



COUNCIL ON HIGHER EDUCATION

**QUARTERLY REPORT TO THE
DEPARTMENT OF HIGHER EDUCATION
AND TRAINING (DHET)**

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Department of Higher Education and Training

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1. LIST OF ABBREVIATIONS/ACRONYMS

AC	Accreditation Committee
AGSA	Auditor General of South Africa
ASB	Accounting Standards Board
APP	Annual Performance Plan
ARC	Audit and Risk Committee
BEng	Bachelor of Engineering
BSW	Bachelor of Social Work
BBBEE	Broad Based Black Economic Empowerment
BSW	Bachelor of Social Work
CAT	Credit Accumulation and Transfer
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CESM	Classification of Educational Subject Matter
CHE	Council on Higher Education
DHET	Department of Higher Education and Training
Dip Eng	Diploma in Engineering
DPSA	Department of Public Service and Administration
DST	Department of Science and Technology
DVC	Deputy Vice-Chancellor
ENE	Estimates of National Expenditure
EU	European Union
EXCO	Executive Committee of Council
GAAP	Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
HEI	Higher Education Institution
HELTASA	Higher Education Learning and Teaching Association of Southern Africa
HEMIS	Higher Education Management Information System
HEQC	Higher Education Quality Committee
HEQCIS	Higher Education Quality Committee Information System
HEQSF	Higher Education Qualifications Sub-Framework
HR	Human Resources
HRRC	Human Resources and Remuneration Committee
IAC	Independent Actuaries and Consultants (in Financial Section)
IAC	Institutional Audits Committee
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
IAC	Institutional Audits Committee

ICT	Information and Communication Technology
LLB	Bachelor of Laws
MBA	Master of Business Administration
MEC	Monitoring and Evaluation Committee
MTEF	Medium Term Expenditure Framework
NCOP	National Council of Provinces
NEHAWU	National Education, Health and Allied Workers Union
NGC	Nominations and Governance Committee
NLRD	National Learners' Records Database
NQF	National Qualifications Framework
NRF	National Research Foundation
NSRC	National Standards and Review Committee
PAA	Public Audit Act of South Africa, Act 25 of 2004
MEC	Member of EXCO
MTEF	Medium Term Expenditure Framework
NGC	Nominations and Governance Committee
PFMA	Public Finance Management Act 1 of South Africa, Act 1 of 1999
PPPPFA	Preferential Procurement Policy Framework Act
QCTO	Quality Council for Trades and Occupations
QEP	Quality Enhancement Project
ROE	Returns on earnings
RPL	Recognition of Prior Learning
SALDA	South African Law Deans Association
SANS	South African National Standards
SAQA	South African Qualifications Authority
SAQAN	South African Quality Assurance Network
SCM	Supply Chain Management
SER	Self-Evaluation Report
SHEEC	Scottish Higher Education Enhancement Committee
SMME	Small Medium and Micro Enterprises
SMU	Sefako Makgatho Health Sciences University
SWG	Standards Working Group
TAU	Teaching Advancement at University
QA	Quality Assurance
QAA	Quality Assurance Agency
UIF	Unemployment Insurance Fund
UMALUSI	Council for Quality Assurance in General and Further Education and Training
UNISA	University of South Africa
VAT	Value Added Tax

2. BASIC INFORMATION OF THE PUBLIC ENTITY

2.1 Mandate

The Council on Higher Education (CHE) operates as a national entity under Schedule 3A of the Public Finance Management Act (PFMA) 1 of 1999, as amended. It adheres to principles of good governance, financial and performance management and is held accountable for these to the Parliament of the Republic of South Africa. The CHE was established as a juristic person in terms of section 4 of the Higher Education Act (101 of 1997). In summary, the main areas of work of the CHE are:

- To provide advice to the Minister of Higher Education and Training on all higher education matters at his request and proactively.
- To monitor the state of the higher education system in relation to the goals of national policies and international trends.
- To contribute to the development of higher education through intellectual engagement with key issues through research, publications and conferences and in partnership with relevant stakeholders.
- To develop and implement a system of quality assurance for all higher education institutions, including private providers of higher education, which focuses on programme accreditation, institutional audits, national reviews, and capacity development and quality promotion.
- To develop and manage the Higher Education Qualifications Sub-Framework (HEQSF) and to develop and set standards, including naming conventions for all higher education qualifications.

2.2 Vision, mission and values

2.2.1 Vision

To be a dynamic organisation contributing to a transformed, equitable, and quality higher education and training system in South Africa.

2.2.2 Mission

As the independent statutory quality council for South African higher education, the CHE:

- Leads and manages quality assurance,

- Researches and monitors trends and developments,
- Initiates critical discourse on contemporary higher education issues
- Provides advice to the Minister on strategy and policy.

2.2.3 Values

In pursuit of its vision and mission the CHE is committed to and guided by the following values:

- Social justice
- Quality
- Integrity
- Accountability

2.3 Strategic goals

Strategic Outcome Oriented Goal 1: CHE as quality assurer

Goal Statement:

The CHE is a credible, efficient quality assurer in higher education, with processes developed and implemented to inform, assure, enhance, and promote quality in HEIs.

Strategic Outcome Oriented Goal 2: Centre for information, policy analysis, and advice

Goal Statement:

The CHE is a recognized centre for information, policy analysis, and advice on higher education that informs and influences the public dialogue for the transformation of the higher education system.

Strategic Outcome Oriented Goal 3: Quality Council

Goal Statement:

The CHE is a well-established Quality Council promoting the goals of the NQF in the context of the PSET sector.

Strategic Outcome Oriented Goal 4: Effective, sustainable, and dynamic organization

Goal Statement:

The CHE strives to be an effective, sustainable, and dynamic organization, with systems, processes, and capacity/resources that enable it to discharge its mission and legal mandate optimally.

3. CHIEF EXECUTIVE OFFICER'S OVERVIEW

CHE's financial constraints versus the set performance targets for 2017/18

As a statutory body with legislative and policy mandates, the CHE makes an immense contribution to the proper functioning of the higher education system in the country. It is important that the CHE remains a fully functional body to continue contributing towards steering the higher education system for the benefit of the nation.

The fact that the MTEF baseline grant that the CHE receives annually from Government, through the DHET is inadequate, has far-reaching implications for the organisation's ability to function effectively because financial resources are a vital enabler for any organisation.

Over the last decade, there has been a steady trend of expanding the mandate of the CHE and rendering it more complex, against a backdrop of a rapidly growing higher education system. The current challenge is that the expansion in the scope of the mandate of the CHE has not been accompanied by proportionate increases in the level of baseline funding. Consequently, a significant proportion of the current broad mandate of the CHE has been and remains unfunded, which effectively means that the CHE has been under-funded over the last decade. The effects of being under-funded have been exacerbated by cuts in the baseline funding to the value of 2%, 7% and 10% which were effected during 2014/15, 2015/16 and 2016/17 financial years, respectively. To make matters worse, the budget cuts happened at a time that the CHE has been witnessing a phenomenal increase in the number of applications for programme accreditation, and similar increases in the general demand of other services that the organisation provides to its stakeholders.

Furthermore, the CHE has been increasingly playing the role of 'Ombudsman' for higher education. In this role, the CHE contributes immensely towards protecting students from poor quality provision of higher education. This is a necessary role that dovetails with, and complements the CHE's legislative mandate of quality assurance and promotion; but the fact remains that it is an unfunded role. In addition, a new cycle of institutional audits or quality reviews is planned for implementation in 2018. However, there is no budget to cover the audit or review operations, and to secure the required additional human capacity.

A further development is that, as a consequence of the quality assurance decisions of the HEQC which lead to withdrawal of accreditation and threaten lucrative enterprises that have proliferated in mostly private provision, increasingly the CHE has to defend the HEQC decisions in court, at tremendous cost.

The above have precipitated a state of financial crisis in the organisation which threatens its ability to continue functioning effectively and delivering on its core mandate of quality assurance and promotion in higher education. There is a shortfall of R12.5 million for the 2017/18 financial year and the forecast for the future is bleak. Whereas previously such shortfalls used to be easily made up for by surplus funds rolled-over from one year to the next, as approved by National Treasury, the harsh reality now is that after 2017/18 financial year there will be no more surplus funds to roll-over.

Given the massive shortfalls projected for the next three years, the organisation will simply not be able to achieve some of the performance targets reflected in the Annual Performance Plan. Alternatively, the CHE will have to levy fees on public institutions or universities.

4. PROGRESS TOWARDS PREDETERMINED OBJECTIVES AND TARGETS

4.1 Programme 1: Institutional Quality Assurance

4.1.1 Introduction

This programme is one of the ways in which the CHE fulfils its Strategic Goal 1 through developing and implementing processes to inform, assure, enhance, and promote quality in higher education institutions (HEIs). The three areas of work or sub-programmes are:

- Assessment of HEIs quality assurance systems;
- Accreditation; and
- Quality enhancement.

4.1.2 Progress under Assessment of HEIs QA Systems Sub-Programme

4.1.2.1 Develop methodology to assess HEIs QA systems

The draft methodology was discussed by the Institutional Audits Committee at its meeting on 21 July 2017, the Senior Management in a workshop on 14 August 2017 and the HEQC at its meeting on 31 August 2017. It will be discussed at a public consultative forum on 30 and 31 October 2017.

4.1.2.2 Other activities under the sub-programme

A support visit was conducted by the Director: Institutional Audits to Walter Sisulu University to provide guidance on what is required in the progress report they are required to resubmit as part of their institutional audit. This is the only outstanding audit from the first institutional quality assurance cycle.

The panel for the special institutional audit of the University of Zululand produced a report that was discussed by the Institutional Audits Committee at its meeting on 21 July 2017. The IAC identified a number of revisions that needed to be made to the document, which were done. The revised document was sent to the University for corrections on 31 July 2017 and minor corrections were received on 16 August 2017. The report was submitted for discussion at the meeting of the HEQC on 31 August 2017. The HEQC requested further revisions, which were made. The revised document was discussed at the Council meeting on 28 September 2017. Council has identified additional revisions that need to be made.

4.1.3 Progress under Accreditation Sub-Programme

4.1.3.1 Accredited programmes submitted

Of the 109 new submissions received for processing via the HEQC-online system during this quarter, 71 were from public higher education institutions and 38 from private higher education institutions. The number of applications received for accreditation from the public higher education institutions has increased steadily over the last year, particularly in the areas of Education, Business, Economics and Management Studies, and Health Professions and Related Clinical Sciences. The private higher education institution submitted more applications within the areas of Business, Economics and Management Studies.

Table 1 below indicates that the largest increase in new applications received from universities for undergraduate degrees were at NQF level 7. It is also interesting to note that the increase in the NQF levels linked to public providers are on Levels 7, 8 and 9. This might be an indication that the Universities of Technology have started to submit their programmes for Advanced Diplomas and Postgraduate Diplomas.

Table 1: New Applications received per NQF level

NQF Level	Number of Applications: Private Providers	Number of Applications: Public Providers
Level 5	9	2
Level 6	14	15
Level 7	9	28
Level 8	6	10
Level 9	0	12
Level 10	0	4
TOTAL	38	71

Table 2: New Applications Received per CESM category

CESM Category	Number of Applications: Private Providers	Number of Applications: Public Providers
Agriculture, Agricultural Operations and Related Sciences		6
Architecture and the Built Environment		
Visual and Performing Arts	2	5
Business, Economics and Management Studies	16	20
Communication, Journalism and Related Studies	1	2
Computer Science and Information Sciences	4	1
Education	5	11
Engineering	1	7
Health Professions and Related Clinical Sciences	4	6
Family Ecology and Consumer Sciences		
Languages, Linguistics and Literature		
Law		1
Life Sciences	3	3
Physical Sciences		5
Mathematics and Statistics		
Military Sciences		
Philosophy, Religion and Theology	1	
Psychology		1
Public Management and Services		1
Social Sciences	1	2
GRAND TOTAL	38	71

One Accreditation Committee (AC) meeting was held on 26 – 27 July 2017 and one HEQC meeting was held on 31 August 2017 during this quarter.

Re-accreditation

A total of 22 institutions' re-accreditation applications were tabled at the HEQC meeting of 31 August 2017 for approval or noting. These applications included a total of 131 programmes which were evaluated individually, as part of a self-evaluation report or a site visit. Six of the applications were deferred at a previous Accreditation Committee meeting pending the submission of additional information/and or a site visit. Four of these applications included site visits to the respective institutions. One site visit was conducted as part of a re-accreditation condition.

Summary of HEQC decisions:

At its meeting on 31 August 2017, the HEQC made decisions on the 106 recommendations made by the Accreditation Committee pertaining to applications for accreditation of new programmes. It should also be noted that 23 programmes that were tabled at the Accreditation Committee linked to this HEQC meeting were deferred because the Committee needs the provider/s to submit additional information before a recommendation or recommendations could be made.

Table 3: Summary of Decisions Made by the HEQC on 31 August 2017

Total number of programmes for accreditation	106
Programmes accredited	44
Programmes accredited (with conditions)	38
Programmes not accredited	24
Programmes deferred at Accreditation Committee but not tabled at the HEQC	23
Extension of programmes to new/relocated site of delivery	0
Site visit reports tabled	0
Total number of programmes for Re-Accreditation	131
Re-accredited	3
Re-accredited with conditions	64
Not re-accredited	7
Deferred	12
Accreditation status extended	7
Accreditation status extended with conditions	6
Accreditation status not extended	10
Put on notice to not re-accredit	19
Put on notice to not extend the accreditation status	3

From the 106 new programmes that were tabled at the HEQC meeting, 103 programmes were processed within the required timeframes following the appointment of evaluators.

4.1.3.2 Verify institutional capacity to offer accredited programmes

Nine site visits were conducted during the reporting period.

4.1.3.3 Revise, pilot and publish a framework and process for accreditation

The Accreditation Directorate, in a bid to improve its efficiency and effectiveness in managing the large volume of applications submitted for accreditation and the related processes, embarked on a review of its processes. Various consultative meetings were held with stakeholders to discuss the development of a new framework and process for accreditation. A three-day Accreditation Committee was held in July 2017 where the first day was spent on consulting Committee members on the way forward. A differentiated approach was proposed as it is necessary to acknowledge that many institutions have established their QA systems and processes and could be given greater responsibility for reviewing their programmes and reporting the results to the CHE. On the other hand, new institutions and those not having demonstrated the capacity to develop programmes and manage appropriate sites require greater scrutiny of their programmes and provision for delivery.

4.1.3.4 Other activities under the sub-programme

Meetings were held with institutions, professional bodies and other stakeholder such as the QCTO, DHET and SAQA on matters related to programme accreditation.

4.1.4 Progress under Quality Enhancement Sub-Programme

4.1.4.1 Complete Phase 1 of the QEP

A workshop for representatives of all public universities was held on 3 and 4 August 2017 at the Protea Edward Hotel in Durban in which participants began to develop a code of good practice emanating from Phase 1 of the QEP. Two writers have been appointed to produce a synthesis document of Phase 1 of the QEP. Both of these documents will be resources for higher education institutions.

4.1.4.2 Implement Phase 2 of the QEP

An online version of the submission document for Phase 2 of the QEP has been developed for private HEIs. An email was sent to all PHEIs on 8 September 2017, inviting them to complete the submission. The two private provider networks are working with their members to support and encourage their institutions in completing the submission. At a meeting of the QEP DVC Forum on 20 September 2017, the DVCs were reminded that submissions from public institutions are due on 30 November 2017.

4.1.4.2 Other activities under the sub-programme

As a follow up to the workshop on Improving the Effectiveness of University Teaching, run by the CHE and DHET from 24-26 May 2017, the project steering committee met on 29 August 2017, using the last of the funds from the EU Dialogue Facility grant. The Director: Institutional Audits, at the request of the Chief Director: Teaching and Learning from DHET, produced an outline of proposed activities and timelines for the remainder of the year that will lead to the development of a national framework for developing and strengthening university teachers.

4.2 Programme 2: Qualifications Management and Programme Reviews

4.2.1 Introduction

This programme seeks to advance the realization of strategic goal 3 of the CHE by managing a single integrated national framework of higher education qualifications as a subset of the National Qualification Framework (NQF); developing qualification standards; and undertaking national reviews in selected programmes and qualification levels. The common denominator among these programme functions is that they all contribute towards ensuring that South African higher education qualifications meet appropriate criteria as determined by the Minister of Higher Education; and that they are of acceptable quality and internationally comparable. Such qualifications and the study programmes that lead to them are intended to contribute to the full personal development of students, and to the social and economic development of the country.

The programme is structured into three related key focus areas or sub-programmes. These are the management of the HEQSF; standards development, and national reviews.

4.2.2 Progress under Management of the HEQSF Sub-Programme

4.2.2.1 HEQSF policy development, review and implementation

This project had not yet started because of budgetary constraints. It is one of those projects which were not allocated budget.

4.2.2.2 HEQSF information management: HEQCIS

The HEQCIS system continued to work well. The HEQCIS dataset for the cycle that ended on 14 July 2017 was loaded onto the NLRD as part of the NLRD's July/August 2017 data load.

A hands-on workshop to assist the institutions that needed extra assistance with their loads was held on 20 September 2017. There were over 90 participants.

4.2.3 Progress under Development of Qualifications Standards Sub-Programme

4.2.3.1 Development of qualification standards

The CHE engages regularly with academic communities and other stakeholders to identify qualification types, fields of study and disciplines that would benefit from development of a national standard.

a. Advanced Diploma in Engineering and Bachelor of Engineering Technology

Following substantial revision in response to public comment, these standard statements were tabled at the NSRC meeting on 27 July 2017. The comments of the NSRC are under consideration; however, due to shortage of funds the Working Group cannot be convened. The activities of the Group have been put on hold.

b. Bachelor of Commerce

Members of the Working Group continue to work on the draft standard by email. It is anticipated that the next version should be ready for wider circulation during the 3rd quarter of the year. However, due to shortage of funds the Working Group cannot be convened. The activities of the Group have been put on hold.

c. Bachelor of Sports of Coaching

Following key stakeholder consultations, the revised standard statement was tabled at the NSRC meeting on 27 July 2017. The comments of the NSRC are under consideration; however, due to shortage of funds the Working Group cannot be convened. The activities of the Group have been put on hold.

d. Bachelor of Information and Library Studies

The Standards Working Group met as scheduled on 7 and 8 September 2017 at the National Library of South Africa. The 2-day meeting progressed very well; a draft working document was produced for the members to continue working on electronically. There was a general agreement on the core knowledge areas, preamble and purpose of the qualification.

Members of the Group were assigned different areas of the standards statement to work on in preparation for the next meeting on 07 November 2017.

The National Library of South Africa has agreed to fund and host most of the activities of the Standards Working Group (SWG).

e. Higher Certificate and Diploma in Emergency Care

The initial drafts of the standard statements have developed and will continue to undergo revisions in response to comments received from members of the SWG.

f. Diploma in Emergency Care

The initial drafts of the standard statements have developed and will continue to undergo revisions in response to comments received from members of the SWG.

4.2.4 Progress under National Reviews Sub-Programme

4.2.4.1 Management of the phases of National Reviews

a. Follow-up LLB review outcomes

The institutions were asked to put measures in place to address the conditions, concerns and recommendations set out in their review reports. The HEQC therefore expects an Improvement Plan (IP) with clear targets, resource allocations and milestones within a specified timeframe and to report on progress made in respect of improvement to the programme from time to time. The deadline for submission of the Improvement Plan is 6 October 2017.

Reminders were sent out to all the institutions on the 22nd of August 2017 with regards to the impending deadline. , All institutions responded with an assurance that the submission date will be met.

b. Third phase of the LLB review

A third meeting of the LLB National Report Writers' Team took place at the CHE on 5th of September 2017. The purpose of the meeting was to consolidate the draft report in preparation for submission to the CHE later in October 2017.

The final draft has been submitted to the Directorate for submission to NSRC on 19th and 20th October 2017.

c. Doctoral studies review

Two further follow-up meetings were held on 1st and 15th September 2017. The National Reviews Sub-group meeting took place on the 1st of September 2017 at the CHE as scheduled.

The responsibilities of the subgroup are to, amongst other things:

- consider a review of the CHE's Framework for national review of programmes in higher education to accommodate the uniqueness of national review of doctoral programmes. HEIs have a number of doctoral programmes registered and the current national reviews framework accommodates a national review of a particular programme.
- discuss the intentions of the national review of doctoral programmes.

The following were proposed:

- Review of the institutional quality assurance arrangements - institutional review
 - Alignment of the institutional quality assurance arrangements to doctoral standard and identification of programmes that are not aligned – institutional and doctoral programme alignment
 - Judgment on the quality assurance arrangements at institutional level and/or programme level – outcomes and implications of the reaccreditation process;
 and
- review the draft proposal on national reviews of doctoral programmes and terms of references.

The group also proposed that a national survey of the views of doctoral graduates in South Africa on the quality of the doctoral qualification be conducted. A draft proposal will be shared with the rest of the Reference Group for comment and approval.

The group identified a number of critical themes believed to be crucial to the review of doctoral qualifications offered in South Africa as reflected in the table below.

Table 4: Critical Themes for the Review of Doctoral Programmes

Theme	Sub-theme	
1. Design of the qualification		
2. Admission		
3. Supervision	Facilitating the learning Pedagogy of supervision Training	
4. Enabling Environment	Postgraduates policies Programme co-ordination, management and monitoring Academic support Infrastructure Administration support Mobility/ internationalisation Funding	
5. Assessment		
6. Research Uptake	Production	

The National Reviews Group is expected to produce its deliverables by 13 October 2017. These deliverables are the draft self-evaluation report (SER) template, and request for proposal for a national survey on experiences of doctoral graduates.

d. Standards Development Sub-group

The subgroup meeting took place on the 15th September 2017 at the CHE as scheduled.

The responsibilities of the Standard Development Sub-group are:

- To develop one generic doctoral qualification standard that can be used for general and professional doctoral qualifications;
- To develop a doctoral qualification standard FORMAT which entails all required information; the subgroup would research doctoral standards that have been produced by other quality assurance bodies; and,
- To identify areas of research interest particularly in the way in which doctoral programmes are managed, supervised, assessed and examined.

The main discussions at this meeting were around the following:

- Update on Sub-Group progress
- Update on matters arising from the National Review Sub-Group that may impinge on the Standard Development
- Discussion of draft Standard and Issues and aspects requiring further attention
- Discussion of research outcomes: HEI Doctoral programmes policies and procedures
- Discussion on how the Standard should influence the National Review
- Responsibilities and timelines for completion of the draft Standard
- Process for dissemination of draft Standard for public comment

The Standard Development Group is expected to produce its deliverables by 13 October 2017. These deliverables are the draft doctoral qualification standard, and research report from the desktop analysis of institutional policies and quality assurance arrangements pertaining to doctoral studies.

e. Postdoctoral Researcher

The Reference Group agreed to commission a researcher or postdoctoral fellow to conduct desktop research and analysis on general university policies on doctoral studies, doctoral admissions; supervision and assessment. Key deliverables are:

- 1) A compilation of doctoral studies' policies of each institution and
- 2) A desktop analysis under the headings above.

Dr Shelly Anna Wilburn, a postdoctoral fellow based at the University of Cape Town (UCT), was commissioned to conduct the above-mentioned research.

The draft report was shared with the Standards Sub-group; and the final report will be submitted on 13th October 2017.

The main challenge remains:

- The lack of capacity and funding to undertake standards development related activities remains a problem, especially that new standards have been added to our activities for the second quarter.
- Delays in completing the standards development cycle will affect achievement of the targets as set in the APP. The activities of the standards working groups for Bachelor of Sports Coaching and Bachelor of Commerce have been put on hold due to funding constraints.

4.3 Programme 3: Research, Monitoring and Advice

4.3.1 Introduction

This programme responds to strategic outcome oriented goal 2 in partial fulfilment of the Mission, i.e. being a recognised centre for information, policy analysis and advice. The functions within this programme are cross-cutting in the main, in that they synthesize knowledge and insights gained in the quality assurance and research activities carried out in different parts of the organisation in order to inform the policy analysis and advice produced.

One of the objectives is to undertake research on key issues on higher education, which is generally organised in specific research projects, and which leads to the publication of research findings to be disseminated to CHE stakeholders and other interested parties. Another is to monitor trends and developments in higher education to inform research undertaken by academics across the system or within CHE research projects, and to provide the information that is necessary for the provision of advice to the Minister.

The third objective is to provide research-based advice to the Minister of Higher Education and Training in a proactive manner. The CHE must also respond to any requests for advice from the Minister; the number and nature of these cannot be predetermined, but every request should be acted upon.

4.3.2 Progress under Research Sub-Programme

The research programme of the CHE has been severely affected by budget shortfalls, such that empirical work, events such as seminars and publications are currently not provided for.

4.3.2.1 Produce and share research on key issues

Desktop research on curriculum resulted in a discussion document for the HEQC on the decolonisation of the curriculum. A related draft paper on current History Departments at South African universities was also produced. A series of monitoring briefs for the CHE website entitled "*BrieflySpeaking*" was launched, with the first one on the topic of research ethics and predatory journals.

Research on quality assurance was undertaken to inform the CHE's new integrated approach.

4.3.3 Progress under Monitoring Sub-Programme

4.3.3.1 Collate and disseminate information on key trends and developments

Work towards carrying out cohort studies for *VitalStats* in a different way was undertaken. The 2016 HEMIS data for the next *VitalStats* will only become available from the DHET in December 2017 or January 2018, once they have been audited.

4.3.4 Progress under Advice Sub-Programme

4.3.4.1 Provide research-based advice on issues of national importance

Members of the Directorate contributed to three national processes: the production of the Fees Commission report, the development of the National Plan for the PSET, and the development of governance indicators for the higher education sector.

4.4 Programme 4: Administration and Support

4.4.1 Introduction

This Programme is a cross-cutting function that is responsible for providing the systems, activities and structures that enable the organisation to operate effectively and efficiently. It covers the functions in the CEO's Office and the following key support functions: Human Resources, Information Communication and Technology (ICT), Finance and Supply Chain, Facilities management, Corporate Communication, and Administration. The main objectives of this programme are to set the policy and tone for good governance, statutory compliance, and transfer of business best practice across the organization; and ensure the efficient and effective provision of corporate services – administrative, financial, technical and professional - to support the discharge of the core mandate of the CHE.

4.4.2 Progress under Information Communication Technology Sub-Programme

4.4.2.1 Develop an integrated online information management system

The strategic review process culminated in the revision of the 2015 to 2020 Strategic Plan. The annual performance plan for 2017/18 was prepared on the basis of the revised Strategic Plan. The process also led to the need for the organisation to review of its operational model to emphasise human capacity optimisation, and leveraging cross- functional synergies through strong internal coordination. The aim is to continue creating value while utilising available resources. This further necessitated the prerequisite to review the current HEQC and HEQSF Online system initially developed for the Accreditation and National Review programmes, and to incorporate them into an Integrated Online System for the operational function of all directorates in an integrated manner.

The CHE defines itself as a knowledge organisation and the sole quality council for higher education in South Africa. This means that management and staff aim to assure and promote quality in both the 26 public and approximately 121 private higher education institutions and the programmes they offer. In developing an integrated architecture for the CHE systems the aforementioned were taken into account. In this sense the development of the system takes the organisation itself as its points of departure.

It is in this context that the CHE went out on a request for proposal for the development of an integrated online system and the provision of a web based online systems maintenance services. The Bid was advertised in August and closed in September 2017. The submissions ranged from R 18 000 000.00 to R22 000 000.00. The bid was withdrawn to review the specifications to align with the recently adopted Integrated QA framework. The revised specification will serve at the ICT Steering Committee meeting in October 2017, prior the bidding process.

4.4.2.2 Ensure governance and compliance with statutory requirements

During the quarter under review, the following three documents were developed but they were not tabled for approval by the ICT Steering Committee as no meeting was scheduled during the 2nd Quarter. The three documents will serve at the next ICT Steering Committee meeting on 5 October 2017:

- Cyber Security Policy
- ICT Asset Replacement Procedures
- Terms of Reference of the ICT Operational Committee

4.4.3 Progress under Human Resource Management Sub-Programme

4.4.3.1 Staff training and development – (July to September 2017)

The total training costs as a percentage of personnel costs for the quarter under review is 0.7% with thirty four (34) employees trained during the period. This included internal training conducted on systems and policies. The training and development conducted during the quarter is reflected in the table below:

Table 5: Statistics on Training Expenditure and Number of Employees Trained

Directorate/ Business Unit	Personnel Expenditure	Training Expenditure	Training Expenditure as a % of personnel Cost	Number of employees trained	Average training cost per employee
Administration	3 992 000	41 712	1 %	13	3 209
Monitoring and Evaluation	1 164 000	11 724	1 %	4	2 931
Programme Accreditation	1 691 000	0	0%	11	0
National Reviews and Standards Development.	878 000	0	0%	3	0
Institutional Audits	809 000	8 379	1%	3	2 793
TOTAL	8 534 000	61 815	0.7%	34*	8 933

*includes internal training

4.4.3.2 Filling posts on the approved organisational structure

a. Employment Profile

The organisation is experiencing challenges in attracting a good calibre of professionals at the levels of Manager and Senior Manager, particularly in the core functions. Two vacant positions have gone through two or three rounds of the recruitment and selection process. This is due to the organisation's remuneration and benefits. The inability to attract good candidates has serious implications for the functioning of the organisation and subsequently major escalation in the recruitment costs. The total number of employees at the end of the quarter under review is forty four (44) with eight (8) vacancies against fifty two (52) positions on the approved organisational structure. There was one (1) termination (as a result of incapacity due to ill health) and three appointments during the period under review. However the process of filling the vacancies in the Accreditation Directorate is underway and approximately four (4) of the vacancies should be filled in the next quarter. In the interim employees from other directorates have been deployed to the Accreditation Directorate to reduce the pressure experienced. The table below reflects the employment profile as at 30 September 2017:

Table 6: Number of Employees per Salary Band

Salary Band	Number of employees employed at the beginning of the period - 01 July 2017	Number of appointments made during July, August and September 2017	Number of terminations made during July, August and September 2017	Number of employees employed at the end of the period - 30 September 2017
Top Management	1	0	0	1
Senior Management	7	0	0	7
Professional qualified	11	2	0	12
Skilled	22	1	1	22
Unskilled	2	0	0	2
TOTAL	43	3	1	44

b. Employment Equity Status as at 30 September 2017

The overall profile of the organisation in terms of race of employees is 77% Africans, 5% Coloureds, 5% Indians and 13% Whites. In terms of gender 39% of the employees are male and 61% are female. The racial profile at management level is, 65% Africans, 10% Indians and 25% Whites; while in terms of gender 50% are male and 50% are female. There has been a slight reduction in the number of Africans at an organisational level and an increase at management level which resulted in a reduction in the proportion of whites at

management level. The attraction of Coloureds at management level and people with disabilities at both organisational as well as management levels remains a challenge. This is illustrated in the following graphs:

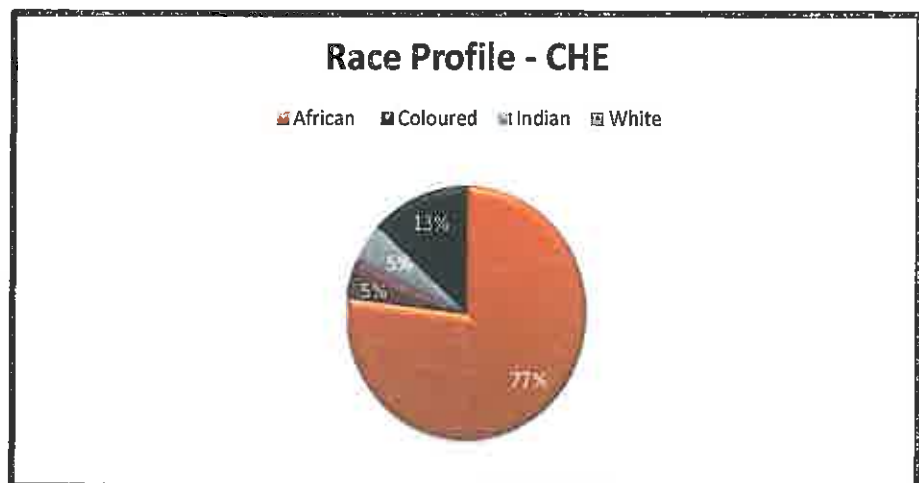


Figure 1: Pie Chart Depicting the Race Profile of Employees of the CHE

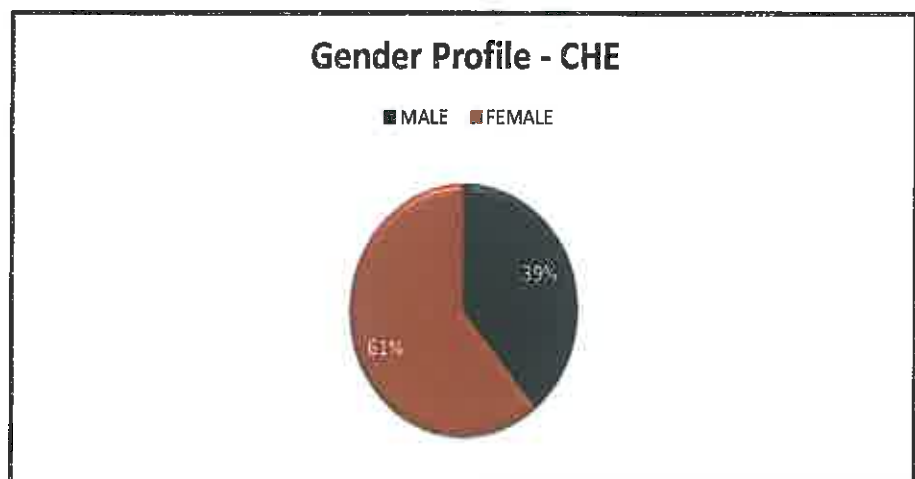


Figure 2: Pie Chart Reflecting the Gender Profile of Employees of the CHE

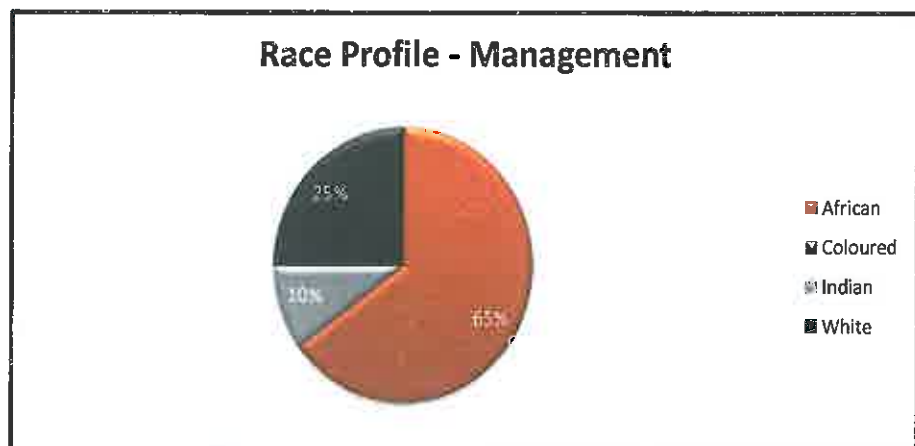


Figure 3: Pie Chart Depicting the Race Profile of the Management of the CHE

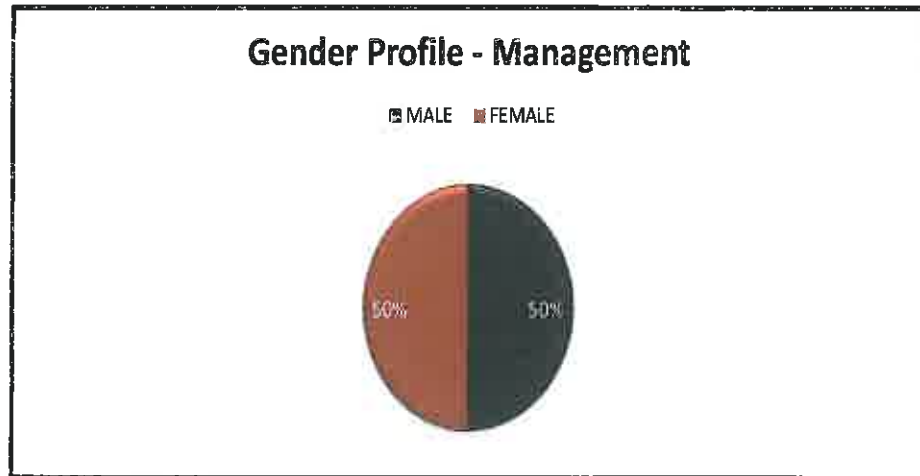


Figure 4: Pie Chart Depicting the Gender Profile of the Management of the CHE

4.4.3.2 Other activities under the sub-programme

a. Performance Management Bonus Payments: 2016/17

The CHE conducted performance assessments for all staff at the end of March 2017. The assessments were subjected to a further review during the first week of August 2017 in line with the revised Performance Management Policy. This was after the signing off by the Auditor General South Africa's (AGSA) of the annual report.

Due to the prevailing financial constraints there was no budget allocated for the awarding of performance bonuses during the financial year 2016/17. However approval was granted by the Executive Committee Management Committee (EXCO), to utilise the savings derived from the 2016/17 vacancies for the payment of bonuses to deserving employees. A provision of **R950 118.88** (3% of total salary bill) was made for consequent payment in August 2017. This amount had to be distributed fairly amongst the deserving employees.

In terms of the CHE's Performance Management Policy, only employees who exceed the expected standard of performance (**above a rating of 3**) qualify for a bonus payment. The bonus pool was distributed, allocated and spread over the rating categories, as illustrated in the table below:

Table 7: Schedule Used in the Allocation of Performance Bonuses to Staff

Rating Categories (5 point scale)	% allocation of Basic salary OR Total cost to company
3.1 - 3.3	2%

3.4 - 3.5	3%
3.6 - 3.9	4%
4.0 - 4.5	5%
4.6 - 5.0	6%

Of the total number of forty three (43) employees at the end of August 2017, four (4) employees were not eligible due to their relative short tenure in the organisation (less than six months), two (2) did not meet the expected performance standards and thirty seven (37) qualified for payment of bonuses. This is illustrated in the table below:

Table 8: Distribution of Employees to Performance Rating Bands

Rating Categories (5 point scale)	No. of employees	%
N/P	4	9%
0 - 3	2	4%
3.1 - 3.8	20	47%
3.81- 4.9	17	40%
5	0	0
Total	43	100%

b. Human Resources Policies

During the quarter under review the following HR policies, procedures and charters were reviewed, served at the Human Resources and Remuneration Committee (HRRC) on 19 September 2017 for recommendation and will be tabled at the EXCO and Council meetings scheduled for 26 October and 23 November 2017, for approval and ratification, respectively.

- Performance Management Moderation Committee Charter;
- Human Resources and Remuneration Committee Charter;
- Performance Enhancement Plan and Procedures; and
- Risk Pool and Retirement due to Ill Health Policy.

4.4.4 Progress under Finance and Supply Chain Management Sub-Programme

4.4.4.1 Develop policies, frameworks, guidelines and procedures

The APP did not require the CHE to develop policies, frameworks, guidelines and procedures during the second quarter.

4.4.4.2 Review policies, frameworks, guidelines and procedures

During the quarter under review, the following documents were reviewed and approved:

- Acceptance Levels of Materiality and Significance; and
- Materiality and Significance Framework.

4.4.4.3 Pay suppliers within stipulated timelines

On average, 68 eligible suppliers were paid within 11 days during the second quarter.

4.4.4.4 Produce quarterly supply chain management reports

One expenditure report was prepared and submitted to DHET by the compliance date during the second quarter.

4.4.5 Progress under the Office of the Chief Executive Officer Sub-Programme

4.4.5.1 Corporate governance meetings

Six governance meetings were held during the first quarter:

- 25 July 2017 – Audit and Risk Committee (ARC);
- 27 July 2017 – Executive Committee (EXCO);
- 31 August 2017 – Higher Education Quality Committee (HEQC);
- 19 September 2017 – Human Resources and Remuneration Committee (HRRC); and
- 28 September 2017 – Council.

4.4.5.2 International partnerships and cooperation

The CHE hosted a delegation from the National Council for Quality Assurance in Higher Education (CNAQ) of Mozambique on 10 and 11 July 2017. The four member CNAQ delegation was led by Professor Anna Nhampule, who serves as the agency's President/CEO. The delegation engaged and shared the experiences with members of Senior Management of the CHE on such matters as mechanisms of evaluation, accreditation and quality assurance, quality promotion, capacity building and quality improvement. There were also discussions on developing closer co-operation in capacity building for effective and systematic implementation of appropriate mechanisms of quality assurance.

A team from the Botswana Qualifications Authority (BQA) visited the CHE on a study tour on 6 September 2017. The team was interested in learning about the CHE's quality assurance regimen, including the methodologies and approaches. Members of the Senior Management presented the activities of their respective directorates to the visiting team. They also engage the team on other matters of mutual interest between the CHE and the BQA in Botswana.

A delegation of senior officials in the Ministry of Higher Education in the Sultanate of Oman visited the CHE on 19 September 2017. They were interested in learning about the functions of the CHE, and also on the relationship between the CHE and the Department of Higher Education and Training.

4.4.5.3 Media releases, communiqués, newsletters and other information

The CHE produced and released Volume 1, Issue No. 7 of Quality Matters, the CHE electronic newsletter. Articles in the newsletter provided important information to staff and external stakeholders on the developments within the CHE.

4.4.5.4 Participation in international conference

No one from the CHE participated in an international conference during this quarter.

4.4.5.5 Benchmarking

This project had not yet started because of capacity and budgetary constraints.

5.

PERFORMANCE INFORMATION/DATA TABLES

The 2017/18 Non-financial Performance Information/Data Table for all performance indicators, quarterly targets and actual performance in relation to the targets is reflected below:

Strategic objectives		Performance indicator	2016/2017	2017/2018 – Second Quarter: 1 July – 30 September 2017				Evidence / Comment
			Audited output	Annual target 1 April 2017 – 31 March 2018	2 nd Quarter Target 1 July – 30 September 2017	Cumulative Total Full year	Challenges	
Programme 1: Institutional Quality Assurance								
1.1 To develop methodology to assess HEIs QA systems	Number 1.3.1: Develop methodology to assess HEIs QA systems by end March 2018	n/a New performance indicator	Approved methodology	0	n/a			No outputs required during the 1 st and 2 nd Quarters.
1.2 To assess higher education institutions' quality assurance systems each financial year	Number 1.3.2: Assess higher education institutions' quality assurance systems each financial year	n/a New performance indicator	Institutional assessments	0	n/a			No output required in the 2017/18 financial year
1.3 To accredit new programmes submitted each financial year	Number 1.3.3: Accredit new programmes submitted by end of March 2018	86% 660 programmes processed 771 programmes received	75% of submitted applications with a HEQC outcome within 12 months after the appointment of an evaluator	75% of submitted applications with a HEQC outcome within 12 months after the appointment of an evaluator	Not cumulative	106 programmes tabled at HEQC but 103 of these programmes processed during the timeframe. Thus, 97 % output achieved		
1.4 To re-accredit programmes submitted each financial year	Number 1.3.4 Re-accredit programmes submitted by end of March 2018	100% 139 programmes were received and processed	80% of submitted applications with a HEQC outcome within 18 months after the appointment of an evaluator	0	Not cumulative		A total of 131 programmes were tabled at the AC and HEQC within this reporting quarter. These programmes were from different processes from the 2013, 2014 and 2015 cycles. They are not counted towards the performance of the Directorate in terms of quarterly reporting, because the re-	No outputs required during the 1 st and 2 nd Quarters.

2017/2018 – Second Quarter: 1 July – 30 September 2017						
Strategic objectives	Performance indicator	2016/2017		2017/2018		Evidence / Comment
		Audited output	Annual target 1 April 2017 – 31 March 2018	2 nd Quarter Target 1 July – 30 September 2017	Cumulative Total Full year	Challenges
						accreditation cycle relevant for reporting is the 2016 and 2017 cycles. Institution's submitted in 2017 for these cycles and their applications will be tabled in the third and fourth quarters of the 2017/2018 year. The Directorate should across the four quarters cumulatively still achieve its targets.
1.5 To verify institutional capacity to offer accredited programmes by means of site visits to institutions each financial year	Number 1.3.5 Verification of institutional capacity to offer accredited programmes by means of site visits to institutions each financial year	86% 37 Site visits completed 56 site visits were tabled at the HEQC meetings	75% of reports tabled at an HEQC meeting 12 months after a site visit	75% of reports tabled at an HEQC meeting 12 months after a site visit	Not cumulative	Although nine site visits were done during Q2 no reports were tabled at the HEQC meeting and will only be tabled at the next HEQC meeting.
1.6 To revise, pilot and publish a framework and process for programme accreditation by end March 2020	Number 1.3.6 Revise, pilot and publish a framework and process for programme accreditation by end March 2020	n/a New performance indicator	Approved revised framework document for programme accreditation	None	Not cumulative	No outputs required during the 2 nd Quarter.
1.7 To complete Phase 1 of the QEP	Number 1.3.7 Complete Phase 1 of the QEP end of March 2018	18 institutional visits conducted	Synthesis document from Phase 1 of the QEP 2 workshops	QEP workshop	1 QEP workshop	Work on the synthesis document has begun.
1.8 To implement Phase 2 of the QEP	Number 1.3.8 Implement Phase 2 of the QEP by the end of March 2019	100% Finalised the focus areas document (Phase 2 of the QEP)	23 institutional reports received from HEIs	0	n/a	No outputs required during the 1 st and 2 nd Quarters.

2017/2018 – Second Quarter 1 July – 30 September 2017						
Strategic objectives	Performance indicator	2016/2017 Audited output	Annual target 1 April 2017 – 31 March 2018	2 nd Quarter Target 1 July – 30 September 2017	Cumulative Total Full year	2 nd Quarter Actual Output 1 July – 30 September 2017
Evidence / Comment						
Challenges						
No outputs required during the 1 st and 2 nd Quarters.						
Report indicating data extracted from the HEQCIS for the NLRD in this quarter.						
The project had not yet started because of budgetary constraints. No budget was allocated for the execution of this project.						
One upload to NLRD should have been done during the 1 st Quarter but the deadline for uploads from the PHEIs was extended to 14 July 2017 at their request. One upload to NLRD was done during this Quarter.						
Phase 3 – 60% completion of standards development process						
• CHE invites standards development working group to a second and third workshop						
Standard development subgroup meeting held on 15th September 2017.						
• Draft statement 60% complete						
Draft doctoral qualification standard – 3rd iteration						
Phase 4 – 80% completion of standards development process						
• CHE invites standards development working group to a fourth and fifth workshop						
Due to shortage of funds the Working Group cannot be convened. The activities of the Group have been put on hold.						
20% Standard development subgroup meeting held on 15th September 2017.						
3rd iteration of the draft doctoral qualification standard completed						
20% 3rd iteration of the draft doctoral qualification standard completed						
However, due to shortage of funds						

2017/2018 – Second Quarter: 1 July – 30 September 2017						
Strategic objectives	Performance Indicator	Audited output 2016/2017	2017/2018 – Second Quarter: 1 July – 30 September 2017			
			Annual target 1 April 2017 – 31 March 2018	2 nd Quarter Target 1 July – 30 September 2017	Cumulative Total Full year	Challenges
development and transformation of the higher education system through one publication by the end of March each year	Number 3.3.1(b) One event held by end March 2018	n/a New performance indicator	One event held	0	n/a	There is currently no budget to host events
	3.2 Monitoring: To collate and disseminate by the end of March each year monitoring information on key trends and developments in higher education	1	One VitalStats publication produced	0	1	No outputs required during the 1 st and 2 nd Quarters.
3.3 Advice: To provide by the end of each financial year research-based recommendations and advice on issues of national importance to the higher education sector, both proactively and in response to Ministerial requests	Number 3.3.3(a) Number of Proactive advice reports to the Minister of Higher Education and Training by end March 2018	0	Two Advisory reports submitted to the Minister	One Advisory Report submitted to the Minister	0	Advice is based on research. The budget shortfall for research also affected this indicator.
	Number 3.3.3(b) Number of responsive advice reports to the Minister of Higher Education and Training by end March 2018	100% 4	80% of requests received and responded to	80% of requests received and responded to	0	No requests for advice were received.
Programme 4: Administration and Support						
4.1 Integrated, online Information, Communication and Technology (ICT) System completed in the phases allocated for each year.	Number 4.3.1 Development of an integrated online CHE management information system by the end of the financial year	n/a New performance indicator	Design and pilot completed	0	n/a	No outputs required during the 1 st and 2 nd Quarters.

2017/2018 – Second Quarter- 1 July – 30 September 2017								
Strategic objectives	Performance indicator	2016/2017 Audited output	Annual target 1 April 2017 – 31 March 2018	2 nd Quarter Target 1 July – 30 September 2017	Cumulative Total Full year	2 nd Quarter Actual Output 1 July – 30 September 2017	Challenges	Evidence / Comment
4.2 To ensure governance and compliance of ICT with statutory requirements each financial year	Number 4.3.2 Number of reviewed and developed ICT policies, frameworks, guidelines, procedures and processes each quarter	8 ICT policies reviewed / developed	7	1 Framework reviewed and approved	2	0	Although the following three documents were developed, they were not tabled for approval by the ICT Steering Committee as no meeting was scheduled during the 2 nd Quarter. The three documents will serve at the meeting of 5 October 2017: • Cyber Security Policy developed • ICT Asset Replacement Procedures developed • Terms of Reference of the ICT Operational Committee developed	
4.3 and 4.4 Human Resources Management. Staff training in each financial year	Number 4.3.3 Percentage of staff trained and developed within each quarter	77% (32 training interventions)	70%	20% 9 training interventions offered	34%	22% 9 training interventions offered	None	The correct calculation revealed that the target should read 22% instead of 20%
	Number 4.3.4 Percentage of approved posts on the organisational structure filled throughout the quarter	83% of the organisational structure filled	85% of approved posts on the organisational structure filled (44 employees)	85% of approved posts on the organisational structure filled (44 employees)	Not cumulative	85% of approved posts on the organisational structure filled (44 employees)	None	
4.5, 4.6, 4.7 and 4.8 Financial management and supply chain management. Targets given per financial year	Number 4.3.5 Number of developed Finance and SCM policies, frameworks, guidelines and procedures within each quarter	15 Finance and SCM policies, frameworks, guidelines and procedures reviewed / developed	2 developed Finance and SCM policies, frameworks, guidelines and procedures	0	2		None	No output required during the 2 nd Quarter.
	Number 4.3.6 Number of reviewed Finance and SCM policies, frameworks, guidelines and procedures within each financial year		6 reviewed policies, framework, guidance and procedures	2 reviewed policies, framework, guidance and procedures	6	2 • Materiality and Significance Framework • Acceptable Levels of the Materiality and Significance	None	Approved framework and procedures. Refer to the Council minutes of 23 September 2017

2017/2018 – Second Quarter 1 July – 30 September 2017							
Strategic objectives	Performance indicator	2016/2017 Audited output	Annual target 1 April 2017 – 31 March 2018	2 nd Quarter Target 1 July – 30 September 2017	Cumulative Total Full year	2 nd Quarter Actual Output 1 July – 30 September 2017	Evidence / Comment
4.9 Number of Corporate Governance meetings each financial year. Targets are per financial year	Number 4.3.7 Average percentage of eligible suppliers paid within 30 days each month within the quarter	100% 231	80% Average percentage of eligible suppliers paid within 30 days	80% Average percentage of eligible suppliers paid within 30 days	100% (125/125) 125 eligible suppliers averaged paid within 30 days	100% (68/68) eligible suppliers averaged paid within 11 days	Detailed suppliers report available at the Finance and Supply Chain Management Unit
	Number 4.3.8 Number of expenditure reports submitted to DHET by the compliance date	n/a New performance indicator	4 approved expenditure reports	1 approved expenditure report	2 approved expenditure report	1 approved expenditure report	Approved expenditure report. Refer to the e-mail sent to DHET on 31 July 2017
	Number 4.3.9 Number of scheduled governance meetings to be held by the end of March 2018	n/a New performance indicator	21 meetings held	5 meetings held	11 meetings were held during the 1 st and 2 nd quarters	5 meetings were held during the 2 nd quarter	ARC – 25 July 2017 EXCO – 27 July 2017 HEQC – 31 August 2017 HRRC – 19 September 2017 Council – 28 September 2017
4.10 Number of International Partnerships and Cooperation at the end of each financial year. Targets given per financial year	Number 4.3.10 Number of active international partnerships participated in by the end of March 2018	n/a New performance indicator	5 events	0	3	3	Although no output was required during the 2 nd Quarter, 3 events were held. Events programme, attendance registers and reports
4.11 Number of media releases, communiqués, newsletters and other corporate information resources released by the end of each year	Number 4.3.11 Number of media releases, communiqués, newsletters and other corporate information resources released by the end of March 2018	3	5 media releases, communiqués, newsletters and other corporate information resources released	1 media release, communiqué, newsletter and other corporate information resources released	3	1	Volume 1, Issue No. 7 of the CHE electronic newsletter
4.12 and 4.13 To keep abreast of QA trends – one international conference participated in by the end of March each year. To conduct	Number 4.3.12 To keep abreast of QA trends – one international conference participated in by the end of March 2018	n/a New performance indicator	1 international conference participated in	0	1		No output required during the 2 nd Quarter.

Strategic objectives	Performance indicator	2016/2017 Audited output	2017/2018 – Second Quarter 1 July – 30 September 2017					Evidence / Comment
			Annual target 1 April 2017 – 31 March 2018	2 nd Quarter Target 1 July – 30 September 2017	Cumulative Total Full year	2 nd Quarter Actual Output 1 July – 30 September 2017	Challenges	
benchmarking exercises of key CHE processes								
	Number 4.3.13 To conduct benchmarking exercises of key CHE processes by end of each year	n/a New performance indicator	Benchmarking activity report	0	n/a			No outputs required during the 1 st and 2 nd Quarters.

6. EXPENDITURE REPORT

Expenditure report for each quarter (Refer to pages 38 to 41).

7. COMPLIANCE CHECK-LIST

Compliance check-list for each quarter (Refer to pages 42 to 59).

BANK BALANCES AT END OF QUARTERQ2

2nd QUARTER EXPENDITURE REPORT PER PROGRAMMES AS AT 30 SEPTEMBER 2017



SUBPROGRAMMES	TOTAL BUDGET	1st QUARTER 01/04/17- 30/06/17	2nd QUARTER 01/07/17- 30/09/17	3rd QUARTER 01/10/17- 31/12/17	4th QUARTER 01/01/18- 31/03/18	Actual Expenditure YTD	% OF EXP VS BUDGET	BUDGET BALANCE AS AT 30 SEPTEMBER 2017
CEO'S OFFICE	12 616 354	2 432 685	2 623 321			5 286 006	42%	7 350 328
Goods & services	7 418 517	1 327 759	1 616 617			2 946 376	40%	4 472 141
Personnel	5 197 817	1 114 626	1 204 704			2 319 630	45%	2 878 187
SUPPORT SERVICES	17 540 106	3 700 664	1 702 248			8 482 930	48%	9 137 176
Goods and Services	8 449 480	1 523 102	2 272 595			3 795 697	45%	4 653 823
Personnel	9 090 616	2 177 562	2 429 651			4 687 233	51%	4 483 353
RESEARCH/MONITORING AND ADVICE	4 657 073	1 242 363	1 063 548			2 305 911	50%	2 351 162
Goods and Services	103 039	296 888	3 480			273 154	168%	(110 115)
Personnel	4 484 034	972 675	1 060 062			2 032 757	45%	2 481 277
ASSESSMENT QUALITY ASSURANCE MECHANISM	3 890 678	877 753	1 296 864			2 177 617	31%	4 803 062
Goods and Services	2 720 975	180 479	570 730			1 426 408	33%	1 989 766
Personnel	4 256 704	697 274	729 134			5 065 976	62%	4 682 868
ACCREDITATION	9 728 543	2 897 332	2 658 848			5 013 188	51%	4 688 167
Goods and Services	2 470 365	697 458	1 015 740			3 052 780	42%	4 196 376
Personnel	7 249 158	1 509 874	1 542 908			3 231 407	64%	1 833 470
NATIONAL STANDARDS AND REVIEWS	6 084 677	2 363 554	897 853			1 748 033	55%	303 589
Goods and Services	2 051 622	1 848 489	107 564			1 483 374	49%	1 529 881
Personnel	3 013 245	717 065	790 289			26 469 640	47%	30 137 763
GRAND TOTAL	58 897 612	13 134 371	13 310 478					

REASONS FOR OVER AND UNDER SPENDING PER SUBPROGRAMMES

Note: Reasons for over/under spending will cover subprogrammes that are 5% below or above the spending threshold of 50%.

CEO'S OFFICE

Goods & services

Underspent by 10% due to the following: For Council, EXCO, HECC and ARC, no fee services/quantity requested for the period under review; less usage of the 3G Card; no Conference was attended for the period under review; membership payments not yet due for the period under review; QEP Evaluation Meetings and Institutional visits meeting expenditure that took place on the from the 28 - 29 September 2017 not yet processed and the QEP report has not been submitted by Peer Academics.

Personnel

Spending within the spending threshold.

SUPPORT SERVICES

Goods & services

Spending within the spending threshold.

Personnel

Spending within the spending threshold.

RESEARCH/MONITORING AND ADVICE

Goods & services

Overspent by 115% due to the 2018/2017 commitments paid in this quarter.

Personnel

Spending within the spending threshold.

ASSESSMENT QUALITY ASSURANCE MECHANISM

Goods & services

Underspent by 22% due to cellphone claims for September submitted late, 2 out of 3 3G cards are currently active, parking and tollgates claims for IAC members not submitted, air travel tickets were less than the budget for out of 8 IAC members, only 5 required flights (9 members reside locally), group shuttles were booked for IAC members instead of individual shuttles as budgeted, catering services was cheaper than the budgeted amount per meeting, IAC claims were made for one meeting, Special HECC and Council special meetings not scheduled, no payments made yet for Peer Academics. The fund/grants for QEP and Unizulu was also only received in May and June 2017.

Personnel

Underspent by 17% due to a vacant funded Senior Manager post as a result of resignation.

ACCREDITATION

Goods & services

Overspent by 31% due to the following reasons: Multiple site visits and an Accreditation Committee Meeting were arranged and all travel costs were incurred. Multiple evaluators appointed to deal with large number of applications received, online and offline including site visits.

Personnel

Underspent by 8% due to a vacant funded Senior Manager post as a result of resignation.

NATIONAL STANDARDS AND REVIEWS

Goods & services

Overspent by 35% due to travel related costs for the Director and Senior Manager to UFS and WVSU LLB follow up site visits. The site visits were budgeted for, but the money was not allocated due to budget short fall within CHE. The Director attended the SALDA meeting to provide feedback regarding LLB National Review. Travel related costs for the people who attended the Emergency Care Standard Development meeting on 30-31 May 2017. Lunch and petty cash for Doctoral Studies Reference Group Meeting on 25-26 May.

Personnel

Spending within the spending threshold.

COUNCIL ON HIGHER EDUCATION



2nd QUARTER EXPENDITURE DETAIL REPORT AS AT 30 SEPTEMBER 2017

Note: Note numbers are allocated for expenditure items that are 5% below or above the spending threshold of 50%.

	TOTAL BUDGET	1st QUARTER 01/04/17- 30/06/17	2nd QUARTER 01/04/17- 30/09/17	3rd QUARTER 01/10/17- 31/12/17	4th QUARTER 01/01/18- 31/03/18	Actual Expenditure YTD	% OF EXP VS BUDGET	NOTES	BUDGET BALANCE AS AT 30 SEPTEMBER 2017
	R	R	R				%		
INCOME SOURCES	36 587 612	13 520 984	16 667 859	-	-	30 188 843	53%		26 398 769
DHET - GOVERNMENT GRANT	47 945 000	11 987 000	11 987 000			23 974 000	50%		23 972 000
UNIVERSITY OF PRETORIA	2 724 100	26 731	2 697 369			2 724 100	100%	1	-
PRIVATE ACCREDITATION	5 067 512	1 046 848	1 302 678			2 349 524	46%		2 717 988
INTEREST AND OTHER INCOME	850 000	460 407	680 812			1 141 219	134%	2	(291 219)
TOTAL EXPENDITURE	56 587 612	13 134 372	13 315 478	-	-	26 449 849	47%		30 137 763
ACCOMMODATION	754 040	156 744	125 405			282 145	37%	3	471 891
AIR TRAVEL	2 057 718	398 550	309 798			708 348	34%	3	1 349 370
CAR HIRE	57 721	15 977	11 045			27 022	47%		30 699
PARKING AND TOLLGATES	9 670						0%	3	9 670
ROAD TRAVEL	453 017	109 611	108 437			218 048	48%		240 969
SERVICE FEES	224 444	21 834	26 221			48 056	21%	3	176 388
SUBSISTENCE	26 927	18 791	1 586			20 377	76%	3	6 550
PEER ACADEMICS	1 645 836	492 182	800 361			1 292 543	79%	4	353 293
CONSULTANCY	20 000		9 184			9 184	46%		10 816
OUTSOURCED SERVICES	1 521 160	1 562 700				1 562 700	103%	5	(41 540)
ADMINISTRATION	940 818	452 188	234 757			686 923	73%	6	253 895
REGISTRATION FEES	17 387						0%	7	17 387
VENUE AND CATERING	906 126	39 673	183 628			223 301	25%	8	682 825
OFFICE SUPPLIES	39 000	38 046	15 850			53 896	138%	9	(14 896)
HONORARIUMS	154 400						0%	10	154 400
LEGAL FEES	2 957 500	1 073 766	1 187 357			2 261 124	76%	11	696 376
INSURANCE	303 000	134 710				134 710	44%	12	168 290
COUNCIL MEMBERS	3 815 181	254 992	481 269			736 261	19%	13	3 078 920
EXTERNAL AUDIT	1 065 000	60 864	730 347			791 211	74%	14	273 789
INTERNAL AUDIT	453 330	14 093	39 334			53 427	12%	15	399 903
LICENCE FEES	446 519	357 526	- 135 135			222 331	50%		224 128
MEDIA & RESOURCES	43 390	- 10				- 10	0%	16	43 400
INFORMATION SYSTEMS	731 278	136 688	79 821			216 509	30%	17	514 769
BUILDING & UTILITIES	2 561 321	406 496	711 381			1 117 877	44%	18	1 443 444
RECRUITMENT COSTS	460 463	140 013	252 041			392 054	85%	19	68 409
HUMAN RESOURCES COSTS	480 382	59 544	70 087			129 631	27%	20	350 751
PERSONNEL	33 304 584	7 189 416	7 732 796			14 922 212	45%		18 382 372
CAPEX	1 131 600		339 907			339 907	30%	21	791 693
TOTAL (OVER)/UNDER SPENDING	(0)	386 612	3 352 381	-	-	3 738 993			(3 738 994)



REASONS FOR OVER AND UNDER SPENDING

Note: An explanation for over/under spending will cover expenditure items that are 5% below or above the spending threshold of 50%.

1	50% over recovery is as a result of funds received from University of Pretoria for Quality Enhance Projects (QEP) and Uni Zulu projects have been fully recognised as income.
2	84% extra income received because of other income received were not budgeted for which include award of litigation costs to the CHE, recovery costs for secondment of CHE employee to Department of Justice, Sale of Generator disposed as well as insurance claim proceeds.
3	The under and over spending on travel, accomodation and related costs are due to less or more travel requests from various Programmes.
4	29% overspending is due to more Peer Academics appointed as a result of additional site visit under sub programme Accreditation.
5	53% overspending is due to once-off payment of SAQA payment that was made and was also under budgeted.
6	23% overspending is as a result of allocation of some expenses such as stationery being purchased in advance although their usage lasts up to fourth quarter. Other costs in admin relate to telephone, insurance, bank charges, printing etc.
7	50% unspent is due to on scheduled conferences have not occurred as at the end of the 2nd Quarter.
8	25% unspent is as a result of less services requested and also scheduled conferences have not occurred as at the end of the second Quarter.
9	88% overspending is informed mainly of groceries for the office and this expense was under budgeted for.
10	50% unspent as a result of the honorarium vouchers to be paid at the end of the financial year in the 4th Quarter.
11	26% overspending is due to increased and ongoing litigation costs with SANTS and other Institutions.
12	6% underspending is a result of once off payment and therefore there are savings to be realised on this item.
13	31% underspending is informed by some council members claims for the second Quarter meetings not been submitted and processed.
14	24% overspending is a result of a major component of External audit fees submitted in the 2nd quarter.
15	38% underspending is informed by major component of internal audit will be performed from the third quarter and fourth quarter as per the audit plan.
16	50% unspent due to books, brochures, promotional items and other publicity materials not requested in this quarter.
17	20% underspending is a result of some IT costs relating to the second quarter having not reflected in the expenses and will be recorded in the third quarter.
18	6% underspending is due to some maintenance costs budgeted for have not occurred yet.
19	35% overspending is due to increased recruitments over the first two quarters.
20	23% underspending is informed by training and bursary costs which are planned in third and fourth quarters.
21	20% underspending is a result of planned acquisitions to take place in the third and fourth quarters.

PFMA AND TR COMPLIANCE CHECKLIST

Compliance checklist for the Public Finance Management Act, 1999, as amended (PFMA)

CHAPTER SIX: PUBLIC ENTITIES

Section	Question	Yes	No	N/A	Remarks
49(1)	Every public entity must have an authority which must be accountable for the purposes of this Act.	✓			
49(2)	Does the public entity have an accounting authority? <i>If the public entity— (a) has a board or other controlling body, that board or controlling body is the accounting authority for that entity; or (b) does not have a controlling body, the chief executive officer or the other person in charge of the public entity is the accounting authority for that public entity unless specific legislation applicable to that public entity designates 10 another person as the accounting authority.</i>	✓			
49(5)	Does the status of the person or body appointed as accounting authority for the public entity comply with the stipulations of section 49(2)? <i>A public entity must inform the Auditor-General promptly and in writing of any approval or instruction in terms of subsection (3) and any withdrawal of an approval or instruction in terms of subsection (4).</i>			✓	Not applicable in this quarter.
49(3)	Did the public entity inform the Auditor-General promptly and in writing of any approval or instruction in terms of section 49(3) and any withdrawal of an approval or instruction in terms of section 49(4)? <i>The Treasury, in exceptional circumstances, may approve or instruct that another functionary of a public entity must be the accounting authority for that public entity.</i>			✓	Not applicable in this quarter.
49 (4)	Did the public entity comply with an approval or instruction, by the relevant treasury, in terms of section 49(3)? <i>The Treasury may at any time withdraw an approval or instruction in terms of subsection (3).</i>			✓	Not applicable in this quarter.
50(1)	Did the public entity comply with the withdrawal of an approval or instruction in terms of section 49(3)? <i>(1) The accounting authority for a public entity must— (a) exercise the duty of utmost care to ensure reasonable protection of the assets and records of the public entity; (b) act with fidelity, honesty, integrity and in the best interests of the public entity in managing the financial affairs of the public entity; (c) on request, disclose to the executive authority responsible for that public entity or the legislature to which the public entity is accountable, all material facts, including those</i>	✓			

PFMA AND TR COMPLIANCE CHECKLIST

Section	Question	Yes	No	N/A	Remarks
	reasonably discoverable, which in my way may influence the decisions or actions of the executive authority or that legislature; and (d) seek, within the sphere of influence of that accounting authority, to prevent any prejudice to the financial interests of the state.				
50(2)	Did the accounting authority comply with the fiduciary duties stipulated in section 50 (1)? (2) A member of an accounting authority or, if the accounting authority is not a board or other body, the individual who is the accounting authority, may not— (a) act in a way that is inconsistent with the responsibilities assigned to an accounting authority in terms of this Act; or (b) use the position or privileges of, or confidential information obtained as, accounting authority or a member of an accounting authority, for personal gain or to improperly benefit another person.	✓			
50(3)(a)	Did the accounting authority comply with the restraints stipulated in section 50(2)? (3) A member of an accounting authority must— (a) disclose to the accounting authority any director indirect personal or private business interest that that member or any spouse, partner or close family member may have in any matter before the accounting authority; and (b) withdraw from the proceedings of the accounting authority when that matter is considered, unless the accounting authority decides that the member's direct or indirect interest in the matter is trivial or irrelevant.	✓			
50(3)(b)	Did (a) member(s) of an accounting authority disclose to the accounting authority any direct or indirect personal or private business interest that that member or stipulated relations may have in any matter before the accounting authority? And (b) withdrew from the proceedings of the accounting authority when that matter was considered, unless the exclusion as stipulated was applicable?				
51(1)(a)	(1) An accounting authority for a public entity— (a) must ensure that that public entity has and maintains— (i) effective, efficient and transparent systems of financial and risk management and internal control; (ii) a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77; and (iii) an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective; (iv) a system for properly evaluating all major capital projects prior to a final decision on the project; Did the accounting authority for a public entity comply with the stipulations contained in section 51(1)(a)?	✓			

PFMA AND TR COMPLIANCE CHECKLIST

Section	Question	Yes	No	N/A	Remarks
51(1)(b)	(1) An accounting authority for a public entity— (b) must take effective and appropriate steps to— (i) collect all revenue due to the public entity concerned; and (ii) prevent irregular expenditure, fruitless and wasteful expenditure, losses resulting from criminal conduct, and expenditure not complying with the operational policies of the public entity; and (iii) manage available working capital efficiently and economically;	✓			
51(1)(c)	Did the accounting authority comply with the stipulations contained in section 51(1)(b)? (1) An accounting authority for a public entity— (c) is responsible for the management, including the safeguarding, of the assets and for the management of the revenue, expenditure and liabilities of the public entity; Did the accounting authority act in accordance with its responsibility in respect of the management, including the safeguarding, of the assets and for the management of the revenue, expenditure and liabilities of the public entity?	✓			
51(1)(d)	(1) An accounting authority for a public entity— (d) must comply with any tax, levy, duty, pension and audit commitments as required by legislation; Did the accounting authority comply with any tax, levy, duty, pension and audit commitments as required by legislation.	✓			
51(1)(e)	(1) An accounting authority for a public entity— (e) must take effective and appropriate disciplinary steps against any employee of the public entity who (i) contravenes or fails to comply with a provision of this Act; (ii) commits an act which undermines the financial management and internal control system of the public entity; or (iii) makes or permits an irregular expenditure or a fruitless and wasteful expenditure; Did the accounting authority take effective and appropriate disciplinary steps against any employee of a public entity in circumstances as stipulated in section 51(1)(e)?			✓	No financial misconduct took place in the public entity during this period.
51(1)(f)	(1) An accounting authority for a public entity— (f) is responsible for the submission by the public entity of all reports, returns, notices and other information to Parliament, and to the relevant executive authority or treasury, as may be required by this Act; Did the accounting authority submit all stipulated information to stipulated users as prescribed by section 51(1)(f)?	✓			

PFMA AND TR COMPLIANCE CHECKLIST

Section	Question	Yes	No	N/A	Remarks
51(1)(g)	(1) An accounting authority for a public entity— (g) must promptly inform the National Treasury on any new entity which that public entity intends to establish or in the establishment of which it takes the initiative, and allow the National Treasury a reasonable time to submit its decision prior to formal establishment; and Did the accounting authority promptly inform the National Treasury on any new entity, which that public entity intends to establish, or in the establishment of which it takes the initiative, and did it allow the National Treasury a reasonable time to submit its decision prior to formal establishment?			✓	Not applicable in this quarter.
51(1)(h)	(1) An accounting authority for a public entity— (h) must comply, and ensure compliance by the public entity, with the provisions of this Act and any other legislation applicable to the public entity. Did the accounting authority comply, and ensure compliance by the public entity, with the provisions of the PFMA and any other legislation applicable to the public entity?	✓			
51(2)	(2) If an accounting authority is unable to comply with any of the responsibilities determined for an accounting authority in this Part, the accounting authority must promptly report the inability, together with reasons, to the relevant executive authority and treasury. If the accounting authority was unable to comply with any of the responsibilities determined for an accounting authority in section 51, did the accounting authority promptly report this inability, together with reasons, to the relevant executive authority and treasury?	✓			A submission was made to DHET and Treasury in relation to budget shortfall for the year 2017/2018.
53(1)	(1) The accounting authority for a public entity listed in Schedule 3 which is not a government business enterprise must submit to the executive authority responsible for that public entity, at least six months before the start of the financial year of the department designated in terms of subsection (2) or another period agreed to between the executive authority and the public entity, a budget of estimated revenue and expenditure for that financial year, for approval by the executive authority Did the accounting authority for a public entity listed in schedule 3 which is not a government business enterprise submit to the executive authority responsible for that public entity within the stipulated period, a budget of estimated revenue and expenditure for that financial year, for approval by the executive authority?			✓	Not applicable in this quarter.
53(2)	(2) The budget must be submitted to the executive authority through the accounting officer for a department designated by the executive authority, who may make recommendations to the executive authority with regard to the approval or amendment of the budget. Was the budget submitted to the executive authority through the accounting officer for a department designated by the executive authority?	✓			
53(3)	(3) A public entity which must submit a budget in terms of subsection (1), may not budget for a deficit and may not accumulate surpluses unless the prior written approval of the National Treasury has been obtained.		✓		

PFMA AND TR COMPLIANCE CHECKLIST

Section	Question	Yes	No	N/A	Remarks
53(4)	Did a public entity which must submit a budget in terms of section 53(1), budget for a deficit or accumulate surpluses without the prior written approval of the National Treasury? (4) The accounting authority for such a public entity is responsible for ensuring that expenditure of that public entity is in accordance with the approved budget.	✓			
54(1)	Did the accounting authority for a public entity referred to in section 53(1) ensure that expenditure of that public entity is in accordance with the approved budget? 54. (1) The accounting authority for a public entity must submit to the treasury or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as the treasury or the Auditor-General may require.			✓	Not applicable in this quarter.
54(2)	Did the accounting authority for a public entity submit to the relevant treasury or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as the relevant treasury or the Auditor-General may require? (2) Before a public entity concludes any of the following transactions, the accounting authority for the public entity must promptly and in writing inform the treasury of the transaction and submit relevant particulars of the transaction to executive authority for approval of the transaction: (a) establishment or participation in the establishment of a company; (b) participation in a significant partnership, trust, unincorporated joint venture or similar arrangement; (c) acquisition or disposal of a significant shareholding in a company; (d) acquisition or disposal of a significant asset; (e) commencement or cessation of a significant business activity; and (f) a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.			✓	Not applicable in this quarter.
54(3)	Did the accounting authority for a public entity, before a public entity concluded any of the transactions stipulated in this section, promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transaction? (3) A public entity may assume that approval has been given if it receives no response from the executive authority on a submission in terms of subsection (2) within 30 days or within a longer period as maybe agreed to between itself and the executive authority.			✓	Not applicable in this quarter.
55(1)(a) 55(1)(b)	Did the public entity maintain adequate records to ensure that any assumption of approval can be justified in cases where no response is received, within the stipulated period, from the executive authority on a submission in terms of section 54(2)? (1) The accounting authority for a public entity— (a) must keep full and proper records of the financial affairs of the public entity; (b) prepare financial statements for each financial year in accordance with generally accepted	✓			

PFMA AND TR COMPLIANCE CHECKLIST

Section	Question	Yes	No	N/A	Remarks
55(1)(c)	accounting practice, unless the Accounting Standards Board approves the application of generally recognised accounting practice for that public entity; (c) must submit those financial statements within two months after the end of the financial year— (i) to the auditors of the public entity for auditing; and (ii) if it is a business enterprise or other public entity under the ownership control of the national government, to the treasury; and (d) must submit within five months of the end of a financial year to the treasury, to the executive authority responsible for that public "entity and , if the Auditor-General did not perform the audit of the financial statements, to the Auditor-General— (i) an annual report on the activities of that public entity during that financial year; (ii) the financial statements for that financial year after the statements have been audited; and (iii) the report of the auditors on those statements.				
55(1)(d)	Does the accounting authority for a public entity: a) Keep full and proper records of the financial affairs of the public entity?; b) Prepare financial statements for each financial year in accordance with generally accepted accounting practice (gaap), unless the stipulated deviation from gaap applies?; c) Submit those financial statements within two months after the end of the financial year to the stipulated institutions?; and d) Submit within five months of the end of a financial year to the stipulated institutions: i) An annual report on the activities of that public entity during that financial year ii) The financial statements for that financial year after the statements have been audited and iii) The report of the auditors on those statements? (2) The annual report and financial statements referred to in subsection (1) (d) must—				
55(2)(a)	(a) fairly present the state of affairs of the public entity, its business, its financial results and its performance against predetermined objectives and its financial position as at the end of the financial year concerned; (b) include particulars of— (i) any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year; (ii) any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure; (iii) any losses recovered or written off; (iv) any financial assistance received from the state and commitments made 10 by the state on its behalf and (v) any other matters that may be prescribed; and (c) include the financial statements of any subsidiaries.	✓			The annual report and audited financial statements have been prepared and submitted to Parliament as prescribed.
55(2)(b)					
55(2)(c)	Does the annual report and financial statements referred to in section 55(1)(d):				

PFMA AND TR COMPLIANCE CHECKLIST

Section	Question	Yes	No	N/A	Remarks
	a) Fairly present the state of affairs of the public entity, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned?; b) Include particulars of the matters referred to in section 55(2)(b)?; and c) Include the financial statements of any subsidiaries?				
55(3)	(3) <i>An accounting authority must submit the report and statements referred to in subsection (1) (d), for tabling in Parliament, to the relevant executive authority through the accounting officer of a department designated by the executive authority.</i> Did the accounting authority submit the report and statements referred to in section 55(1)(d), for tabling in Parliament or the provincial legislature, to the relevant executive authority through the accounting officer of a department designated by the executive authority?	✓			
55(4)	(4) <i>The treasury may direct that, instead of a separate report, the audited financial statements of a Schedule 3 public entity which is not a government business enterprise must be incorporated in those of a department designated by the treasury.</i> Did the relevant treasury directs that, instead of a separate report, the audited financial statements of a schedule 3 public entity which is not a government business enterprise, must be incorporated in those of a department designated by that treasury, and was such direction adhered to?			✓	Not relevant to the CHE.
56(1)	(1) <i>The accounting authority for a public entity may—</i> <i>(a) in writing delegate any of the powers entrusted or delegated to the accounting authority in terms of this Act, to an official in that public entity; or</i> <i>(b) instruct an official in that public entity to perform any of the duties assigned to the accounting authority in terms of this Act.</i> Did the delegation, by an accounting authority for a public entity, of any of the powers entrusted or delegated to the accounting authority in terms of the PFMA, to an official in that public entity occur in writing?	✓			The CHE delegation authority has been updated and approved by Council and it clearly in writing stipulates the delegation of powers to the CHE employees.
56(2)	<i>A delegation or instruction to an official in terms of subsection (1)—</i> <i>(a) is subject to any limitations and conditions the accounting authority may impose;</i> <i>(b) may either be to a specific individual or to the holder of a specific post in the relevant public entity; and</i> <i>(c) does not divest the accounting authority of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty.</i> Were the stipulations of any delegation or instruction to an official in terms of section 56(1), as proposed in section 56(2)(a) and section 56(2)(b) adhered to?	✓			
56(3)	(3) <i>The accounting authority may confirm, vary or revoke any decision taken by an official as a result of a delegation or instruction in terms of subsection (1), subject to any rights that may have become vested as a consequence of the decision.</i> In case where an accounting authority confirmed, varied or revoked any decision taken by an		✓		No decisions revoked for this quarter.

PFMA AND TR COMPLIANCE CHECKLIST

Section	Question	Yes	No	N/A	Remarks
57(a) to c) & (e) 57(d)	official as a result of a delegation or instruction in terms of section 56(1), did it occur subject to any rights that may have become vested as a consequence of the decision? <i>An official in a public entity—</i> (a) must ensure that the system of financial management and internal control established for that public entity is carried out within the area of responsibility of that official; (b) is responsible for the effective, efficient, economical and transparent use of financial and other resources within that official's area of responsibility; (c) must take effective and appropriate steps to prevent, within that official's area of responsibility, any irregular expenditure and fruitless and wasteful expenditure and any under collection of revenue due; (d) must comply with the provisions of this Act to the extent applicable to that official, including any delegations and instructions in terms of section 56; and (e) is responsible for the management, including the safeguarding, of the assets and the management of the liabilities within that official's area of responsibility.	✓			
58(1)	Did all officials in the public entity: a) Comply with the stipulations of section 57 within that official's area of responsibility b) Comply with the provisions of the PFMA to the extent applicable to that official, including any delegations and instructions in terms of section 56? <i>(l) The annual financial statements of a public entity must be audited annually by—</i> (a) the Auditor-General; or (b) a person registered in terms of section 15 of the Public Accountants' and Auditors' Act, 1991 (Act No. 80 of 1991), as an accountant and auditor, and engaged in public practice as such. Are the annual financial statements of the public entity audited on an annual basis by one of the two stipulated parties? <i>(3) A public entity must consult the Auditor-General on the appointment of an auditor in terms of subsection (2).</i>	✓			The annual financial statements for the year 2016/2017 were audited and finalised by AGSA on the 31 st July 2017. An audit management report was issued where CHE received unqualified audit report with its financial statements free of material misstatement.
58(3)	Did the public entity consult the Auditor-General on the appointment of an auditor in terms of section 58(2)? <i>(2) A public entity may appoint, as its auditor, a person referred to in subsection (1)(b) only if the audit is not performed by the Auditor-General</i>			✓	The CHE is audited by AGSA therefore this is not applicable to CHE.
58(2)	Did the appointment of an auditor other than the Auditor-General: A) Comply with the stipulations contained in section 58(1)(b) and B) Occurred only as a result of the fact that the Auditor-General do not perform the audit?			✓	Not applicable in this quarter.
59	59. (1) An auditor appointed by a public entity in terms of section 58 (1) (b) may not be discharged before the expiry of that auditor's term of appointment except by the executive authority responsible for that public entity acting— (a) after consultation with the accounting authority for that public entity; and			✓	Not applicable in this quarter.

PFMA AND TR COMPLIANCE CHECKLIST

Section	Question	Yes	No	N/A	Remarks
66 (1) to 66(6)	(b) with the concurrence of the Auditor-General. Were the auditors discharged after consultation with the executive authority and with the concurrence of the Auditor-General and in terms of section 59? (1) An institution to which this Act applies may not borrow money or issue a guarantee, indemnity or security, or enter into any other transaction that binds or may bind that institution or the Revenue Fund to any future financial commitment, unless such borrowing, guarantee, indemnity, security or other transaction- (a) is authorised by this Act; and (b) in the case of public entities, is also authorised by other legislation not in conflict with this Act; and (c) in case of loans by a province or a provincial government business enterprise under the ownership control of a provincial executive, is within the limits as set in terms of Borrowing Powers of Provincial Governments Act, 1996 (Act No. 48 of 1996) (2) Only the following persons may borrow money, or issue a guarantee, indemnity or security, or enter into any other transaction that binds or may bind the Revenue Fund to any future financial commitment: (a) Transactions that bind or may bind the National Revenue Fund: the Minister or, in the case of the issue of a guarantee, indemnity or security, the responsible Cabinet member acting with the concurrence of the Minister in terms of section 70. (3) Public entities may only through the following persons borrow money, or issue a guarantee, indemnity or security, or enter into any other transaction that binds or may bind that public entity to any future financial commitment: (a) A public entity listed in Schedule 2: The accounting authority for that Schedule 2 public entity. (b) A national government business enterprise listed in Schedule 3 and authorized by notice in the national Government Gazette by the Minister: The accounting authority for that government business enterprise, subject to any conditions the Minister may impose. (c) Any other national public entity: The Minister or, in the case of the issue of a guarantee, indemnity or security, the Cabinet member who is the executive authority responsible for that public entity, acting with the concurrence of the Minister in terms of section 70. (d) A provincial government business enterprise listed in Schedule 3 and authorized by notice in the national Government Gazette by the Minister: The MEC for finance in province, acting with concurrence of the Minister, subject to any conditions that the minister may impose. (4) Constitutional institutions may not borrow money, nor issue a guarantee, indemnity or security, nor enter into any other transaction that binds or may bind the entity to any future financial commitment. (5) Despite subsection (4), the Minister may in writing permit a public entity mentioned in subsection (3)(c) or a constitutional institution to borrow money for bridging purposes up to a prescribed limit, including a temporary bank overdraft, subject to such conditions as the Minister may impose. (6) A person mentioned in subsection (2) or (3) may not delegate a power conferred in terms of that subsection, except with the prior written approval of the Minister.		✓	N/A	There was no need to borrow any funds or issue a guarantee.

PFMA AND TR COMPLIANCE CHECKLIST

Section	Question	Yes	No	N/A	Remarks
	(7) A public entity authorised to borrow money— (a) must annually submit to the Minister a borrowing programme for the year; and (b) may not borrow money in a foreign currency above a prescribed limit, except when that public entity is a company in which the state is not the only shareholder. Did the public entity borrow money or issue a guarantee or enter into any such transaction as referred to in this section? If so, have the requirements of sections 66 (1) a-c and 66 (2) to 66 (6), as applicable, been met?				
77 (a) (b)	An audit committee— (a) must consist of at least three persons of whom, in the case of a department— (i) one must be from outside the public service; (ii) the majority may not be persons in the employ of the department, except with the approved of the treasury; and (iii) the chairperson may not be in the employ of the department; (b) must meet at least twice a year; and Does the composition of the audit committee meet the requirements of this section and have they met as prescribed?	✓			Fully functional and effective.

TREASURY REGULATIONS COMPLIANCE REPORT

Section	Question	Yes	No	N/A	Remarks
	1. BUDGET AND RELATED MATTERS (CHAPTER 6)				
1.1	Does the entity receive transfer payments appropriated from a vote?	✓			
Tr(6.1.2)					
1.1.1	If so, did the entity submit all the information as required by the accounting officer responsible for the vote for the purposes of complying with the budget circular?	✓			
Tr(6.1.2)					
1.1.2	Was the budget submission made through the accounting officer in charge of the department responsible for the entity?	✓			
Tr(6.1.2)					
1.1.3	Was the budget formally approved by the controlling department?	✓			
1.1.4	If the budget was reduced by the controlling department, was a new budget compiled and submitted by the entity and was it approved	✓			
2.1.1	Is the public entity listed as required in terms of the PFMA?	✓			
Tr(25.1.1)					
2.1.1.1	If not: were all moneys received deposited into the National Revenue Fund?			✓	Not applicable in this quarter.
Tr(25.1.2)					

PFMA AND TR COMPLIANCE CHECKLIST

Section	Question	Yes	No	N/A	Remarks
2.1.2 Tr(25.1.3)	Did the public entity submit all information required by the National Treasury in terms of the PFMA and these regulations to the Registrar of Public Entities in the National Treasury?	✓			
2.2 Tr(25.2.1)	2.2 Listing (Chapter 25.2) If the public entity is not listed, did the Accounting Authority submit the following information to the executive authority and the Registrar of Public Entities in support of its application for listing: (a) name of the public entity; (b) its main function; (c) executive authority responsible for the public entity; (d) legislation in terms of which the entity was established; (e) dates of its incorporation and financial year end; (f) names of members of the board or body controlling the public entity; (g) its registered address and telephone numbers; (h) name of the chief executive officer; (i) name of the chief financial officer; (j) name of the company secretary; (k) authority responsible for appointing the chief executive officer; (l) authority responsible for appointing the board of directors or controlling body; (m) subsidiaries under the ownership control of the entity; (n) latest audit financial statements; (o) Amount of budgetary transfers received over the past three financial years; and (p) Most recent corporate/strategic plan of the public entity.			✓	CHE is already listed as Schedule 3A.
3.1 Tr(26.1.1)	3. RESPONSIBILITIES OF DESIGNATED ACCOUNTING OFFICERS (CHAPTER 26) Did the entity submit information on its actual revenue and expenditure up to the end of the quarter, as well as a projection of expected expenditure and revenue for the remainder of the current financial year to the designated accounting officer within 30 days of the end of each quarter? - Was information on actual revenue and expenditure determined after taking accruals into account?	✓			
3.2 Tr(26.1.2)	Did the accounting authority, through the designated accounting officer, report on the extent of compliance with the PFMA and the regulations?	✓			
3.3 Tr(26.1.3)	Was non-compliance reported together with reasons?				
	Did the accounting officer approve the sharing of the services of the Audit Committee and internal audit after consultation with the relevant authority in the entity?	✓			The internal audit service provider has been appointed in July 2017 for a period of 3 years.
	4. INTERNAL CONTROL AND CORPORATE MANAGEMENT (CHAPTER 27)				
	4.1 Audit Committee (Chapter 27.1)				
4.1.1 Tr(27.1.1)	Did the accounting authority of the entity establish an Audit Committee as a sub-committee of the accounting authority?	✓			
4.1.2	Does the chairperson of the committee comply with the following requirements:	✓			

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Section	Question	Yes	No	N/A	Remarks
Tr(27.1.3)	- Must be independent; - Must be knowledgeable of the status of the position; - Must have the requisite business, financial and leadership skills - May not be the chairperson of the accounting authority or a person who fulfils an executive function in the entity				
4.1.3	Are the majority of members non-exec members appointed by the accounting authority	✓			
Tr(27.1.4)	- are the majority of the members financially literate?				
4.1.4	Did the executive authority concur with the premature termination of the services of a member?			✓	Not applicable in this quarter.
Tr(27.1.5)					
4.1.5	Has the committee established written terms of reference which deals adequately with its membership, authority and responsibilities?			✓	Not applicable in this quarter.
Tr(27.1.6)	- Is it being reviewed at least annually to ensure its relevance?				
4.1.6	Was it disclosed in the entity's annual report whether or not the Audit Committee has adopted a formal terms of reference?	✓			Disclosed in the audited annual report for the year 2016/2017.
Tr(27.1.7)	- if so, was it also disclosed whether the committee satisfied its responsibilities for the year, in compliance with its terms of reference?				
4.1.7	Did the Audit Committee review the following information:	✓			A comprehensive report of the Audit and Risk Committee was included in the audited annual report and annual financial statement for the year 2016/2017.
Tr(27.1.8)	- Effectiveness of internal control systems; - Effectiveness of internal audit; - Risk areas of the entity's operations to be covered in the scope of internal and external audits; - The adequacy, reliability and accuracy of financial information provided the management and other users; - Any accounting and auditing concerns identified as a result of internal and external audit. - The entity's compliance with legal and regulatory provisions; - The activities of the IA function, including its annual work program, co-ordination with the external auditors, the reports of significant investigations, and the response of management to specific recommendations. - Where relevant, the independence and objectivity of the external auditors (where the Auditor-General is not the auditor).				
4.1.8	- Does the Audit Committee have explicit authority to investigate matters within its powers, as identified in the written terms of reference?	✓			
Tr(27.1.9)	- Was the Audit Committee provided with resources to investigate such matters and did the Audit Committee have full access to information?				
4.1.9	- Did the Audit Committee safeguard all information supplied to it within the ambit of the law?	✓			
Tr(27.1.10)	Did the Audit Committee:				
	- report and make recommendations to the accounting authority				
	- report on the effectiveness of the internal controls in the annual report				
	- comment on its evaluation of the financial statements in the annual report				
4.1.10	Did the chairperson promptly report any report received from internal audit implicating any members of the accounting authority for financial misconduct to the executive authority or the Auditor-General.		✓		No members implicated.
Tr(27.1.11)					

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Section	Question	Yes	No	N/A	Remarks
4.1.11 Tr(27.1.12)	Did the Audit Committee report any concerns it deemed necessary to the executive authority, Auditor-General or external auditors.		✓		No major concern were raised.
4.1.12 Tr(27.1.13)	Does the Audit Committee meet at least annually with the External Auditor to ensure there are no unresolved issues of concern?	✓			The Audit and Risk Committee meets quarterly together with the AGSA and discuss financial, risks and governance matters that require urgent attention and solution.
4.2 Internal controls and internal audit (Chapter 27.2)					
4.2.1 Tr(27.2.1)	- Was a risk assessment conducted at least annually? - Does the entity have a risk management strategy and does it include a fraud prevention plan? - Was the strategy clearly communicated to all employees?	✓			
4.2.2 Tr(27.2.2)	Was an internal audit function functioning during the year under review?	✓			The internal audit service company has been appointed in June 2017 for a period of 3 years.
4.2.3 Tr(27.2.3 & 4)	Where the internal audit was contracted out - were the tendering procedures properly followed? - were they independent (i.e. not external auditors)?	✓			The internal audit service company has been appointed in June 2017 for a period of 3 years.
4.2.4 Tr(27.2.5)	- Is the purpose, authority and responsibility of the Internal Auditors function formally defined in the audit charter? - Is the above consistent with the Institute of Internal Auditor's definition of internal auditing?	✓			
4.2.5 Tr(27.2.6)	Was the internal audit conducted in accordance with standards set by the Institute of Internal Auditors	✓			
4.2.6 Tr(27.2.7)	Did the internal auditors in consultation with the Audit Committee prepare (a) a rolling three-year strategic internal audit plan based on its assessment of key areas of risk for the public entity, having regard to its current operations, the operations proposed in its corporate or strategic plan and its risk management strategy; (b) an internal audit plan for the first year of the rolling plan; (c) plans indicating the scope of each audit in the annual internal audit plan; (d) reports to the Audit Committee detailing its performance against the plan, to allow effective monitoring and intervention when necessary.	✓			
4.2.7 Tr(27.2.8)	Does the internal audit function report directly to the Accounting Authority and report at all Audit Committee meetings? - Is the internal audit unit independent and is there no limitation of access to information?	✓			
4.2.8 Tr(27.2.9)	Did the internal audit function co-ordinate with other internal and external providers of assurance to ensure proper effort and minimise duplication of effort?	✓			
4.2.9 Tr(27.2.10)	- Did the internal audit function assist the accounting authority in maintaining effective controls by evaluating those controls to determine their effectiveness and efficiency and by developing recommendations for enhancement or improvement? - Did the controls encompass the following: (a) the information systems environment? (b) The reliability and integrity of financial and operational info (c) The effectiveness of operations.	✓			The current internal audit service company evaluated the internal control measures in place and report it to the Audit and Risk Committee meeting as scheduled.

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Section	Question	Yes	No	N/A	Remarks
4.2.10 Tr(27.2.11)	(d) Safeguarding of assets, and (e) Compliance with laws, regulations and controls. Did the internal audit function assist the accounting authority in achieving the objectives of the institution by evaluating and developing recommendations for the enhancement or improvement of the processes through which: (a) objectives and values are established and communicated. (b) The accomplishment of objectives is mentioned. (c) Accountability is ensured; and (d) Corporate values are preserved. (e)	✓			
4.3.1 Tr(27.3.1)	4.3 Chief Financial Officer (Chapter 27.3) Does the entity have a CFO. If not, was the appropriate approval received from treasury?	✓			
5.1.1 Tr(28.1.1)	5. ANNUAL FINANCIAL STATEMENTS AND ANNUAL REPORTS (CHAPTER 28) Does the AFS include a report by the accounting authority and contain disclosures of (a) emoluments of all directors and executive members (b) Emoluments paid/receivable by directors and executive members in aggregate and per director and executive member for (c) Separate disclosure for executive directors, non-executive directors and executive members.	✓			The audited annual financial statements for the year 2016/2017 has been submitted to the AGSA, DHET and National Treasury as prescribed.
5.1.2 Tr(28.1.4)	Does the disclosure include: (a) fees for services as a director or executive member. (b) Basic salary. (c) Bonuses and performance related payment. (d) Sums paid by way of expense allowances. (e) Contributions made to any pension fund, medical aid, insurance scheme, etc. (f) Any commission, gain or profit sharing arrangements. (g) Any share options including their strike price and period; and (h) Any other material benefits received.	✓			
5.1.4 Tr(28.3.1)	Did the accounting authority develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority in consultation with the external auditors?	✓			The framework of acceptable levels of materiality and significance was recommended by the Audit and Risk Committee and not in consultation with AGSA.
5.1.5 Tr(28.1.6)	Did the public entity prepare financial statements in accordance the GRAP? - If not, was there disclosure of the departure, reasons and effect on financial statements?	✓			
5.1.6 Tr(28.3.1)	Does the annual report of the public entity's detail the materiality/significant framework applied during the financial year?	✓			
6.1.1 Tr(30.1.1)	6. STRATEGIC PLANNING (CHAPTER 30) 6.1 Strategic plan (Chapter 30.1) Did the accounting authority of a public entity listed in terms of Schedule 3A annually submit a proposed strategic plan for approval by the executive authority	✓			

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Section	Question	Yes	No	N/A	Remarks
6.1.2 Tr(30.1.2)	Was the plan submitted at least 6 months before the start of the financial year of the designated department or any other time period as agreed between the executive authority and the public entity?				
6.1.3 Tr(30.1.3)	Was the plan finalised and submitted to the executive authority by 1 April each year?	✓			
	Does the strategic plan	✓			
	(a) cover a period of three years;				
	(b) include objectives and outcomes as identified by the executive authority;				
	(c) include multi-year projections of revenue and expenditure;				
	(d) include key performance measures and indicators for assessing the public entity's performance in delivering the desired outcomes and objectives;				
	(e) include the materiality/significant framework, referred to in TR 28.1.5?				
	(f) be updated annually on a rolling basis; and				
	(g) form the basis for the annual reports of accounting authorities in terms of section 55 of the Act.				
6.1.4 Tr(30.1.4)	Was the additional information as required by the executive authority included in the plan?			✓	
6.2.1 Tr(30.2.1)	6.2 Evaluation of Performance (Chapter 30.2) Were procedures established by the accounting authority for quarterly reporting to the executive authority in order to facilitate effective performance monitoring, evaluation and corrective action?	✓			
7.1.1 Tr(31.1.1)	7. CASH, BANKING AND INVESTMENT MANAGEMENT (CHAPTER 31) 7.1 Cash management (Chapter 31.1) Did the accounting authority for entities listed in Schedule 3 establish systems, procedures and training and awareness programmes to ensure efficient and effective banking and cash management?	✓			
7.1.2 Tr(31.1.2)	Does the cash management include	✓			
	(a) collecting revenue when it is due and banking it promptly;				
	(b) making payments no earlier than necessary, with due regard for efficient, effective and economical programme delivery and the public entity's normal terms of account payments;				
	(c) avoiding pre-payments for goods or services (i.e. payment in advance of the receipt of goods or services, unless required by the contractual arrangements with the supplier);				
	(d) accepting discounts to effect early settlement when the payment has been included in the monthly cash flow estimates provided to the chief financial officer;				
	(e) pursuing debtors with appropriate sensitivity and rigour to ensure that amounts receivable by the public entity are collected and banked promptly;				
	(f) accurately forecasting the public entity's cash flow in order to optimise its central cash management responsibilities;				
	(g) timing the in and outflow of cash;				
	(h) recognising the time value of money, i.e. economically, efficiently and effectively managing cash;				
	(i) taking any other action that avoids locking up money unnecessarily and inefficiently.				

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Section	Question	Yes	No	N/A	Remarks
7.1.3 Tr(31.1.3)	such as managing inventories to the optimum level necessary for efficient and effective programme delivery, and selling surplus or under utilised assets; (j) conducting bank reconciliation's at least weekly; (k) making regular cash forecasts; (l) alignment of the approved budget with monthly cash flows; (m) variance analyses of actual cash flow with the approved budget; and (n) sweeping bank accounts to effectively utilise surplus cash. Is the cash management performance reported at least on a monthly basis?	✓			Is part of the monthly and quarterly expenditure report.
7.2 Banking Framework (Chapter 31.2)					
7.2.1 Tr(31.2.1)	Did National Treasury approve the bank where entities listed in schedule 3 intended to open a bank account? Is a list of existing banking accounts submitted to National Treasury by 31 May each year?	✓			
7.2.2 Tr(31.2.2)	Has National Treasury proposed a bank? If so, did the public entity open an account in that relevant bank? (a) that the bank is registered with the South African Registrar of Banks; (b) that the bank is a member or sponsored by a member of the Payments Association of South Africa; (c) the bank's contracting with persons, or categories of persons historically disadvantaged by unfair discrimination on the basis of race, gender or disability; (d) the cost effectiveness; and (e) the ability of the bank to provide the required services which through adequate systems, infrastructure and branch networks. Was the adjudication and awarding of the tender done in accordance with the public entity's internal tendering procedures.		✓		
7.2.3 Tr(31.2.3)	Did the accounting authority or the person to whom such authorisation was delegated open a bank account?	✓			
7.2.4 Tr(31.2.4)				✓	Not applicable in this quarter.
7.3 Investment Policy (Chapter 31.3)					
7.3.1 Tr(31.3.1)	Does the entity have funds under management? If so, has an investment policy been approved by the accounting authority?	✓			
7.3.2 Tr(31.3.2)	Does the policy include (a) selection of counter-parties through credit risk analyses; (b) establishment of investment limits per institution; (c) establishment of investment limits per investment instrument; (d) monitoring of investments against limits; (e) reassessment of investment policies on a regular basis; (f) reassessment of counter-party credit risk based on credit ratings; (g) assessment of investment instruments based on liquidity requirements.	✓			
7.3.3 Tr(31.3.3)	Did the public entity listed in terms of Schedule 3A or 3C invest surplus funds with the Corporation for Public Deposits?	✓			

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Section	Question	Yes	No	N/A	Remarks
7.3.4 Tr(31.3.4)	Note: Surplus funds refer to all money in excess of a given day's projected cash flow requirements plus a liquidity buffer needed to cover unforeseen expenses on that day.	✓			
7.3.5 Tr(31.3.5)	Did entities exempted from TR 31.3.3 invest surplus funds in an institution with an investment grade rating and was it in line with an investment policy?	✓			
7.3.6 Tr(31.4.1)	Did the entity promptly disclose information regarding cash, banking and investment management when so requested by National Treasury?	✓			
8. BORROWING AND LEASES (CHAPTER 32)					
8.1 Borrowing (Chapter 32.1)					
8.1.1 Tr(32.1.1)	Did the public entity listed in Schedule 3A borrow money for bridging purposes? If so, did the Minister of Finance approve the borrowing? Were the following conditions applied? (a) the debt must be repaid within 30 days of the end of the financial year; (b) borrowing may not exceed a limit determined in advance by the Minister of Finance, in consultation with the national executive authority or provincial MEC for finance, whichever appropriate; (c) foreign borrowing may not be undertaken; (d) a request for borrowing for bridging purposes must be submitted to the Minister of Finance at least 30 days before the borrowing. The following must be submitted together with the request – (i) detailed cash flow and income and expenditure statements indicating how the debt will be repaid during the prescribed period; and (ii) the terms and conditions on which the money is borrowed.			✓	Not applicable in this quarter.
8.1.2 Tr(32.1.2)	The above paragraph does not apply to the use of credit cards, fleet management cards or other credit facility repayable.			✓	Not applicable in this quarter.
8.2.1 Tr(32.2.3)	- Did an entity listed in schedules 2,3,4, 3B and 3D enter into a finance lease transaction? - If so, did the entity enter into it through the following functionaries: (a) public entity listed in schedule 2: the accounting authority for that entity; (b) a national public entity listed in schedule 3A: the Minister of Finance; (c) a national government business enterprise listed in schedule 3B and authorised by the Minister by notice in the national Government Gazette: the accounting authority of that business enterprise, subject to conditions that the Minister may impose; (d) a provincial business enterprise listed in schedule 3D and authorised by the Minister by notice in the National Government Gazette: the MEC for finance in the province, acting with the concurrence of the Minister. Subject to any conditions that the Minister may impose.			✓	Not applicable. All leases transactions are treated as operating lease.
9. FINANCIAL MISCONDUCT (CHAPTER 33)					
9.1 Investigation of alleged financial misconduct (Chapter 33.1)					
9.1.1 Tr(33.1.1)	Was an employee alleged to have committed financial misconduct? If so, did the accounting authority ensure that an investigation was conducted into the matter and if confirmed a disciplinary hearing was carried out in accordance with the relevant prescripts?			✓	No financial misconduct reported in this quarter.
9.1.2	Was the investigation instituted within 30 days from the date of discovery of the alleged financial			✓	Not applicable in this quarter.

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Section	Question	Yes	No	N/A	Remarks
Tr(33.1.2)	misconduct?				
9.1.3 Tr(33.1.3)	If the accounting authority or its members is alleged to have committed the misconduct, did the executive authority initiate an investigation into the matter and if the allegations were confirmed, did he/she ensure that the appropriate disciplinary proceedings were initiated immediately?			✓	Not applicable in this quarter.
9.1.4 Tr(33.1.4)	Did the National Treasury, after consultation with the executive authority (a) direct that a person other than an employee of the public entity conducts the investigation; (b) issue any reasonable requirement regarding the way in which the investigation should be performed.			✓	Not applicable in this quarter.
	9.2 Criminal Proceedings (Chapter 33.2)				
9.2.1 Tr(33.2.1)	If any criminal charges were laid in terms of section 86 of the PFMA, did the accounting authority advise the Auditor-General, the executive authority and National Treasury of the above occurring?			✓	Not applicable in this quarter.
	9.3 Reporting (Chapter 33.3)				
9.3.1 Tr(33.3.1) Sec 85 (1)	Did the accounting authority on an annual basis submit a report to the executive authority, National Treasury and the Auditor-General a schedule of (a) the outcome of any disciplinary hearings and/or criminal charges; (b) the names and ranks of employees involved; and the sanctions and any further actions taken against these employees.			✓	Not applicable in this quarter.