciation is provided on all property, plant and equipment to write down their cost over their estimated useful lives to their estimated residual values.

The depreciation rates are:

Furniture and fittings	-	10 years
Computer equipment and software	-	7 years
Office equipment	-	15 years

7.   FINANCE LEASING

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or where shorter, the term of the relevant lease rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and the finance charges so as to achieve a constant rate on the final balance outstanding.

The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant period rate of interest on the remaining balance of the liability for each period.

NOTES TO THE STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2006

8. FINANCIAL INSTRUMENTS

Measurement

Financial instruments are initially measured at fair value, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below.

The entity's principal financial assets are trade receivables and cash and cash equivalents.

Trade and other receivables

Trade and other receivables originated by the council are stated at cost less provision for doubtful debts.

Cash and cash equivalents

Cash and cash equivalents are held with registered banking institutions that are subject to insignificant interest rate risk. The carrying amount of these assets approximates to their fair value.

Financial liabilities

Financial liabilities are recognised at amortised cost namely original debt less principal payments and amortizations that are subsequent measured at fair value.

Trade and other payables

Trade and other payables originated by the council are stated at cost.

Interest rate risk

The entity's income and operating cash flows are dependent of changes in market interest rates. A substantial part of the short term investment are held with the Corporation for Public Deposits as per Treasury Regulation 31.3.3.

Credit risk

Concentration of credit risk with respect to trade and other receivables are limited. Credit risk limited to staff loans made to employees. The entity has policies in place that limit the amount of credit exposure.

9. PROVISIONS

Provisions are recognised when the Council on Higher Education has a present legal of constructive obligation when, as a result of past events for which it is probable that an outflow of economic benefits will occur, and where a reliable estimate can be made of the amount of the obligation.

10. COMPARATIVE FIGURES

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

NOTES TO THE STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2006

2. Property, plant and equipment

Owned	R Computer Software	R Computer equipment	R Office equipment	R Furniture and fittings	R Total
2006					
Carrying amount at beginning of the year	213,267	694,550	264,357	951,279	2,123,453
Cost	291,914	991,445	319,903	1,130,165	2,733,427
Accumulated depreciation	(78,647)	(296,895)	(55,546)	(178,886)	(609,974)
Additions	**88,453**	**195,272**	**19,356**	**86,927**	**390,008**
Disposals at cost		**(27,967)**			**(27,967)**
Disposals accumulated depreciation		**4,269**			**4,269**
Depreciation for the year	**(45,768)**	**(150,149)**	**(21,884)**	**(116,048)**	**(333,849)**
Carrying amount at end of the year	**255,952**	**715,975**	**261,829**	**922,158**	**2,155,914**
Cost	380,367	1,158,750	339,259	1,217,092	3,095,468
Accumulated depreciation	(124,415)	(442,775)	(77,430)	(294,934)	(939,554)
Restated 2005					
Carrying amount at the beginning of the year	156,472	479,469	244,802	770,079	1,650,822
Cost	195,664	658,469	280,900	843,994	1,979,027
Accumulated depreciation	(39,192)	(179,000)	(36,098)	(73,915)	(328,205)
Additions	96,250	332,976	39,003	286,171	754,400
Depreciation for the year	(39,455)	(117,895)	(19,448)	(104,971)	(281,769)
Carrying amount at end of the year	213,267	694,550	264,357	951,279	2,123,453
Cost	291,914	991,445	319,903	1,130,165	2,733,427
Accumulated depreciation	(78,647)	(296,895)	(55,546)	(178,886)	(609,974)

NOTES TO THE STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2006

Capitalised Leased Assets	R Capitalised Office Equipment	R Total
2006		
Carrying amount at beginning of the year	180,795	180,795
Cost	365,923	365,923
Accumulated depreciation	(185,128)	(185,128)
Additions	**298,971**	**298,971**
Impairment Loss	**(1)**	**(1)**
Depreciation for the year	**(165,558)**	**(165,558)**
Carrying amount at end of the year	**314,207**	**314,207**
Cost	664,894	664,894
Accumulated depreciation and impairment losses	(350,687)	(350,687)
Restated 2005		
Carrying amount at the beginning of the year	179,678	179,678
Cost	274,095	274,095
Accumulated depreciation	(94,417)	(94,417)
Additions	91,828	91,828
Depreciation for the year	(90,711)	(90,711)
Carrying amount at end of the year	180,795	180,795
Cost	365,923	365,923
Accumulated depreciation	(185,128)	(185,128)

The Kyocera Mita has reached the end of its 36 month lease term and has subsequently been impaired.

NOTES TO THE STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2006

	2006	Restated 2005
	R	R
3. Trade and other receivables		
Staff loans	54,383	74,756
Accrued income	712,974	113,379
Other receivables	35,761	
	803,118	188,135
4. Prepayments		
Prepayments	**97,154**	75,749

The entity has two insurance policies with SA Eagle Insurance Limited and Accident & Miscellaneous Acceptance of which the premiums are paid annually in November of each year. The policies are respectively for asset insurance and stated benefits (group insurance). The annual payment for the asset insurance is R105 326,63 of which R61 440,53 was prepaid. The annual payment for the stated benefits is R54 170 of which R31 599,17 was prepaid.

The entity has an agreement with the Tertiary Education Network with the providing of HE - Internetworking services. The payments of R4 114.15 is payable in advance.

5. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	2006	2005
Cash on hand and balances with banks	3,276	1,545,690
Marketlink: CHE	2,540,824	410,914
Marketlink: Ford Foundation	2,160,035	1,772,234
Marketlink: CHE Reserve Account	-	514,325
Marketlink: Rockefeller Foundation	834,283	575,129
Marketlink: Carnegie Foundation	170,142	704,613
Marketlink: Private Provider Accreditation	-	1,084,604
Corporation for Public Deposits: CHE	14,599,832	8,809,842
Corporation for Public Deposits: CHE Accreditation	1,206,407	-
	21,514,799	15,417,351

NOTES TO THE STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2006

	R	Restated R
6. Trade and other payables		
VAT	3,664,861	3,664,861
Trade Creditors	922,110	437,856
Accruals	380,237	431,102
	4,967,208	4,533,819

	Bonus Provision	Leave pay provision	Total
7. Provisions	**R'000**	**R'000**	**R'000**
Opening balance	86,250	384,090	470,340
Utilisation of provision during the year	(86,250)	(208,346)	(294,596)
Provisions made during the year	81,318	229,918	311,236
Closing balance	**81,318**	**405,662**	**486,980**

The leave pay provision relates to vesting leave pay to which employees may become entitled upon leaving the employment of the CHE.

The provision is utilised when employees become entitled to and are paid for the accumulated leave pay or utilise compensated leave due to them.

The bonus payable is determined by applying a specific formula based on the structure of the employees salary.

8. Finance Lease Obligation

Total liability in terms of finance lease	297,552	176,721
Short term portion transferred to current liabilities	(177,552)	(69,112)
	120,000	107,609

The liability is unsecured. The effective interest rate is approximately 11% per annum. The liability consists of 2 agreements with Toshiba Copiers. The one finance lease is repayable in 36 monthly instalments of R9 633 each as from 22 July 2005 and the other finance lease is repayable in 36 monthly instalments of R3 396.06 each as from 26 November 2004.

NOTES TO THE STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2006

	R	Restated R
Present Value of minimum lease payments		
Future Minimum Lease Payments		
Not later than 1 year	133,523	118,856
Later than 1 year and not later than 5 years	191,122	75,227
	324,645	194,083
Future finance charges on lease payments	(27,093)	(17,362)
	297,552	176,721
The present value of the finance lease liability is as follows:		
Not later than 1 year	120,000	107,609
Later than 1 year and not later than 5 year	177,552	69,112
	297,552	176,721

9. Deferred income

9.1 Donations/projects roll-over

	R	Restated R
CHERI - HE in Transformation	47,004	47,003
Rockefeller Foundation	737,964	635,062
Ford - UEM	-	24,339
Ford - HE Designation	22,960	22,960
Ford - Monitoring	949,650	1,413,515
Ford - Regulation Autonomy Freedom	485,446	317,064
NRF	250,000	-
Ford - Quality Promotion	287,619	350,720
Carnegie - Quality Assurance Capacity Development	293,632	952,786
AusAid	39,599	-
Finnish Co-operation	12,466	
Private Accreditation cost recovery	-	46,787
	3,126,340	3,810,236
9.2 Deferred income arising to grants related to assets	**2,155,914**	2,123,453
Total Deferred income	**5,282,254**	5,933,689

NOTES TO THE STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2006

	2006 R	Restated 2005 R
10. Revenue		
SA Government grant	26,615,539	16,191,229
Donations received	5,181,291	4,459,974
Sundry income	777,536	532,754
Private accreditation cost recovery	769,958	1,648,896
	33,344,324	22,832,853

11. Operating surplus is stated after taking the following into account:

	2006 R	Restated 2005 R
Auditor's remuneration	**104,624**	79,610
Depreciation	**499,407**	372,480
- computer equipment	150,149	117,895
- office equipment	21,884	19,448
- software	45,768	39,455
- capitalised leased assets	165,558	90,711
- furniture	116,048	104,971
Operating lease payment	**1,096,048**	1,096,048
- Building	1,096,048	1,096,048
Senior management renumeration (Note 18)	**1,552,940**	1,496,519
Executive Directors	1,459,457	1,337,355
Renumeration of chairperson	93,483	159,164
Impairment on capitalised office equipment	**1**	-

12. Finance income

	2006 R	Restated 2005 R
Interest Received CHE	307,588	291,551
Interest Received Ford Foundation	122,302	-
Interest Received Rockefeller Foundation	44,369	-
Interest Received: Private Provider	41,277	60,156
Interest Received: Corporation for Public Deposits	730,460	619,934
Interest Received: Corporation for Public Deposits: Private Accreditation	33,983	-
Interest Received: Reserve Account	27,981	110,600
	1,307,960	1,082,241

NOTES TO THE STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2006

	2006 R	Restated 2005 R
13. Correction of prior year error		

The following prior year errors were identified and corrected:

13.1 Lease classification

Certain leases were incorrectly classified as operating leases instead of finance leases. The error was corrected by recognizing the lease asset and lease liability, together with any related depreciation and finance charges, as well as the reversal of the original operating lease expense. The correction was applied retrospectively and prior year financial statements have therefore been restated. The impact on the correction on prior year financial statements is as follows:

Increase in Accumulated surplus at 1 April 2004		(21,148)
Increase in Property, plant and equipment		180,795
At cost		365,923
Accumulated depreciation		(185,128)
		-
Increase in finance lease liabilities		(176,721)
Decrease in payables		9,638
Increase in Surplus for 2005, as a result of:		7,436
Decrease in operating expenses		7,436
Net effect on prior year financial statements		-

13.2 Overstatement of revenue

Revenue from state grants was overstated in 2003 and 2004. The related output VAT liability was incorrectly debited in the provisions accounts whereas the state grant should have been debited. The impact of the retrospective restatement on prior year financial statements is as follows:

Decrease in Accumulated surplus at 1 April 2004		3,782,333
Decrease in Surplus for 2005, as a result of:		1,336,140
Decrease in revenue		1,336,140
Increase in VAT liability		(5,118,473)
Net effect on prior year financial statements		-

NOTES TO THE STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2006

		Restated
	2006	**2005**
	R	**R**

13.3 Property, plant and equipment

Property, plant and equipment was understated in prior years because the expected useful lives were not reviewed regularly. As a result, the assets were depreciated over inappropriate useful lives. In addition, assets with a cost price of less than R2000 were written off immediately against the total cost price of assets. The total effect of the error was an understatement of the cost of assets, and an overstatement of the accumulated depreciation of assets. Prior year financial statements have been restated retrospectively to correct the error. The impact of the retrospective adjustment on prior year financial statements is as follows:

Increase in property, plant and equipment, as a result of	996,756
Increase in cost of property, plant and equipment	550,879
Decrease in accumulated depreciation of property, plant and equipment	445,877
Increase in Accumulated surplus at 1 April 2004	(756,865)
Increase in Surplus for 2005, as a result of:	(239,891)
Decrease in operating expenses	(239,891)
Net effect on prior year financial statements	-

13.4 Grants related to assets

The property, plant and equipment of CHE are purchased from government grants. All the government grants have been recognised as part of revenue in the year in which they are received. However, grants used to acquire assets are grants related to assets and these grants should have been accounted for as deferred income and released to the statement of financial performance over the useful lives of the property, plant and equipment. The prior year financial statements have been adjusted retrospectively. The effect of the retrospective adjustment on prior year financial statements is as follows:

Increase in deferred income	(2,123,455)
Decrease in Accumulated surplus at 1 April 2004	1,650,823
Decrease in Surplus for 2005, as a result of:	472,632
Decrease in revenue	472,632
Net effect on prior year financial statements	-

NOTES TO THE STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2006

		Restated
	2006	**2005**
	R	**R**

13.5 Operating leases

Operating leases of buildings and parking have been expensed as they occur. However they should be expensed on a straight line basis over the lease term. The prior year financial statements have been adjusted retrospectively. The effect of the restatement on the prior year financial statements is as follows:

	2006	2005
Increase in accruals		(431,103)
Decrease in Accumulated surplus at 1 April 2004		397,010
Decrease in Surplus for 2005, as a result of:		34,093
Increase in operating expenses		34,093
Net effect on prior year financial statements		-

13.6 Summary of effect on net assets

	2006	2005
Decrease in Accumulated surplus at 1 April 2004		5,052,153
Decrease in Surplus for 2005		1,610,410

14 Cash generated by operating activities

	2006	2005
Surplus/(deficit) for the period	6,980,284	647,519
Adjustments for:	(760,586)	982,651
Depreciation	499,407	372,480
Investment income	(1,307,960)	(1,082,241)
Finance cost		
Loss on disposal of assets	24,268	17,714
Other non cash items	23,698	-
	1	1,674,698

NOTES TO THE STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2006

	2006	Restated 2005
	R	R
Operating profit/(loss) before changes in working capital	6,219,698	1,630,170
Movements in working capital	(837,794)	(8,298,853)
(Increase) in trade and other receivables	(636,388)	(368,635)
Increase in trade and other payables	450,029	459,296
(Decrease)/Increase in deferred income	(651,435)	(8,389,514)
Cash generated by operating activities	5,381,904	(6,668,683)

15 Property, plant and equipment

During the period, the economic entity acquired property plant and equipment with an aggregate cost of R390 008, of which R390 008 was acquired by means of capital grants by the national government. Cash payments of R 390 008 were made to purchase property, plant and equipment.

16. Operating lease arrangements

At the balance sheet date the Council on Higher Education had outstanding commitments under non-cancellable operating leases, which fall due as follows:

Buildings

Minimum lease payments

Payable: within 1 year	1,238,665	1,075,676
1-5 years	1,425,004	4,142,349
	2,663,669	5,218,025

NOTES TO THE STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2006

	Restated
2006	**2005**
R	**R**

The Council on Higher Education leases part of a building from SAASTA for a period of 5 years, effective from 1 May 2003 to April 2008. The lease payment is calculated at the following rate: 2075 square meters @ R44.3232 and the rental for 30 parking bays @ R139.97 per bay. Escalation is calculated at 8 % per annum with effect from 1 May 2004 for 4 years. The escalation will decrease to 6 % from 1 May 2007 as per lease agreement. The CHE has an option to renew the lease for a further 3 years at an escalation rate of 8% per annum, or as per mutual agreement of the parties. Three months notice is required for options to be exercised.

17. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure of R31,000 was incurred during the year ended 31 March 2006 as a result of an employee being paid twice. A settlement was reached in terms the CCMA case that the dismissed employee lodged against the entity. The employee was paid the settlement amount of R31 000 after normal PAYE deductions. The payment was duplicated in error with the processing of the entity's monthly staff salaries. The entity's attorneys were instructed to retrieve the money from the former employee after attempts to recover the money failed. A summons was issued against the person. Correspondent attorneys have applied for default judgement against her because of her failure to respond. Default judgement has been granted by the Magistrate Court. Our attorneys proceeded with a writ of execution to attach her movable assets. This matter is still outstanding as we await an update from our attorneys. Verbal warning was given.

	2006	2005
	31,000	-

NOTES TO THE STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2006

	2006 R	Restated 2005 R
18. Senior management remuneration		
Chief Executive Officer	**739,900**	616,247
- Salary	474,610	352,491
- Bonuses and performance rewards	54,807	46,690
- Expense allowance	2,499	2,500
- Pension contributions	56,400	52,800
- Other benefits	151,584	161,766
Executive Director	**719,557**	721,107
- Salary	509,847	432,189
- Bonuses and performance rewards	86,016	136,106
- Pension contributions	84,006	71,311
- Other benefits	39,688	81,501
Renumeration of chairpersons	**93,483**	159,164
- Fees for services	31,824	62,880
- Renumeration of Chairperson - CHE	61,659	96,284
- Renumeration of Chairperson - HEQC		

19. Irregular Expenditure

Irregular expenditure was incurred as a result of a finance lease relating to office equipment being incorrectly accounted for as a operating lease.

The expenditure incurred is therefore in contravention of the Treasury Regulation 32.2.5(b). The entity will seek through the Minister of Finance as per Treasury Regulation 32.2.5(b) the permission to enter into finance lease agreements.
Application was made to the Minister of Finance.

	2006	2005
	297,552	176,721

DETAILED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2006

	Notes	2006 R	Restated 2005 R
Revenue	10	**33,344,324**	**22,832,853**
Less: Expenses		**(27,672,000)**	**(23,267,575)**
Administration expense		460,989	338,298
Auditing fees		104,624	79,610
Bank charges		32,677	32,163
Consultants		4,897,433	3,339,857
Depreciation		499,407	372,480
Loss on disposal of assets		23,698	-
Electricity and utilities		211,066	164,959
Finance Costs		24,268	17,714
Impairment Loss		1	-
Information Technology		833,201	715,524
Insurance fees		100,863	154,570
Legal fees		90,194	259,748
Media and communications expense		265,517	318,640
Membership, subscription and licence fees		72,640	21,311
Operating lease		1,096,048	1,096,048
Personnel costs		10,939,911	10,125,635
Project expenditure		1,047,602	1,603,901
Recruitment		146,330	91,263
Remuneration of Chairperson		93,483	159,164
Staff benefits		385,378	248,145
Staff development		114,551	120,314
Travel and subsistence		4,805,990	3,139,858
Venue and catering - workshops, meetings		1,426,129	868,373
Operating surplus	11	5,672,324	-434,722
Net finance income	12	1,307,960	1,082,241
Surplus for the year		**6,980,284**	**647,519**

CHE

SCHEDULE OF DONOR-FUNDED PROJECT ROLL-OVER AS AT 31 MARCH 2006

PROJECT	Notes	FUNDER	Balance as at 31 March 2005	Interest received	Current year income received	Current year expenses incurred	Balance as at 31 March 2006
			R	R	R	R	R
Quality Assurance Capacity Development	1	Carnegie Foundation	952,785	34,703	476,840	(1,170,696)	293,632
HE in Transformation of Societies		CHERI	47,004				47,004
HE Designation		FORD	22,960				22,960
Monitoring Goals & Objectives		FORD	1,413,515			(463,865)	949,650
Quality Promotion		FORD	350,720			(63,101)	287,619
UEM Project - South African Networking		FORD	24,339			(24,339)	-
Regulation Autonomy Freedom		FORD	317,064		647,942	(479,560)	485,447
HE Triennial Review		The Rockefeller Foundation	635,062		377,837	(274,936)	737,964
Private Accreditation		Cost Recovery	46,787		723,171	(769,958)	-
Australian Funded Projects		AusAid	-		269,938	(230,339)	39,599
Quality Systems Restructuring		Finnish Co-operation			851,921	(839,454)	12,466
Post Graduate Education		NRF			400,000	(150,000)	250,000
TOTAL			**3,810,236**	**34,703**	**3,747,649**	**(4,466,248)**	**3,126,340**

NOTES

1. The grant condition of Carnegie stipulates that interest accrued to the grant should be applied to the project.