

ANNUAL REPORT

2022/23

Vote 17

● *Providing appropriate skills for the world of work*



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



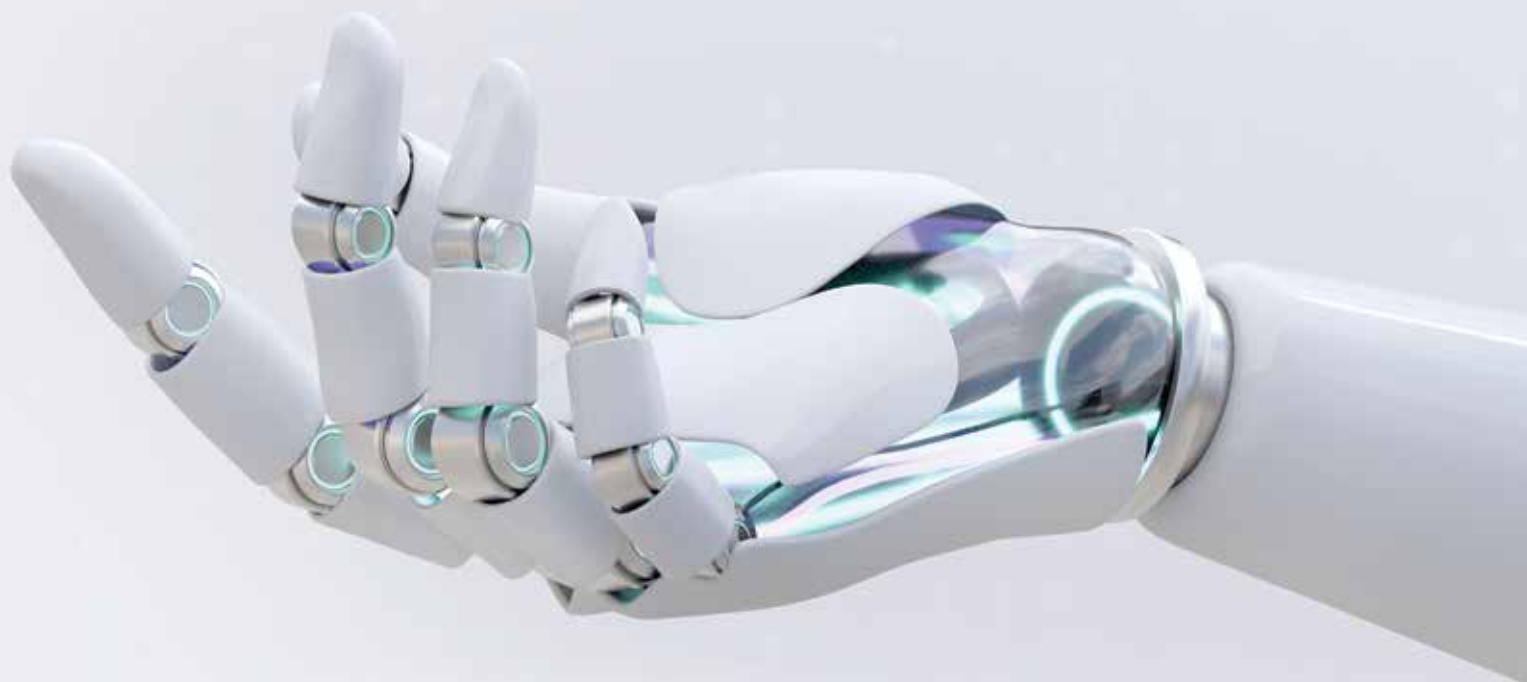


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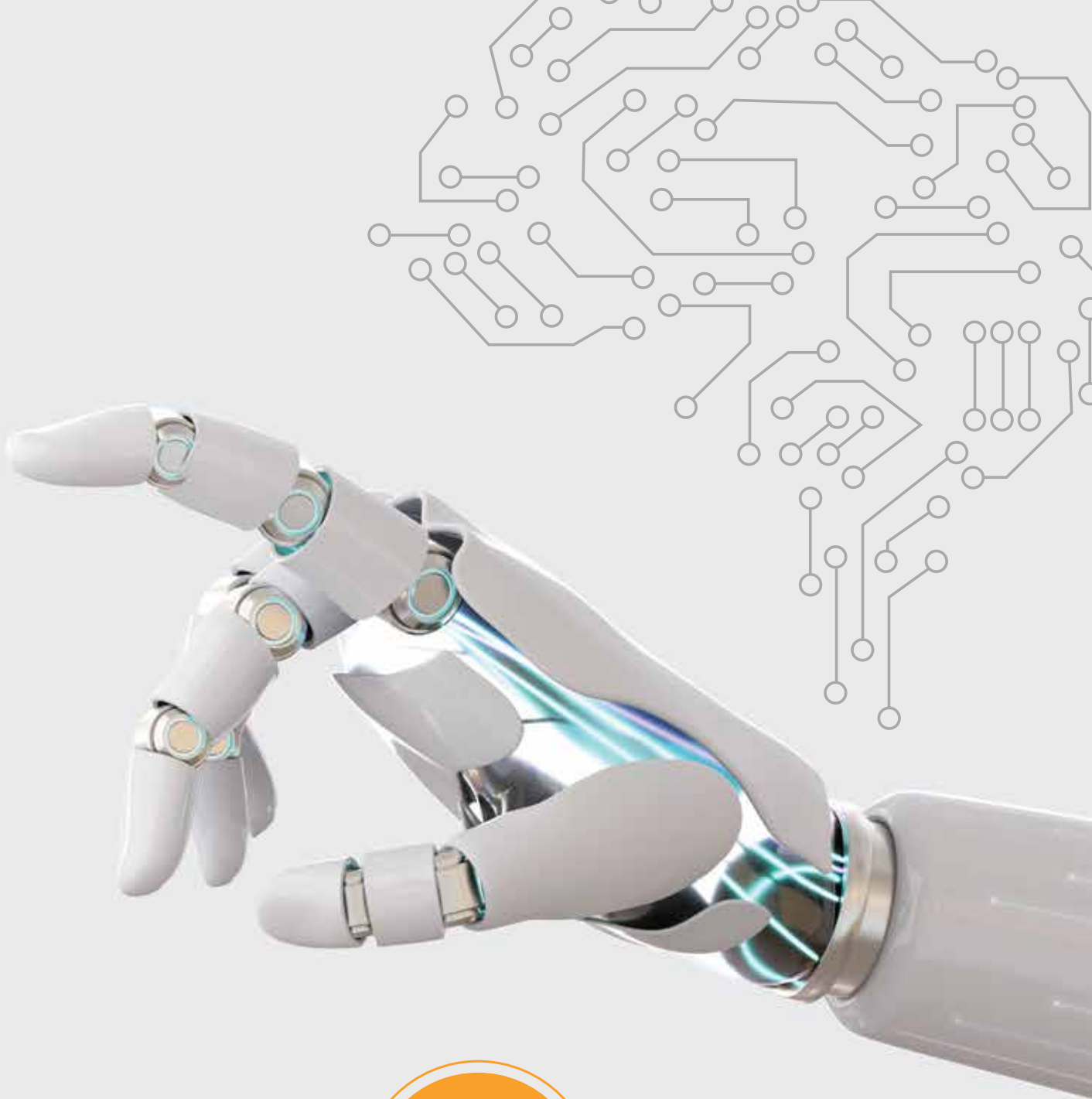
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PART A

GENERAL INFORMATION



1. DEPARTMENT GENERAL INFORMATION

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Physical Address:

103 Plein Street, Cape Town, 8001

Tel: 021 469 5175

Fax: 021 461 4761

Call Centre Toll-free: 0800 872 222

Website: www.dhet.gov.za

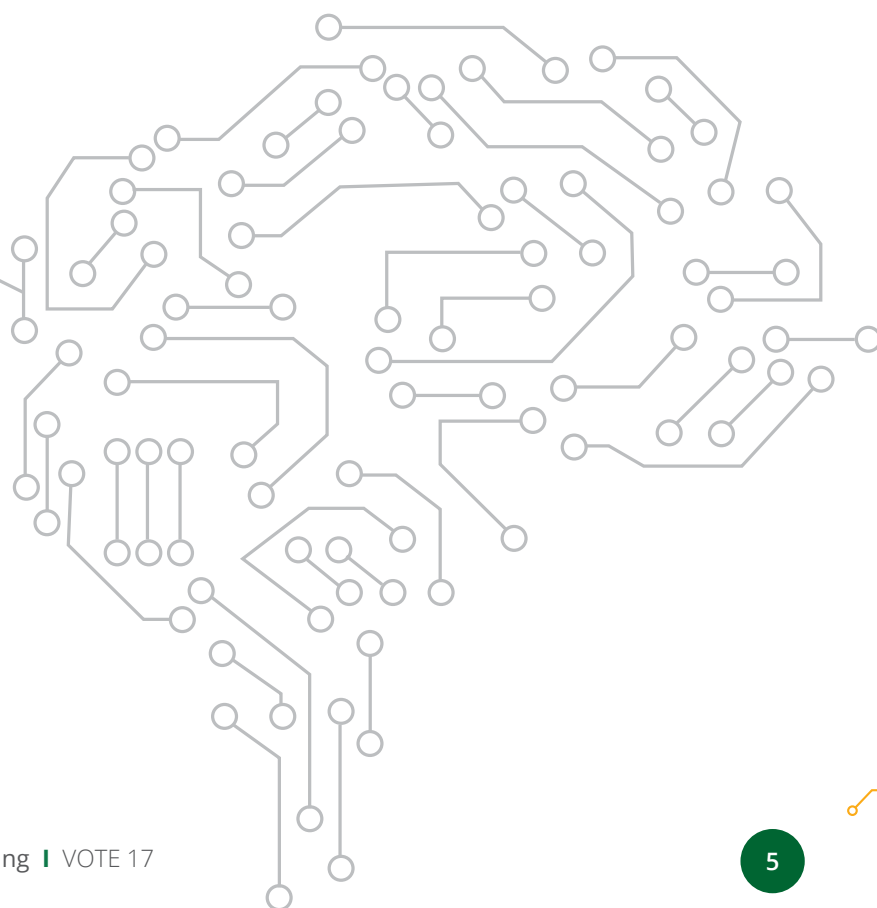
Career Advice Helpline: 086 999 0123

Career Advice Website: www.careerhelp.org.za

Fraud Hotline: 0800 701 701

2. GENERAL INFORMATION OF REGIONAL MANAGERS

Provincial Clusters	Regional Managers	E-mail Address	Cellphone/ Tel: Number	Physical Address
Eastern Cape	Mr L Ngubelanga	Ngubelanga.L@dhet.gov.za	043 051 3136 072 540 4854	4th Floor, FNB Building, c/n Union and Oxfort Street, East London
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Limpopo	Mr FL Ramonyatse	Ramonyatse.F@dhet.gov.za Molekoan@dhet.gov.za	082 544 2848 / 015 291 2662	58 Schoeman Street Polokwane 0700
Gauteng and Free State	Mr P Mashele	Mashele.P@dhet.gov.za Lesejane.B@dhet.gov.za	046 798 0433 010 595 2728	20 Albert Street Braamfishers Towers, Marshalltown 2107
Mpumalanga and North West	Dr N Balkrishen	Balkrishen.P@dhet.gov.za Selepe.G@dhet.gov.za	082 808 7351 / 018 388 2563	Provincial Department of Education Building Dr Albert Luthuli Drive Mafikeng
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3. LIST OF ABBREVIATIONS/ACRONYMS

ABBREVIATIONS/ACRONYMS	
AET	Adult Education and Training
AGSA	Auditor-General South Africa
APP	Annual Performance Plan
ARPL	Artisan Recognition of Prior Learning
BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
BRICS	Brazil, Russia, India, China, South Africa
BSC	Bid Specification Committee
CAS	Central Application Service
CDS	Career Development Services
CET	Community Education and Training
CETA	Construction Sector Education and Training Authority
CHE	Council on Higher Education
CoS	Centres of Specialisation
CSIR	Council for Scientific and Industrial Research
DBE	Department of Basic Education
DDG	Deputy Director-General
DHET	Department of Higher Education and Training
DPSA	Department of Public Service and Administration
DSI	Department of Science and Innovation
DUT	Durban University of Technology
DWYPD	The Department of Women, Youth and Persons with Disabilities
EDHE	Entrepreneurship Development in Higher Education
ERRP	Economic Reconstruction and Recovery Plan
GBV	Gender-Based Violence

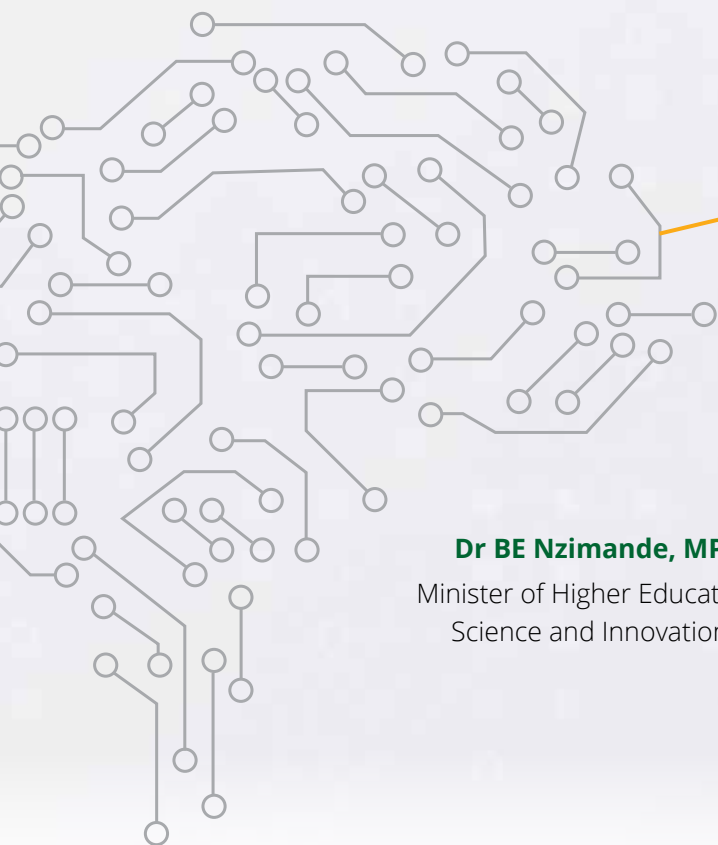
ABBREVIATIONS/ACRONYMS	
GETC: ABET	General Education and Training Certificate: Adult Basic Education and Training
GITO	Government Information Technology Officer
HDI-DG	Historically Disadvantaged Institutions Development Grant
HEAIDS	Higher Education HIV/Aids Programme
HELM	Higher Education Leadership and Management
HEMIS	Higher Education Management Information System
HEQSF	Higher Education Qualifications Sub-Framework
HETMIS	Higher Education and Training Information Management System
HRD	Human Resource Development
HRDSA	Human Resource Development Strategy of South Africa
ICT	Information and Communication Technology
INDLELA	Institute for the National Development of Learnerships, Employment Skills and Labour Assessments
IT	Information Technology
LTSM	Learning and Teaching Support Material
MSP	Master Skills Plan
MIF	Macro-Infrastructure Framework
MoU	Memorandum of Understanding
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
MTT	Ministerial Task Team
NAMB	National Artisan Moderation Body

ABBREVIATIONS/ACRONYMS

NATED	National Accredited Technical Diploma
NCAP	National Career Advice Portal
NC(V)	National Certificate (Vocational)
NDP	National Development Plan
NEA	The National Examination and Assessments
NEET	Not in Education, Employment or Training
nGAP	New Generation of Academics Programme
NOLS	National Open Learning System
NRF	National Revenue Fund
NSA	National Skills Authority
NSDS	National Skills Development Strategy
NSF	National Skills Fund
NSFAS	National Student Financial Aid Scheme
OQSF	Occupational Qualifications Sub-Framework
PEDs	Provincial Education Departments
PERSAL	Personnel Salary System
PFMA	Public Finance Management Act
PHEI	Private Higher Education Institutions
PPN	Post Provisioning Norms
PSC	Public Service Commission
PSET	Post-School Education and Training
QCTO	Quality Council for Trades and Occupations
RDP	Reconstruction and Development Programme
SB-DP	Sibusiso Bengu Development Programme

ABBREVIATIONS/ACRONYMS

SADC	Southern African Development Community
SDPs	Skills Development Providers
SEDA	Small Enterprise Development Agency
SETA	Sector Education and Training Authority
SITA	State Information Technology Agency
SMS	Senior Management Service
SMU	Sefako Makgatho University
SS-ERRP	Skills Strategy Economic Reconstruction and Recovery Plan
TVET	Technical and Vocational Education and Training
TVETMIS	Technical and Vocational Education and Training Management Information System
TUT	Tshwane University of Technology
UCDP	University Capacity Development Programme
UJ	University of Johannesburg
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNISA	University of South Africa
UP	University of Pretoria
USDP	University Staff Doctoral Programme
VC	Vice-Chancellor
WBL	Workplace-Based Learning
WITS	University of the Witwatersrand



Dr BE Nzimande, MP
Minister of Higher Education,
Science and Innovation

4. FOREWORD BY THE MINISTER

I am pleased to present the Annual Report of the Department of Higher Education and Training for the reporting period 2022/23. This edition represents the eleventh iteration since the establishment of our Department.

This report reflects our achievements and relevant financial information of our Department's continued efforts to develop and improve the South African Post-School Education and Training (PSET) system.

This reporting period has undoubtedly been impacted by the COVID-19 pandemic, but operations and functions of the Department have once again normalised since the relaxation and gradual phasing out of COVID-19 related regulations during March 2022.

In response to significant budget cuts effected across all Government departments, our Department has since been compelled to re-assess and recalibrate its portfolio at all levels, across all programmes and within our institutions.

This has not been an easy endeavour but has borne positive outcomes on how the Department will go about its business in a more cost-effective and impactful manner.

Our efforts have since seen a groundswell in support for and adoption of our hybrid, digitised and remote modes of learning and teaching, including the distribution of laptops through the National Student Financial Aid Scheme to all our deserving university and Technical and Vocational Education and Training College students during and after the COVID-19 pandemic.

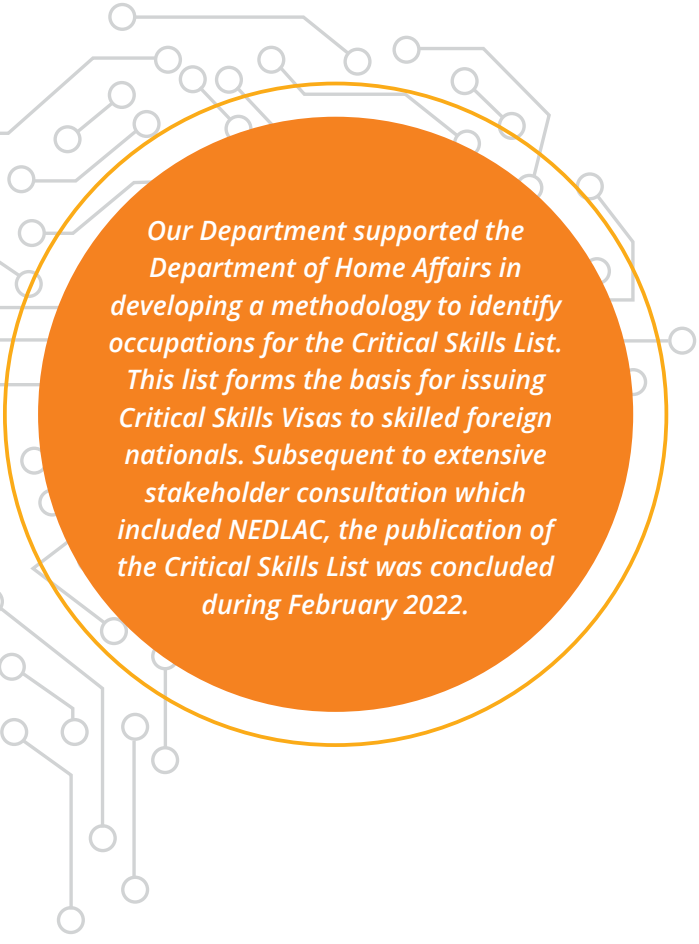
Through the COVID-19 Responsiveness Grant duly established during the 2020/21 financial year, we continued to support the implementation of our universities' multi-modal teaching and learning during 2021/22. We also ensured our campus readiness and safety for the successful completion of the 2021 academic year.

The total cost of the COVID-19 Responsiveness Grant to date comprises an allocation of R2.7 billion, sourced from internally reprioritised funds to the benefit of all our 26 universities.

In this important task, our Department has been supported by HIGHER HEALTH, our national agency responsible for improving the health and well-being of our students, which worked closely with all stakeholders across the sector.

A significant milestone during this reporting period has been the development of the framework for the management of tuition and accommodation fees which now requires coherent implementation across the higher education sector.

I am pleased to report that since it was placed under administration and its financial affairs accordingly rehabilitated during 2020, the National Student Financial Aid Scheme (NSFAS), during the 2021 financial operated with a fully appointed Board and a new Chief Executive Officer. This has created stability at the entity and has enabled for continued administrative improvements for the 2021/22 financial year.



Our Department supported the Department of Home Affairs in developing a methodology to identify occupations for the Critical Skills List. This list forms the basis for issuing Critical Skills Visas to skilled foreign nationals. Subsequent to extensive stakeholder consultation which included NEDLAC, the publication of the Critical Skills List was concluded during February 2022.

Following the appointment of the Ministerial Committee of Inquiry into the NSFAS and several Board position papers, the entity, in consultation with myself and through inclusive stakeholder engagements, developed the final 2022 National Student Financial Aid Scheme Eligibility Criteria and Conditions for Financial Aid, also referred to as the '2022, Student Funding Policy'.

This Policy, accordingly, replaces the Departmental Rules and Guidelines for University, Technical and Vocational Education Colleges as well as the NSFAS Disability Policy.

We have also since developed and finalised a Fee-Regulatory Framework for the Public Higher Education System and are now working on the publication of the framework.

My Department of Higher Education and Training together with the Higher Education Quality Committee, the Council of Higher Education, the South African Qualifications Authority, continues to collaborate in providing regulatory oversight and ensuring the integrity of the post-school education and training system.

Due to the concerted and collaborative efforts of our regulatory bodies over the past few years, we have significantly reduced the challenges brought about by the proliferation of illegal (or bogus) colleges.

We have published the revised Language Policy Framework for our Public Higher Education Institutions during August 2020. We also have submitted a funding proposal and implementation plan regarding the Framework for approval during the 2021/22 financial year.

Our revised language policy aims to provide a foundation and support to all universities across South Africa in accelerating their respective language policy development initiatives with emphasis on the Khoi, Nama, San languages, as well as Sign Language.

A Framework and Guidelines to Accommodate Students with Disabilities in TVET colleges was also finalised during the 2021/22 reporting period.



Our Department supported the Department of Home Affairs in developing a methodology to identify occupations for the Critical Skills List. This list forms the basis for issuing Critical Skills Visas to skilled foreign nationals. Subsequent to extensive stakeholder consultation which included NEDLAC, the publication of the Critical Skills List was concluded during February 2022.

During the period under review, I constituted a Ministerial Task Team (MTT) to advise me on instances of sexual harassment, gender-based violence and harm within our Post-School Education and Training sector.

This intervention culminated in the release of the Policy Framework to address Gender-Based Violence in the Post-School Education and Training system.

We have also released the Sexual and Gender-Related Misconduct Contextual Guidelines, Procedural Guidelines for Protection against Sexual and Gender Related Misconduct, as well as two Protocols on the Post-School Education and Training Code of Ethics and Protocols on Rape and Sexual Assault Cases within the sector.

I appointed a Ministerial Task Team to conduct an independent review of UNISA, focusing on its strategic mandate and purpose within the South African context.

The Task Team had to scrutinize all contextual and institutional factors impacting the business of the University. The Task Team has subsequently made recommendations on measures required to ensure that UNISA is strategically positioned as an institution with a clear mandate and mission and accordingly supported by the necessary structures and capacity for a sustainable future. The Task Team has since submitted its final report.

Great strides have been made regarding the review of curricula, especially regarding the Report 191 programmes.

While the need to undertake extensive curriculum reviews has been acknowledged, the insight gained from the current exercise indicates that the content and skills sets require updating mainly in so far as

technology-infused elements are concerned and which constitute around fifteen to twenty percent of most existing curricula.

The Department acknowledges that curriculum updates and reviews must keep abreast of imperatives such as infrastructure and lecturer development, both of which are factored into our curriculum review and implementation plans.

The need to drive entrepreneurship as an alternate means of gainful employment for young people exiting Technical and Vocational Education and Training colleges is recognised and we have established five additional entrepreneurship hubs at our colleges.

This trend will continue and is aligned with the vision of our colleges becoming centres of enterprise development. Partnerships with various stakeholders has also emerged as a major enabling factor in the creation of entrepreneurship hubs at our colleges.

During the period under review, an amount of R38.691 million was transferred to the National Institute for Humanities and Social Sciences with a view to advance and coordinate scholarship, research and ethical practice within the fields of the Humanities and Social Sciences at our public universities.

The development of the Imbali Education and Innovation Precinct has continued throughout 2021/22, with additional support provided by way of the Teaching and Learning Development Capacity Improvement Programme.

The project comprises an inter-connected set of institutions, which are able to collaborate and support each other in the delivery of their individual mandates, including establishing strong relationships with surrounding communities, as well as industry and civil society organisations.

The Durban University of Technology has also since appointed a project manager to coordinate the project. A revised Imbali Education and Innovation Precinct plan was duly approved and a Steering Committee established during the period under review.

The Sibusiso Bengu Development Programme has been focused towards assisting Historically Disadvantaged Institutions in accessing a range of earmarked capacity- building resources that the Department, the Department of Science and Innovation as well as other Government departments, partners and universities have at their disposal. This programme has been established with the purpose to decisively address the inequalities that have negatively impacted the development and sustainability of Historically Disadvantaged Institutions.

This programme will ensure that it contributes to the further development of Historically Disadvantaged Institutions as strong, socially-embedded and responsive institutions in a diversified post-school education and training system.

The Department also published the eleventh issue of the Statistics on Post-School Education and Training in South Africa on 31 March 2022.

This report provides details on student enrolment and study completion numbers in relation to public and private Higher Education Institutions, Technical and Vocational Education and Training, as well as Community Education and Training colleges.

The report also provides statistics in relation to staffing levels at all our institutions and information on Workplace-Based Learning, financial data and notably, information regarding the National Student Financial Aid Scheme, the Skills Levy and Voted funds, respectively.

As a Department, we will continue to produce various reports aimed at providing relevant information on planning and provision of education and training, as well as assisting individuals in making appropriate career and educational choices. These include among other, the Post-School Education and Training Monitor, Skills Supply, Demand and Critical Skills reports.

I wish to congratulate the Department on again achieving an unqualified audit for the period under review.

My sincere gratitude goes to the Executive Management Committee of the Department, my

staff in the Ministry, the Boards and Executives of our Entities, as well as everyone who contributed toward the achievement of our mandate as a Department.

I would also like to thank the USAf, SAPCO, SAUS, SATVETSA and our labour unions for working with us through the Ministerial Task Teams in finding collective solutions to challenges posed by, and subsequent to the COVID-19 pandemic.

Going forward, I trust that even greater levels of success will be achieved and that we will continue to forge cordial and mutually beneficial relationships with all our institutions and students in ensuring the expansion of our valuable Post-School Education and Training system.

I hereby present the 2022/23 Annual Report for the Department of Higher Education and Training to Parliament.



Dr BE Nzimande, MP

Minister of Higher Education, Science and Innovation

Date: 31/08/2023



Dr SNP Sishi

Director-General of
Higher Education and Training



5. ACCOUNTING OFFICER'S OVERVIEW

During the period under review, geopolitical instability and continued conflicts both internationally and on the local front have continued stymying efforts aimed at bolstering economic growth. However, successful interventions in curtailing the ravages and impact of the COVID-19 pandemic, have since seen a slowly improving economy. Significant progress though, is currently still impeded by factors such as an uncertain global economic landscape, globalisation and climate change, while closer to home, the challenges of persistent unemployment, particularly among our youth and the intermittent implementation of loadshedding cycles both remain factors negatively impacting the efficacy of the PSET sector.

It is against this challenging backdrop and the reality of further fiscal austerity measures having been enforced during the period under review, that the Department has been required to render its mandate. I am pleased to report though, that despite these challenges we have still been in a position to make considerable strides in realising the Department's broader vision of expanding access to quality education and rendering an efficient administration in support of attaining this goal across the education sector.

The primary mandate of the Department is premised on developing a skilled and capable workforce, while broadening the skills-base of the country in supporting an inclusive growth path. The Department accordingly presides over an institutional landscape comprising of universities, TVET colleges, CET colleges, Sector Education and Training Authorities, Quality Councils, as well as private sector service providers. Its goals are directed towards significantly expanding access to higher education and training opportunities, as well as improving the quality of provisioning, responsiveness and efficiency of the PSET System. Forming part of the university education sector are both public and private higher education institutions, although the public sector is the larger of the two in terms of student enrolments and has a broader focus. Both public and private sectors are governed in terms of the *Higher Education Act (Act 101 of 1997, as amended)*.

One of the important interventions undertaken by the Department during this period was a PSET System-Wide Mid-Term Performance Review convened during November 2022, a process which saw participation and involvement by the complete executive leadership across the education

landscape. Under the auspices of the Minister of Higher Education, Science and Innovation, and as a benchmark intervention, the sector for the first time collectively reflected on the performance of the PSET System, as well as deliberated and refined requisite short, medium and long-term priorities for sector, going forward. Evidence and data disseminated during these deliberations, once again substantiated the fact that low levels of educational success and stunted skills development remain significant catalysts for inter-generational poverty, inequality, and unemployment among South Africans and in particular, among the most vulnerable in our society, namely our women, youth and people with disabilities.

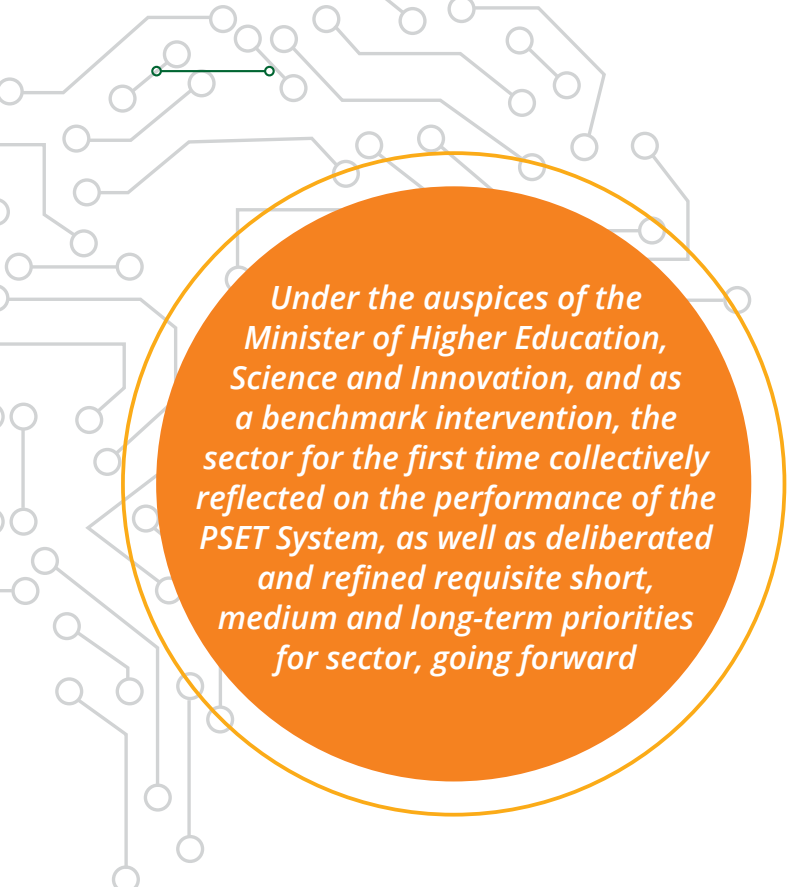
Given the negative impact of the COVID-19 pandemic on the implementation of government plans, and by extension, our Policy directives in better steering the PSET System, the 2022/23 financial year has presented the Department with an opportunity to critically and objectively assess current policy and systemic failures and devise innovative, practical and impactful alternatives in ensuring future success. As the Sixth Administration draws to a close, impactful, progressive and targeted interventions are required as the sector steadily continues to recover and strengthen its functions and services.

The White Paper for Post-School Education and Training, 2013 identifies a number of key policy directives which comprise of increasing and expanding access and enrolments, improving quality education through capacity building aimed at improving pedagogical practices, introducing qualifications for college-based lecturers, facilitating curriculum innovation directed at both community and labour market interests and needs, improving articulation between institutions and their programmes and introducing Community Colleges as a new institutional mechanism which are responsive to and in sync with community needs and interests rendered by means of improved programme design and delivery. To this end, the Department has continued to lead a programme that is fully demand-driven, dual-system based and comprising employer-led processes designed and directed towards progressively empowering employers, should they step up to the opportunity

in leading and directing the skills development system across South Africa.

The Department's Interim Organisational Structure which was duly approved during 2019 could not be fully implemented though, due the merger of the Ministries of Higher Education and Training as well as Science and Technology into becoming the Ministry of Higher Education, Science and Innovation. A subsequent review of the Organisational Structure was accordingly commissioned by the Minister and consultants commenced with a further review process during the fourth quarter of 2020 and which continued during the 2021/22 financial year. This review was concluded during the period under review and the final structure will shortly be submitted to Minister for approval.

The Department for the period under review, presided over a staff establishment of 34 478 incumbents, with a vacancy rate of 11.2 percent. Due to a persistent and continued lack of sufficient human resource capacity however, limited human resource processes in dealing with appointment transactions required for our 50 Technical and Vocational Education and Training and nine Communication Education and Training colleges has been apparent and key delivery units located within the University Education, Technical and Vocational Education and Training, Skills Development and the Communication Education and Training branches have experienced ongoing difficulty in ensuring the efficient delivery of critical services. The situation has also furthermore compounded the seamless provision of functions such as those required in terms of Career Development Services and the administration of the National Artisan Moderating Body programme. The Department is currently in the process of sourcing sufficient additional Human Resource capacity to address these challenges though, while during the period under review having embarked on a process for the progressive decentralisation of recruitment and selection functions. An electronic version of the Z83 post application form has also since been developed in collaboration with the South African Institute for Chartered Accountants with a view to improve turn-around times-frames in better processing post applications and the filling of vacancies.



Under the auspices of the Minister of Higher Education, Science and Innovation, and as a benchmark intervention, the sector for the first time collectively reflected on the performance of the PSET System, as well as deliberated and refined requisite short, medium and long-term priorities for sector, going forward

One of the key achievements attained during the 2021/22 reporting period, has been the implementation of the Post Provisioning Norms and Model at Technical and Vocational Education and Training colleges, wherein 26 colleges were able to migrate staff interred in Ministerial programmes from the college payroll to the Departmental PERSAL system. The Post Provisioning Norms Implementation process for the first phase of the intervention commenced during 2021/22 at all 50 Technical and Vocational Education and Training colleges and College Implementation Committees were duly constituted to drive the requisite implementation processes. Currently, 24 colleges have since successfully concluded the migration of staff and filling of critical posts in accordance the allocated Post Provisioning Norms budget for the period under review.

The Department remains committed to the construction of the new Head Office at the Salvokop precinct. However, the current office accommodation utilised by the Department in the Central District of Tshwane continues to present ongoing and significant spatial, safety and hygiene challenges. Accordingly, in an effort to identify a suitable alternative to occupation of buildings utilised by the Department at present, a Task Team comprising of Departmental Deputy Directors-General was constituted to drive a process for the

eventual, interim relocation of the Department to the premises of the Council for Scientific and Industrial Research, while the suitable accommodation at the Salvokop precinct is constructed.

I am pleased to report that in response to several repeat audit findings issued by the Office of the Auditor-General South Africa, dedicated focus and emphasis has been placed on the significant improvement of Departmental governance processes, in tandem with strengthening accountability measures and implementation of consequence management in instances where malfeasance has been identified. These measures have since been implemented in concert with reconstitution of the Departmental Ethics and Integrity Management Committee.

In general, improved efficacy regarding the provision of consistent and reliable information and communications technology services by SITA has seen a gradual improvement, with power outages and fibre-link breakages intermittently emanating from the Centurion Data centre as experienced in the past, being significantly reduced and curtailed during the reporting period.

The COVID-19 pandemic has compelled the Department to seriously reflect on and reconsider better managing its administrative processes and core functions with safety and efficiency as primary goals, a process which has seen a profound shift towards the comprehensive digitisation of functions and processes in tandem with the progressive adoption of hybrid, remote modes of service provision and educational instruction on the one hand and on-site, in-person instruction on the other. In better balancing and giving effect to this objective, broadband connectivity has systematically been enhanced and as a cost-saving initiative, meetings by way of virtual platforms for meetings, such as MS Teams and Zoom are convened as an alternative to in-person sessions. As a counterpart to these processes, the Department is further bolstering the efficacy of its information management systems and among other, has restricted the sending of emails with large attachments in reducing electronic communication backlogs, intermittently monitoring

internet utilisation by officials, improving the quality of services provided by SITA in terms of the Departmental Virtual Private Network and optimising Ms Teams performance.

The Department has also realised several strategic and administrative benchmarks and milestones during the 2021/22 reporting period.

The Department introduced the DHET Bursary Scheme aimed at providing fully subsidised funding for students from poor and working-class families with gross combined annual incomes of up to R350 000 during 2018. The scheme has since been phased in on a year-by-year basis to first-time entry university students, over a five-year period and the 2022 academic year represents the fifth year of the fully-subsidised funding system for these students.

The 2021 Medium-Term Budget Policy Statement tabled before Parliament during November 2021 has served as a precursor for the shift of Colleges of Agriculture to National Government, with funding provided by way of the Comprehensive Agricultural Support Programme Grant. Work has since been undertaken by the Department towards establishing these institutions as Higher Education Colleges in terms of the Higher Education Act (101 of 1997, as amended) with these colleges funded and administratively managed by the Department of Agriculture, Land Reform and Rural Development.

Despite a concerted and collaborative effort by regulatory bodies over the past few years, the challenge of illegal (or bogus) colleges remains a threat to the system. In attempting to address these issues, the Department will continue to provide close oversight, while working together with the South African Qualifications Authority and the Council for Higher Education to intervene where these practices continue.

Enrolments at universities decreased by 2.5 percent from 1 094 808 enrolments during 2020 academic year to 1 068 046 enrollments for the 2021 academic year. In relation to Public Higher Education Institutions, a higher proportion of female students at a total of 655 427 students or 61 percent, were enrolled compared to their male counterparts at a total of 412 428 students or 39 percent. Most students enrolled comprised of

Africans at a total of 849 246 student or 80 percent, while White students accounted for an enrollment of 108 982 students of 10 percent, followed by Coloureds students at a total of 59 313 incumbents or 6 percent and Indians students comprising a total of 38 911 students or 4 percent.

The Department has deviated from its planned targets by two percent with a view to accommodate institutional strategies aimed at improving student access in response to unplanned events such as that posed by the COVID-19 pandemic, by way of example. Following on ongoing budget restrictions imposed by the National Treasury, universities have accordingly been prohibited to under and over enroll students by more than the fore-mentioned two percent threshold.

In addition to the apparent growth in enrolments across the Public Higher Education Sector, there has also been substantial improvements related to student graduations. I am pleased to report that for the 2021 academic year, several targets were over-achieved, with a total of 11 067 graduates or 101.5 percent apparent for Human Health Sciences studies, a total of 219 graduates or 118 percent in relation to Animal and Veterinary Science studies and a total of 29 925 or 103 percent of graduates enrolled in Initial Teacher Education. The number of Doctoral graduates has also increased substantially to 3 574 graduates or 6.8% during 2021 when compared to 3 445 recorded for 2020. This constitutes a critical development, as it is on these post-graduates that the country depends for its future academics, researchers and leaders within knowledge-intensive professions.

During the period under review, student performance and success rates at Community Education and Training colleges have remained an area requiring improvement. However, preliminary data for the GETC: ABET programme verifies that the number of students who registered for the November 2021 examinations, comprised of 55 402 incumbents, with those writing five or more subjects and accordingly attaining eligibility for a full qualification verified as 37 760 students. Incumbents having attained successful completion, represented a pass-rate of 25 780 students or 64.4 percent.

The need to improve the qualifications of academic staff interred at Higher Education institutions and in turn enhance the quality of teaching and learning by developing lecturers as recognised teachers remains a priority. In an effort to ensure quality provisioning, the National Development Plan requires the PSET System to produce 75 percent of all PhD students on an annual basis by the end of 2030. The Department by way of the South African University Framework programme, has conceived and established the nGAP sub-programme which is focussed towards enhancing quality qualifications in tandem with the successful and equitable attainment thereof and by design, provides opportunities for new academics. It follows that to this end, posts are created and funded at universities, staff members recruited into permanent nGAP posts and supported through an intensive development programme.

A further achievement during the period under review also comprise of partnerships concluded with the ETDP SETA for the establishment of 4IR Centres of Excellence at ten Technical Vocational Education and Training colleges with a centre since successfully launched at Vhembe TVET College. It is expected that this College will expose and train lecturers and students in 4IR.

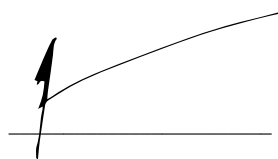
In addition, the readiness assessment for TVET colleges that applied in offering new Robotics streams in the NCV: IT and Computer science programme were also conducted during the 2022/23 financial year. Nine colleges have subsequently been endorsed to commence with implementation of the Robotics stream during 2023.

Our Community Education and Training colleges have also embarked on working with partners to introduce skills programmes that respond to key skills demands required by communities, the labour market and employers. Digital skills have also since been implemented at one of the 54 pilot centres in the Eastern Cape at the Bofolo Community Learning Centre. Programmes accordingly offered comprise of basic computer literacy, web publishing, as well as customer experience and social entrepreneurship courses. In addition, community members are trained in skills to establish digital services for surrounding communities with the end-goal of

providing opportunities for income generation. A further fifteen Community Learning Centres were also accredited to offer skills development programmes and the Quality Council of Trade and Occupations identified and developed curricula for 40 skills programmes offered by Community Education and Training colleges during the period under review.

In closing, I wish to express my sincere appreciation to the Minister and Deputy Minister for their leadership during the year under review. I further wish to extend a special word of appreciation to my senior management and all staff for their continued support and dedicated hard work, in ensuring an improved Post-School Education and Training System and its achievements.

I hereby present the Annual Report for the 2022/23 financial year for subsequent tabling before Parliament.



Dr SNP Sishi

Accounting Officer

Date: 31 August 2023

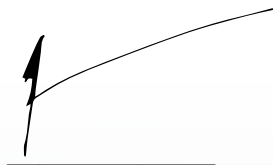
6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

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

In my opinion, the Annual Report fairly reflects the operations, performance and human resources information, as well as financial affairs of the Department for the financial year ended 31 March 2023.

Yours faithfully



Dr SNP Sishi

Accounting Officer

Date: 31 August 2023

7. STRATEGIC OVERVIEW

7.1. Vision

An integrated, coordinated and articulated Post-School Education and Training (PSET) System for improved economic participation and social development of youth and adults.

7.2. Mission

To provide strategic leadership to the PSET System through the development of appropriate steering mechanisms; effective oversight, monitoring and evaluation; the provision of support services in relation to teaching and learning, as well as the funding of PSET institutions and entities.

7.3. Values

- Integrity
- Accountable
- Service Excellence
- Responsiveness
- Collaboration

7.4. Medium-Term Strategic Framework

In his State of the Nation Address during June 2019, the President of the Republic of South Africa, Mr Cyril Ramaphosa, identified the following seven Government priorities that play a crucial role in achieving the National Development Plan (NDP) targets, as contained in the 2019 to 2024 Medium-Term Strategic Framework (MTSF):

Priority 1: A capable, ethical and developmental state

Priority 2: Economic transformation and job creation

Priority 3: Education, skills and health

Priority 4: Consolidating the social wage through reliable and quality basic services

Priority 5: Spatial integration, human settlements and local government

Priority 6: Social cohesion and safe communities

Priority 7: A better Africa and World

While these priorities are inter-related, the Department of Higher Education and Training (the Department) will focus in the main, on Priority 3 which supports the process of developing a Priority Skills Plan for the country, which will also align with the Implementation of the Economic Reconstruction and Recovery Plan (ERRP).

The strategic focus of the Department regarding the 2019 to 2024 MTSF aims to ensure improved, quality provisioning of education and training services, while also improving access to- and efficiency of the PSET sector as a whole. The emphasis on quality services provision, while improving access and efficiency, has become a strategic focus area which is intended to lead to higher study completion rates and student progression at Technical and Vocational Education and Training (TVET) colleges and universities. In this regard, the following outcomes have been identified:

- Expanded access to PSET opportunities;
- Improved success and efficiency of the PSET System;
- Improved quality of PSET provisioning;
- A responsive PSET System; and
- Excellent business operations across the Department.

8. LEGISLATIVE AND OTHER MANDATES

8.1 LEGISLATIVE AND OTHER MANDATES

8.1.1 Constitutional Mandates

The Department derives its legislative mandate from the supreme law of the Republic, namely its Constitution and within the purport of Section 29, read with Schedule 4, which lists education at all levels excluding tertiary education, as a functional area of concurrent National and Provincial legislative competence, whereas Section 29 states that:

“(1) Everyone has the right -

- (a) to a basic education, including adult basic education; and
- (b) to further education, which the State, through reasonable measures, must make progressively available and accessible.

(2) Everyone has the right to receive education in the official language or languages of their choice in public educational institutions where that education is reasonably practicable. In order to ensure the effective access to and implementation of this right, the State must consider all reasonable educational alternatives, including single-medium institutions, taking into account-

- (a) equity;
- (b) practicability; and
- (c) the need to redress the results of past racially discriminatory laws and practices.

(3) Everyone has the right to establish and maintain, at their own expense, independent educational institutions that -

- (a) do not discriminate on the basis of race;
- (b) are registered with the State; and
- (c) maintain standards that are not inferior to standards at comparable public educational institutions.

(4) Sub-section (3) does not preclude State subsidies for independent educational institutions”

8.1.2 Legislative and other Mandates

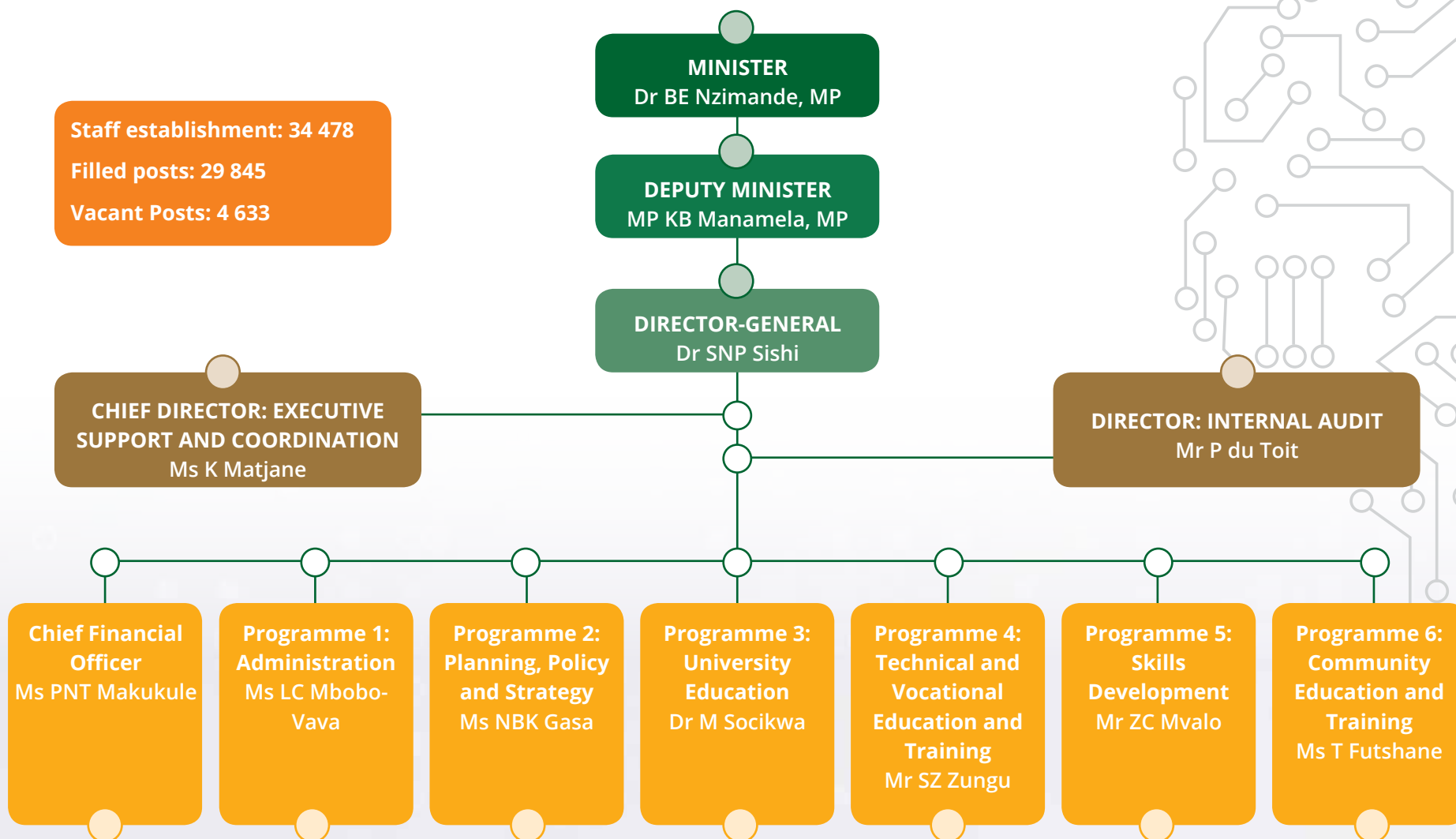
Legislation	Principal Minister	Relevant to the Minister of Higher Education, Science and Innovation
The Continuing Education and Training Act, 2006 (Act No. 16 of 2006), (CET Act) previously known as the Further Education and Training Act, 2006 (Act No. 16 of 2006) (FET Act) Provides for the governance and funding of both Community Education and Training (CET) colleges, TVET colleges and related matters in providing continuing education and training.	The Minister of Higher Education, Science and Innovation	The entire Act
The General and Further Education and Training Act, 2001 (Act No. 58 of 2001) (GENFETQA Act) Provides for the General and Further Education and Training Quality Assurance Council and for quality assurance of continuing education and training in TVET and CET colleges	The Act is primarily assigned to the Minister of Basic Education - except for those sections relevant to continuing education and training assigned to the Minister of Higher Education, Science and Innovation	In as far as public CET and TVET colleges as well as private colleges offering continuing education; Relevant sections: 2(b) and (c), 3, 16 to 21, 23, 26 and 28
The Higher Education Act, 1997 (Act No. 101 of 1997) (HE Act) Provides for a unified and nationally planned system of higher education and for the statutory Council on Higher Education (CHE)	The Minister of Higher Education, Science and Innovation	The entire Act
The National Qualifications Framework Act, 2008 (Act No. 67 of 2008) (NQF Act) as amended Provides for NQF, the South African Qualifications Authority (SAQA) and the Quality Councils for Education (Council for Higher Education (CHE), the Quality Council for Trade and Occupation (QCTO) and UMALUSI - Council for Quality Assurance in General and Further Education and Training), for qualifications and quality assurance of qualifications required on the sub-frameworks of the NQF	The Minister of Higher Education, Science and Innovation	The entire Act
The National Student Financial Aid Scheme Act, 1999 (Act No. 56 of 1999) (NSFAS Act) Provides for the granting of loans and bursaries to eligible students attending public higher education institutions, as well as for the administration of such loans and bursaries	Minister of Higher Education, Science and Innovation	The entire Act

Legislation	Principal Minister	Relevant to the Minister of Higher Education, Science and Innovation
South African Council for Educators Act, 2000 (Act No. 31 of 2000) Provides for the continued existence of the South African Council for Educators, the functions of the said Council and the composition of the said Council	The Minister of Higher Education, Science and Innovation	The Minister of Higher Education, Science and Innovation in-so-far as the administration and the powers and functions pertain to the mandate of the South African Council for Educators in relation to adult learning centres, as defined in Section 1 of the Act, including, but not limited to the powers and functions entrusted by Section 5 of the Act in relation to those centres
Skills Development Levies Act, 1999 (Act No. 9 of 1999) (SDL Act) Provides for the imposition of skills development levies and matters related thereto	The Minister of Higher Education, Science and Innovation	The entire Act
The Skills Development Act, 1998 (Act No. 97 of 1998) (SD Act) Provides for the National Skills Authority, QCTO and regulates apprenticeships, learnerships and matters related to skills development	The Act primarily assigned to the Minister of Higher Education, Science and Innovation, except those sections relevant to labour matters assigned to the Minister of Labour	The entire Act, except the following sections assigned to the Minister of Labour: Sections 2(1) g and h, 2(2)(a) (v), (vi) and (xii), 5(4) (only with respect to the productivity SA), 22(1), 23(1)(a) and (d), (2), (3), 24, 25, 26, 26K, 26L, 26M, 26N, 32(2), 36(o), (p) and (q), Item 7 of Schedule 2A and Schedule 4 and Section 32(1), 33 and 36 (a) and (s) and any other provision to the extent that these provisions apply to "employment services", as defined in Section 1, or Productivity, South Africa, as established by Section 26K, but excluding Section 23(1)(b) and (c)



Dr SNP Sishi, Director-General of Higher Education and Training, Deputy Minister of Higher Education, Science and Innovation, Mr B Manamela, MP, Minister of Higher Education, Science and Innovation, Dr BE Nzimande, MP (From left to right)

9. ORGANISATIONAL STRUCTURE



10. ENTITIES REPORTING TO THE MINISTER

The following entities report to the Minister of Higher Education, Science and Innovation:

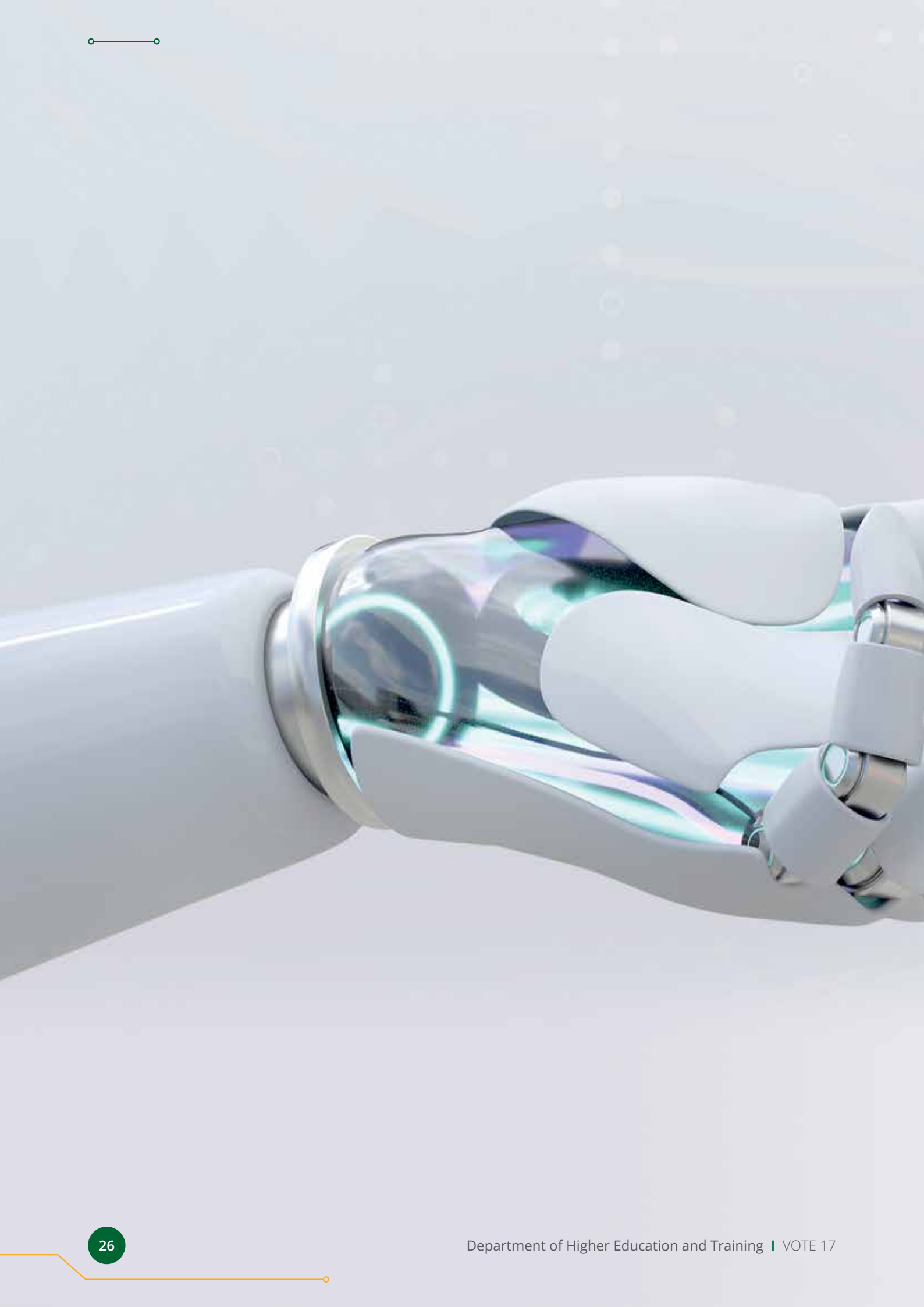
Name of Entity	Legislation	Financial Relationship	Nature of Operations
Agriculture Sector Education and Training Authority (AGRISETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in both primary and secondary agriculture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

Name of Entity	Legislation	Financial Relationship	Nature of Operations
Food and Beverages Sector Education and Training Authority (FOODBEV-SETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the food and beverages sector
Health and Welfare Sector Education and Training Authority (HWSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the health and welfare sector
Insurance Sector Education and Training Authority (INSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the insurance sector
Local Government Sector Education and Training Authority (LGSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the Local Government sector
Manufacturing, Engineering and Related Services Sector Education and Training Authority (MERSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the manufacturing, engineering and related services sector
Media, Information and Communication Technologies Sector Education and Training Authority (MICT-SETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the information system, electronics and telecommunications technologies sector
Mining Qualifications Authority (MQA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the mining and minerals sector
National Skills Fund (NSF)	Skills Development Act 97 of 1998	Transfer payments	To fund national skills development priority projects as identified in the National Skills Development Strategy related to achieving the purpose of the Act as determined by the Accounting Authority
National Student Financial Aid Scheme (NSFAS)	NSFAS Act 56 of 1999	Transfer payments	NSFAS is responsible for administering loans and bursaries as well as allocating these to eligible students, developing criteria and conditions for the granting of loans and bursaries to eligible students in consultation with the Minister of Higher Education, Science and Innovation, raising funds, recovering loans, maintaining and analysing a database for loans and bursary administration, undertaking research for the better utilisation of financial resources and advising the Minister on matters related to student financial aid incentives

Name of Entity	Legislation	Financial Relationship	Nature of Operations
Public Services Sector Education and Training Authority (PSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the public services sector
Quality Council for Trades and Occupations (QCTO)	National Qualifications Framework Act 67 of 2008 and Skills Development Act 97 of 1998	Transfer payments	To develop and quality assure occupational qualifications that are responsive to labour market and developmental state initiatives
Safety and Security Sector Education and Training Authority (SASSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the safety and security sector
Services Sector Education and Training Authority (SERVICES SETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the services sector
South African Qualifications Authority (SAQA)	SAQA Act 58 of 1995	Transfer payments	SAQA focuses on the further development and implementation of the National Qualifications Framework, which includes upholding the principles and objectives of the NQF and ensuring access, quality, redress and development for all learners, through an integrated national framework of learning achievements
Transport Education and Training Authority (TETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the transport sector
Wholesale and Retail Sector Education and Training Authority (W&RSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the wholesale and retail sector



The Honourable Dr BE Nzimande, MP during the NCOP budget vote





PART B

PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PRE-DETERMINED OBJECTIVES

Refer to the detail provided extensively in **Part F** of this Report.

2. OVERVIEW OF THE DEPARTMENTAL PERFORMANCE

2.1 SERVICE DELIVERY ENVIRONMENT

2.1.1 INTRODUCTION

During the financial year under review, the Department made significant progress towards achieving its five-year Strategic Outcomes amid the ongoing impact of the COVID-19 pandemic and a slowly recovering economy at the time.

The service delivery environment of the Department includes the University Education, TVET college and Community Education and Training (CET) sectors alongside the Skills Development system. Forming part of the university education sector, is both the public and private sectors, although the public sector comprises the larger of the two and has a broader educational focus. Both public and private sectors are governed in terms of the *Higher Education Act (Act 101 of 1997)*, as amended.

Three steering mechanisms underpin and support the development of the public university, TVET and CET college sectors, namely those of planning, funding and quality assurance. The Department steers the system through policy development, as well as planning, funding and oversight functions, while the CHE, the Quality Council for Trades and Occupations (QCTO) and UMALUSI are mandated to quality assure the system. The National Student Financial Aid Scheme (NSFAS) also provides funding opportunities for financially needy, academically qualifying students in accessing universities and TVET colleges.

2.2 PLANNING, POLICY AND STRATEGY

The Labour Market Intelligence Research Programme

The Labour Market Intelligence Research Programme accurately identifies and anticipates skills required for cohesive social and economic development across South Africa. SETAs, prior to the establishment of this programme had for many years identified the requisite skills needs in each of the different economic sectors. However, there had been no national initiative for identifying skills needs at the time and since its launch during 2012, the Programme has produced extensive research pertaining to skills needed by the economy. The following key projects among others, are being developed as part of the flagship Labour Market Intelligence Research Programme of the Department which is geared towards ensuring that the PSET System is responsive to the needs of the labour market:

(a) The Human Resource Development Strategy of South Africa and the Country-Wide Master Skills Plan

The Department is currently in the process of reconceptualising the Human Resource Development Strategy of South Africa (HRDSA) in conjunction with developing its counterpart implementation plan referred to as the Country-Wide Master Skills Plan (MSP). The joint purpose of the HRDSA and MSP is to provide a well-coordinated and focused mechanism in ensuring the availability of human resources and capacity required by South African society and the economy, while addressing apparent imbalances in skills supply and demand across South Africa.

In addition, the Strategy and Plan together with its associated processes and structures, are expected to bring about coherence, rationalisation and improved efficiency in relation to HRD and skills planning in the country. They are intended to clarify institutional arrangements that provide clear leadership and responsibility in relation to the key elements of education and training (including the skills system) throughout the country.

Moreover, the HRDSA and MSP are expected to anchor good practice and bolster the pledge of political and collective will and commitment. The HRDSA and MSP aim to build on existing national skills plans (such as the National Skills Development Plan NSDP and Skills Strategy) to support the ERRP and their subsequent development processes will direct how planning for the country's human resource and skills needs in South Africa can better be coordinated. More specifically, the envisaged HRDSA and MSP are expected to:

- Bring coherence to the system by providing a common vision for HRD in South Africa,
- Provide a more holistic, coherent and coordinated response to HRD and among others, avoid service contradictions or duplications,
- Clarify institutional arrangements that provide for clear leadership and responsibility in relation to key elements of the system, and
- Consolidate political, collective as well as financial will and commitment.

The Department is also in the process of producing a National List of Occupations in High Demand, while piloting the provincial roll-out of Occupations in High Demand as a collaboration with the Mpumalanga and Western Cape Provinces in spearheading enrolment, career, resource and programme planning activities related to education and training. For the first time, skills gaps in South Africa are being identified as part of developing the Country-Wide Master Skills Plan.

(b) The Hydrogen Economy Roadmap

The Department in collaboration with the Department of Science and Innovation (DSI) is currently developing the skills required for the hydrogen economy roadmap. The purpose of this roadmap is aimed at ensuring the availability of people with appropriate knowledge, skills and expertise to support the growth and development of the hydrogen economy and the scope of the roadmap extends to the:

- Identification of skills supply, demand and imbalances in relation to the hydrogen economy; and
- Identification and implementation of appropriate interventions in responding to skills needs pertaining to the hydrogen economy.

The Department as part of this project will host two roundtables aimed at reflecting on skills development programmes for the hydrogen sector, while international experts will be invited to provide international perspectives on skills needs for the hydrogen economy and as a collaborative effort commence with finding appropriate responses to the following requirements:

- Core occupations and technical skills associated with a hydrogen economy;
- Transversal occupations and skills (including soft skills) key to the development of the hydrogen economy; and
- Occupations in high demand and of which there is a shortage across the hydrogen economy.

(c) The NEETs Challenge in South Africa

In an effort to respond to the crisis of youth who are 'Not in Education, Employment or Training' (NEET) in South Africa, the Department has embarked on a programme to target persons who are classified as NEET for enrolment into interventions that may improve their levels of education and training as well as advance their prospects for employment. This project complements the Presidential Youth Employment Initiative which seeks to drive structural reforms and enable job creation, alongside the Presidential Employment Stimulus that envisions creating meaningful employment and strengthening livelihoods. This project is implemented in partnership with agencies and organisations (both public and private) involved within the skills development arena, entrepreneurship development and among other, connecting work seekers with employers.

Research and Strategic Partnerships

The Department has entered into a partnership with the World Bank in relation to the Country Partnership Framework (2022 to 2026). In terms of this partnership, the World Bank provides technical support to the Department. A Report on 'Engagement of Micro and Small Enterprises in Workplace-Based Learning in South Africa' has since been produced. The study explored constraints and opportunities in expanding Workplace-Based Learning (WBL) engagements among Micro and Small Enterprises throughout South Africa, by taking stock of the current situation pertaining to MSE participation in WBL, identifying constraints alongside potential and key enablers, as well as outlining possible strategies to better engage and support Micro and Small Enterprises in WBL.

The World Bank has also provided peer-review support in relation to different conceptual frameworks for analysis in terms of the Department's Labour Market Intelligence Project.

The Department has collaborated with the Development Bank of Southern Africa and the World Bank produced a report titled 'Going Beyond the Infrastructure Funding Gap: A South African Perspective - TVET'. The study is aimed at adding to the body of knowledge in relation to South African development choices within the context of the Sustainable Development Goals and the NDP 2030, by reaching consensus on the multiple objectives of infrastructure choices, the metrics to be utilised in measuring success and identifying risks associated with various policy choices. The report analyses TVET infrastructure funding needs as one component of the overall cost at realising South Africa's TVET objectives. This overall cost is estimated by using a financial simulation model and analyses three expansion scenarios.

The Department is also set to enter into a partnership with the African Development Bank on the African Development Bank, South Africa Country Strategy Paper for 2023 to 2028. This partnership will focus on the provision of technical support in areas of skills development.

The University of Kwa-Zulu Natal has been appointed to undertake an evaluation of the Institute for the National Development of Learnerships, Employment Skills and Labour Assessments (INDLELA). The study aims to determine whether INDLELA has achieved its objectives and will assess the effectiveness and efficiency of its functions and service delivery in general. The report will be finalised during the 2023/24 financial year.

Urban Econ Development was recently appointed to undertake a study on the analysis of key processes and systems being utilised by SETAs and National Skills Fund (NSF) in managing and funding learnerships, apprenticeships and internships. The study will provide insight and better understanding regarding the mechanisms used for learnerships, apprenticeships and internships.

The third edition of the Department's Research Agenda (for the period 2023 to 2028) has also been finalised during the period under review. The Research Agenda directs the planning processes undertaken within the Department and it informs research stakeholders regarding the Department's research priorities, including funders and development partners of relevant research areas requiring investment and funding. This assists the Department in deciding on resource allocations for research purposes.

The eleventh Departmental Research Bulletin was also developed and finalised during the period under review. The Bulletin is aimed at sharing information regarding the latest research developments across the PSET sector and more specifically in relation to universities, TVET and CET colleges, as well as the SETAs, Qualifications Councils and Quality Assurance Bodies. The Bulletin serves as a resource to the research community in general, including all stakeholders and participants engaged in life-long learning.

The Department convened its first PSET Research Webinar on 'graduate employability' on 23 November 2022. The aim of the Webinar was to interrogate research findings on 'graduate employability' and identify strategies and interventions to improve the employability of graduates as well as further policy development and improved practices and decision-making.

The University of the Western Cape was contracted to undertake a five-year Research Programme on the TVET college sector accordingly funded by the NSF and having commenced during 2019. The research programme has since concluded its fourth year of implementation.

A total of twelve research projects comprising of the Urban-rural classification of TVET colleges, an Analysis of Programme and Qualification Mix responsiveness to the world of work, Curriculum Relevance and Responsiveness, Employer Perceptions of TVET College Graduates and Curricula, a Student Sentiment Analysis of TVET Colleges, a Student Satisfaction Survey, an Evaluation of TVET College Accommodation, Rural/Urban Classification of TVET Colleges, the Mid-Term Evaluation of TVET Centres of Specialisation (CoS), development of the Theory of Change, a Mid-Term Evaluation of the Programme, as well as the Grading of TVET College Principal Salary posts were completed during the period under review. These reports are all available on the Departmental website: www.dhet.gov.za.

Post-School Education and Training Statistics

The twelfth series of the Statistics on PSET in South Africa was published on 31 March 2023 and continues providing stakeholders with statistical information covering the PSET sector in general. The most recent report contains details pertaining to 2021 student enrolments and completion rates (which represent key measures of success) for public and private Higher Education Institutions (HEIs), as well as TVET and CET colleges. Equity in accessing PSET programmes remains a priority in South Africa and the report also provides important statistics regarding gender-based access to education, as well as accessibility of education to students with disabilities. This in turn provides the Department with relevant information in better measuring social inclusion across the different PSET sectors.

Statistics on staffing levels at PSET institutions including information about WBL, financial data for the NSF, skills levy and Voted fund allocations are also useful details contained in the report. The report therefore serves as an important resource for the proper planning and allocation of budget resources across the PSET system.

Skills Strategy to support the Economic Reconstruction and Recovery Plan

Implementation of the Strategy ensued during the year under review and is overseen by the SETAs, as well as CET and TVET colleges alongside universities within the PSET System. In addition, an important aspect of delivering a demand-led skills strategy requires building on and enhancing partnerships with other important stakeholders in government and the private sector. These partnerships comprise cooperative arrangements with relevant Government departments, such as the Presidency, as well as the departments of Science and Innovation, Employment and Labour, Home Affairs, Trade, Industry and Competition and other key organisations responsible for priority sectors as identified in the ERRP.

The strategy identifies ten interventions aimed at expanding access to relevant short programmes and access to Workplace-Based Learning (WBL) opportunities, addressing occupational scarcity across the labour market, promoting entrepreneurship and ensuring alignment and responsiveness between the economy and labour market.

Social Inclusion and Quality

During the period under review, focus was also directed towards the National Open Learning System (NOLS) and more specifically, in relation to self-directed learning materials and Learning and Teaching Support Materials (LTSM), which have subsequently been made available to the public as Open Educational Resources, the Khetha multi-channel career helpline service (comprising telephony, smart message, email, fax, postal and Facebook services, as well as the walk-in centre), the online services featured on the National Career Advice Portal (NCAP) and the CareerHelp Website.



In addition, Career Development exhibitions, training and information sessions as well as campaigns have been convened to facilitate informed career decision-making and provide information, advice, guidance and consultation services to prospective career seekers.

The Department continues to evaluate and verify foreign and national qualifications through the SAQA evaluation and verification service, while updating information regarding qualifications on the National Learners' Records Database and the continued provision of health and wellness services to students through Higher Health.

Several challenges however, were encountered regarding the provision of Social Inclusion and Quality services. These relate to the recruitment of professional design and multimedia experts and content specialist for the NOLS programme; the sourcing of sustainable funding for Career Development Services (CDS) and procurement of promotional materials for expo's, the facilitation of training and information sessions as well as the Khetha Radio Programme. In addition, there were instances wherein information on individuals' national qualifications could not be timeously updated and pertaining to foreign qualifications, the requisite information from foreign institutions was difficult to obtain.

With regard to the NOLS, partnerships with Microsoft and Intel have been nurtured providing access to the use of in-house expertise and lecturers at colleges as subject experts. Funding proposals have also been submitted to the NSF and European Union, while advocacy for an increase in the number of personnel currently employed in CDS continues.

In addition, the Department is also in the process of engaging Quality Councils and SETAs to upload information onto the NRLD and signing bilateral and Mutual Recognition of Qualifications agreements with partner countries.

The Funding for the Employability for Education project was approved during March 2023. The project consists of a significant number of deliverables and is managed by CDS staff, some of whom have been deployed to the project on a full-time basis, thereby better affecting delivery of identified services. For the 2023/24 financial year, focus will be directed towards the ratification of the 'Revised Convention on the Recognition of Studies, Certificates, Diplomas, Degrees and Other Academic Qualifications in Higher Education in African States' (the Addis Convention) and the 'Global Convention on the Recognition of Qualifications concerning Higher Education'.

2.2.1 UNIVERSITY EDUCATION

The higher education sector consists of 26 universities and a National Institute for Humanities and Social Sciences, the private higher education sector made up of 124 registered Private Higher Education Institutions (PHEIs) and CHE, the latter which implements a system of quality assurance for higher education, advises the Minister on aspects of higher education and undertakes research to inform the ongoing development of the PSET System.

The Department's service delivery environment covers both the public and the private sector, although the public sector is the larger of the two and has greater focus. The higher education sector, in relation to both public and private services, is governed in terms of the *Higher Education Act (101 of 1997)*, as amended.

Public Higher Education Context and Environment

Three steering mechanisms underpin and support the development of the public university sector namely: policy, planning, funding and quality assurance. The Department steers the system through funding and planning oversight, while the CHE has a mandate to quality assure the system. The NSFAS provides funding for financially needy, academically qualifying students in accessing university education and offers fully-

subsidised funding for students from poor and working-class families with gross combined annual incomes of up to R350 000.

Enrolment Planning

The Department embarked on the 2023 to 2025 mid-term review of the 2020 to 2025 enrolment planning cycle. This mid-term review process commenced towards the end of the 2021 academic year and was concluded during 2023. The 2023 to 2025 mid-term review process comprised of bilateral discussions between the Department and universities with each submitting mutually agreed funded headcount and Full-Time Equivalent student totals for the academic period up to 2025 and the financial period to the 2027/28 reporting cycle.

Subsequent to receipt of preliminary submissions forwarded to the Department by universities, a one-day workshop was convened during April 2022, providing a platform for all stakeholders in higher education to engage in a structured discussion on the collective higher education enrolment planning process, the identification of key systemic challenges and development and endorsement of guidelines for the review of institutional targets.

Presentations during the workshop traversed the following themes namely: the 2020 to 2025 enrolment planning overview with specific focus on the 2020 achievement of approved Ministerial targets; the production of Master and Doctoral graduates; the Departmentally demand-led skills initiatives: the Economic Reconstruction and Recovery Plan Skills Strategy Implementation Plan; planning within a context of disruption, crisis and change management processes; National Senior Certificate (NSC) results alongside future projections; an overview of the National, Preliminary Enrolment planning Full-Time Equivalent and Teaching Input Units; as well as reflection on enrolment planning practices in relation to a case study of the University of Western Cape.

Institutions were encouraged to remain within the 2% deviation threshold from 2023 until 2025, so as to allow for quality service provision and increased graduate output, while heeding the current funding available across the system, the apparent demands on the fiscus and the scope of infrastructure master plans submitted for the development of physical facilities. In addition, institutions requested that the Department consider support for a blended/ online offering, as well as an institutional share of teaching input units.

Department of Higher Education Bursary Scheme

The Department also introduced the new DHET Bursary Scheme for 2018, providing fully subsidised funding for students from poor and working-class families with a gross combined annual income of up to R350 000 and through a phased approach over a five-year period. The preliminary data on funded university students for the 2021 academic year funded through NSFAS, comprised a total of 556 629 measured against the planned target of 431 412 and TVET colleges with a total of 266 063 students. The Auditor-General of South Africa and NSFAS have agreed that updated 2021/22 Financial Statements be submitted by 31 March 2023 and the auditor's report signed-off by 30 June 2023.

The 2023 academic year presents the sixth year implementing fully subsidised funding for students. As of the 2022 academic year, NSFAS applied the household income threshold of R350 000 to all students having applied for financial aid during the 2022 academic year and beyond.

The NSFAS Board recommended several changes to the 2023, NSFAS Funding Policy, taking into consideration the differences between TVET college and university student bursary packages, the 2022 Board position papers and processes in reducing the risk of NSFAS funding abuses. The NSFAS also proposed policy changes, including centralising the payment of student accommodation and accreditation processes; the capping of accommodation costs at R45 000 per student and the direct payment of students commencing



from the 2023 academic year, onwards. The NSFAS furthermore proposed funding the tuition fees for students studying occupational qualifications as well as a living allowance for TVET college students capped at R6 000 per annum and paid at monthly intervals, based on the academic term.

In addition, NSFAS introduced the 2023, NSFAS Eligibility Criteria and Conditions for Financial Aid, also referred to as the '2023 Student Funding Policy'.

The Ministerial Task Team on Student Funding

This Ministerial Task Team (MTT) continued with its activities towards providing a final report which was presented to the Minister during April 2022. In accordance with the workplan developed, emphasis was placed on the following areas:

- Comprehensive Options Modelling, including TVET policy development focussed on assessing its long-term implications;
- Understanding qualification pathways for student funding and exploring scarce and critical skills funding models;
- Mapping and reviewing all student funding within the Post-School system;
- Developing recommendations on student funding thresholds and methodologies for adjusting these thresholds in future; and
- Exploring alternative funding methods and sources for the funding of 'missing middle' and post-graduate students.

The report of the MTT was submitted during July 2022 and presented to Cabinet during September 2022. The report in essence prioritises the development of the new sustainable mechanisms for the funding of all students falling outside of the current NSFAS policy implementation parameters. These include the youth and adults within the 'missing middle' grouping in the attainment of post-graduate certificates, degrees and diplomas.

Cabinet subsequently requested the Department to further consult on the recommendations of the MTT and provide a comparative international review before returning the latter to Cabinet. By December 2022, the Department had fulfilled all Cabinet requirements.

Key recommendations of the MTT proposed that as part of the long-term development of a new, comprehensive student funding policy, Government should explore the establishment of a loan scheme in support of 'missing middle' students when accessing higher education and training opportunities. As a priority, Government should address apparent gaps in funding through partnerships, particularly in relation to the 'missing middle' student and access to post-graduate funding.

While consultations were underway, the Department devised a plan for giving effect to the work of the MTT. The Department, in consultation with National Treasury and the banking sector explored the possibility of a government guarantee for bank loans geared towards funding 'missing middle' students. The Department has also since engaged the support of actuarial consultants who will support this process. It is anticipated that once the more detailed modelling and actuarial work as well as discussions with banks have concluded, the Department will finalise a proposal for consideration of National Treasury and the Minister of Finance.

The National Student Financial Aid Scheme

NSFAS has experienced significant changes during recent years subsequent to the comprehensive implementation of the bursary scheme since the advent of the 2018 academic year and without any corresponding change being apparent in respect of the Administration budget. Following extensive

engagements with the NSFAS and concurrent consultations with National Treasury, the Department subsequently reprioritised an amount of R65 million for utilisation by the NSFAS from its existing budget for the 2021/22 financial year. A further R54 million was reprioritised during 2022/23 for the final implementation of the Integrated Work-flow System. NSFAS is required to provide monthly reports to the Department and National Treasury on the use of the funds and all subsequent progress, while ensuring that the Information and Communication Technology (ICT) system is effectively implemented to avoid further funding requirements for ICT systems.

The Fee-Increase Regulatory Framework

The Department has developed a template required to collect 2022 academic year fee data, as well as the identification of Higher Education Qualifications Sub-Framework (HEQSF) programmes which will inform the framework received from universities. The template when finalised, will be circulated to all universities and once updated with relevant data will provide the basis for further consultation with the Minister and the Departmental Fee-Increase Working Group as a precursor to the Framework being published for public comment.

Remuneration of Vice-Chancellors and Senior Managers in South Africa

The Minister, on 20 January 2020, requested the CHE to conduct research and advise on the salaries that Vice-Chancellors (VCs) and other senior executive managers earn; how these earnings compared to other university staff members and senior executives in selected non-academic contexts both locally and abroad; how these earnings are determined, benchmarked and linked to performance; and whether and how these earnings should be regulated. The Report of the CHE titled 'The Remuneration of University Vice-Chancellors and Senior Managers in South Africa' as well as the Advisory Note, were submitted to the Department during April 2022 and presented to Cabinet in August 2022.

The Research Publications Quality framework

The Department implements the Research Outputs Policy to subsidise research conducted by academics at universities and encourage research productivity by rewarding quality research outputs. While the Policy has had a positive impact and the quantity of research outputs indeed improving, there have in recent years still been outputs of a questionable quality being produced. As a result, research output claims for the latter have been withdrawn. The Department is on course in developing a research publications quality framework to guide the sector more cohesively in this regard. A funding proposal for a three-year roll-out programme was accordingly developed and funding approved for the intervention during March 2023. The project is a collaborative effort among entities currently involved in producing research publications across the higher education system, such as the National Research Foundation; the Academy of Science, South Africa; the Centre for Research in Evaluation Science and Technology and the Southern Africa Research and Innovation Management Association.

Implementation of the Language Policy Framework

The revised Language Policy Framework for Public Higher Education Institutions was published during August 2020. A funding proposal and implementation plan for the Policy Framework have since been developed and submitted for approval during the 2021/22 financial year. The purpose of the plan is to lay a foundation and provide support to all universities in South Africa in commencing with- or accelerating their respective language development initiatives. The Department is aware that universities are at different developmental stages of the process for the promotion of historically marginalised South African languages in academia, especially in relation to the Khoi, Nama and San, as well as Sign languages. This intervention is driven by the Department in an attempt to provide base funding support in getting all institutions on board. Approval for funding was subsequently granted during March 2023 and implementation will commence during the course of the 2023 academic year.

THE STATE OF GOVERNANCE IN THE HIGHER EDUCATION SECTOR

The state of governance and management across the university sector has remained a matter of concern, despite the improved governance record of several universities. During the 2022/23 financial year, the Minister intervened at three institutions through the appointment of Independent Assessors and an Administrator. At several institutions, the Minister has also engaged with their respective Councils on governance-related challenges.

Appointment of Independent Assessors

The Minister, during the 2022/23 financial year, appointed Professor Themba Mosia as an independent assessor at the University of South Africa (UNISA). The investigation has spanned a six-month period commencing from September 2022 to March 2023. At the time of reporting, the findings were submitted to the Minister for consideration. Professor Norman Duncan was also appointed as an Independent Assessor to look into the affairs of the Central University of Technology and he submitted a Report to the Minister during January 2023.

Appointment of an Administrator

The Minister appointed Professor Lourens Van Staden as an Administrator to take over the powers and duties of the Council at the Mangosuthu University of Technology on 28 September 2022 and the appointment was published in Government Gazette No. 47280, Notice No 2608 dated 10 October 2022.

Two universities, namely the University of Fort Hare and the Vaal University of Technology were also placed under administration during the 2019/20 financial year. The Administrators of these universities duly submitted their close-out reports during 2021/22 and both these institutions were still operating under post-administration arrangements in terms of the Act during 2022/23.

Since 2021, several universities have amended their institutional statutes and submitted the latter to the Minister for approval and publication in the Government Gazette. The fore-mentioned statutes were revised in consultation with the respective universities and several were finalised, approved by the Minister and published in the Government Gazette.

The Entrepreneurship Development in Higher Education Programme

In response to the Entrepreneurship Development in Higher Education (EDHE) programme, the following events/initiatives commenced during the period under review, namely ten universities piloting the Economic Activation Offices initiative, the hosting of the annual national EDHE Lekgotla of 2022, hosting of the EDHE Entrepreneurship Intervarsity for 2022, the 2022 EDHE Awards and convening Student Woman Economic Empowerment Programme Workshops.

The programme also hosted several entrepreneurship eco-system-focused activities, such as a baseline study on the commercialisation of research, aimed at informing the development on the National Policy Framework on Entrepreneurship Development in the South African, higher education sector. Additionally, EDHE convened various training and capacity-building workshops for university representatives which were aimed at equipping incumbents with the skills and knowledge to support entrepreneurship development at their respective campuses.

The need to enhance leadership and management capacity across the higher education sector remains a priority for the higher education system, as it is confronted by ongoing change in concert with multiple levels of complexity. In response, the Higher Education Leadership and Management (HELM) programme is implemented with tailor-made programmes and interventions ranging from bringing on board foundations of leadership to guide gender equity (initiatives focussing on capacitating women) in leadership. The programme

during the year under review, hosted a Global Summit which saw the daily participation of approximately 300 online participants, each in conversation with facilitators and speakers from across the world focussing on the challenges of technology-mediated learning. The Summit focused on drawing from the challenges within the context of disruption, complexity and change and the 'Engaged University' by reviewing what this means for developing leadership related to sustainability and change. In this way the Summit also considered the practical implications in relation to what is required from persons in leadership and within the current context.

The Sibusiso Bengu Development Programme

The Sibusiso Bengu Development Programme (SB-DP) previously referred to as the Historically Disadvantaged Institutions Development Grant (HDI-DG) was established during 2013 by the Minister. The purpose of the Programme is aimed at decisively redressing inequalities that have impacted the development and sustainability of the identified eight Historically Disadvantaged Institutions (HDI) and contribute to their further development as strong independent universities, across a diversified system, which are socially embedded and responsive, are highly regarded and valued by the communities from which their students are drawn and which produce both graduates and generate new knowledge that contribute to socio-economic development in local, national, regional and international contexts.

The Department officially launched the SB-DP during July 2022 with the objective of increasing programme awareness among stakeholders and to officially honour, recognise and celebrate the contributions made by the first Minister of Education in a democratic South Africa, Professor Sibusiso Bengu.

This important event was hosted in Durban, Kwa-Zulu Natal and catered for over 150 officials and several core participants were invited such as the Ministerial office, Professor Bengu and his family, the KZN Regional Office, Office of the Director-General, Council Chairpersons and Vice-Chancellors of the eight HDIs, the National Steering Committee of the SB-DP and Senior Management of the Department.

Corrective Steps Taken in Dealing with Challenges

In implementing a phased-in approach to a sustainable funding model as recommended by the MTT, the Department will continue engaging banks with a view to finalise the plan by the end of June and submit proposals to National Treasury and engage with the Reserve Bank, as well as the Public Investment Corporation.

The Department is in the process of developing a Research Publications Quality Framework to guide the sector in this regard. A funding proposal for a three-year roll-out phase of the Programme has been developed and funding approval was granted during March 2023. The project comprises a collaboration between the National Research Foundation, ASSAf, Centre for Research in Evaluation Science and Technology and SARMA.

A funding proposal and implementation plan for the Language Policy Framework has also since been developed and funding for implementation and project roll-out approved during the 2023/24 financial year.

The hosting of several public awareness campaigns continued during the period under review in order to educate the public around registered private institutions and bogus colleges that purport to offer private higher education while not complying with the requisite Regulations.

Various other awareness-raising campaigns will also be hosted on a continuous basis at identified hotspots across the country in partnership with municipalities and the South African Police Service.

The Private Higher Education Context and Environment

PHEI enrolled a total of 232 915 students across 127 registered PHEI during the 2021 academic year. Between 2020 and 2021, the number of South African students enrolled in PHEI, increased by 6.34% or 13 884, from a total of 219 031 students during 2020 to 232 915.

During the period 2010 to 2021, the sector experienced a steady growth in headcount numbers, even though the percentage growth rate had been fluctuating. While the growth may appear small in comparison with public universities, it becomes substantive based on the imperatives of supply and demand, while increasing access to institutions.

PHEI collectively offered a total of 930 programmes in relation to the HEQSF, of which 18 PHEI also offered 278 programmes on the Occupational Qualifications Sub- Framework (OQSF), while five institutions also offered fourteen programmes on the General and Further Education and Training Qualifications Sub-Framework.

More than two-thirds of students (38% or 88 874 students) during the 2021 academic year, enrolled for the Bachelor's (360-credits) degrees; followed by Diploma enrolments (360-credits) comprising 21% or a total of 48 756 students and Higher Certificate enrolments of 17.3% or a total of 40 324 students. Collectively, these qualifications constitute 76.40% of students accordingly having been enrolled in the PHE sector. Compared with enrolment figures of previous years (2017 to 2021), there has been a steady increase in enrolment numbers. During the same period, the proportion of enrolments in the Bachelor degree has been on the rise, while those pertaining to Diploma enrolments have been in decline. The proportion of enrolments pertaining to Higher Certificate enrolments has remained unchanged.

Post-graduate qualification¹ enrolments comprise approximately 11.2% or a total of 25 373 students across the sector. This implies that for under-graduate qualifications an enrolment aggregate of approximately 89% of students is apparent for the PHE sector. Post-graduate qualifications has revealed modest growth in past and recent years. The majority of post-graduate students continue to enroll in the Post-Graduate Diploma qualification, while enrolments in Honours and Master's degrees have revealed a slight decline over the years, both in real numbers and proportionate totals. However, in the case of enrolments for the Honours degree, an increase between 2020 and 2021 has been apparent.

Most students during the 2021 academic year (comprising 50.3% or a total of 117 265 student) across the sector enrolled for designated programmes in NQF Field 3: Business, Commerce and Management Studies which is being offered by 46 institutions. This is followed by NQF Field 5: Education, Training and Development with seventeen institutions having a combined student enrolment cohort of 16.2% or 37 659 students, while the third highest student intake is apparent for NQF Field 10: Physical, Mathematical, Computer and Life Sciences with 18 institutions providing offerings and which represent 10.5% or a total of 24 509 students. The lowest enrolment numbers relate to NQF Field 12: Physical Planning and Construction where two institutions enrolled 275 students, followed by NQF Field 01: Agriculture and Nature Conservation where three institutions enrolled 292 students and NQF Field 06: Manufacturing, Engineering and Technology where four institutions enrolled 330 students.

Regarding the demographic profile of students, the highest proportion comprised Africans (142 518 students or 61%), followed by 37 511 White students (or 16%) and 20 175 Coloured students (or 9%) as well as 16 628 Indian students (or 7%).

In terms of gender, female students (a total of 141 751 students or 60.9%) outnumbered their male counterparts (89 485 students or 38.4%), with a small number not disclosing their gender (1 679 incumbents or 0.7%). A substantial number of students (14 404 or 6.0%) originated from foreign countries. The number of graduates for the reporting period comprises a total of 54 551 students, with the highest percentage being enrolled for the Bachelor's degree (15 533 students or 28.47%) followed by the Higher Certificate (comprising 14 279 students or 26.18%).

The private higher education sector within the broader PSET System, produced graduates with recognised qualifications linked to employment at mostly under-graduate level and straddling the occupational and

¹ Post-graduate qualifications include an Advanced Diploma and Post-Graduate Diplomas; as well as Honours; Masters and Doctoral degrees.

vocational space. It is strategically placed to assist with challenges in relation to articulation and integration. It will prove useful and opportune for the sector to undertake trace/graduate destination studies in better understanding the role and contribution of private higher education institutions.

The Higher Education Quality Committee of the CHE, the SAQA and the Department continue to collaborate in providing regulatory oversight and ensuring the integrity of the System. The effective monitoring of quality across the System is also critical in ensuring an effective and credible private higher education sector.

There has been a concerted and collaborative effort by regulatory bodies over the past few years to address the challenge of illegal (or bogus) colleges with the aim of eradicating these threats to the System. Another challenge to the private higher education sector has been identified as the ongoing misrepresentation of qualifications. The key areas of misrepresentation include the incorrect application of specialisations to qualifications, the incorrect number of credits duly allocated and irregular claims regarding a qualification and its link to employment. In attempting to address these issues, the Department will continue to provide close oversight, while working together with SAQA and the CHE to intervene where these practices are identified.

The Department continues to engage closely with schools, district offices, municipalities, and foreign embassies in ensuring that correct information is disseminated. Oversight of the System, including site visits to institutions reported as operating illegally in conjunction with visible monitoring in partnership with the South African Police Service, continues to be implemented. The Department's campaign aimed at eliminating illegal colleges has continued to gain momentum by way of three campaigns initiated at Johannesburg, Pretoria and Rustenburg, respectively.

The steady growth in registered PHEI and its improved integrity can be attributed to the Department's efforts in curbing illegal and unregistered colleges in tandem with the CHE and SAQA quality assurance and registration functions.

2.2.2 TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING

TVET Programme Qualifications

Programme offerings at TVET colleges are geared towards providing skills for the world of work. Additionally, some programmes are aimed at strengthening avenues and opportunities for self-employment as well as further learning interventions. Subjects are continuously updated in relation to priority skills in high demand, as well as better responding to high enrolments across specific programme offerings.

Entrepreneurship development is also key to embedding a culture of enterprise at TVET colleges in better responding to the scourge of youth unemployment, hence the establishment of entrepreneurship hubs. This is a vital initiative driven by the Department, with around 50% of TVET colleges offering entrepreneurship to some extent, and with support provided by the Department, SETAs, the Small Enterprise Development Agency (SEDA) and other strategic partners.

Digital skills capacitation for students and lecturers has been given impetus through a range of lecturer development programmes in association with HEIs, donor agencies and private as well as public entities. This initiative will remain a key focal area of the partnership with the ETDP SETA, in conjunction with the gradual roll-out of 4IR centres at colleges in not only meeting the digital skills needs of students and staff members alike, but also for the youth in surrounding, disadvantaged communities.

As part of updating and the alignment of TVET curricula, three programmes were identified for integration of digital skills. These programmes comprise of the NATED report 191 Electrical Engineering, NATED report 191 Farming Management and the NATED report 191 Tourism Management programmes.

TVET Systems Planning and Institutional Support

The Department ensures that all 50 TVET colleges have fully constituted councils in providing effective governance. The Department over the last few years has identified several relationship tensions between councils and the management of identified TVET colleges and has accordingly endorsed a process to assist in addressing potential conflicts proactively and engaging with all relevant stakeholders on an ongoing basis. The quarterly capacity building programme for council executives and senior managers accordingly instituted by the Department, ensures that there are shared expectations in relation to designated roles and responsibilities delineated between the councils and management of respective TVET colleges. An in-house self-assessment tool in bolstering the evaluation of governance at TVET colleges has also been developed and will be implemented during the 2024 academic year.

As a result of the institutional support and programmes developed for regular capacity building of college planning units, college strategic planning processes have now been stabilised and fully institutionalised. The three-year enrolment plan with differentiation in programme enrolment is also being implemented and will be reported on an annual basis commencing from the 2023/24 financial year.

Through regular meetings scheduled with Principals and the South African Public Colleges Organisation, stakeholder issues and concerns are attended to timeously. These regular engagements have assisted in improving relationships with stakeholders and has contributed to stability at TVET colleges.

2.2.3 SKILLS DEVELOPMENT

The programme is responsible for overarching skills development by supporting the implementation of skills development programmes, which include among others: learnerships, internships, artisanship, TVET graduate placement processes, university graduate placements as well as the provision of bursaries in addressing skills requirements across the sector and country as a whole.

Though there are signs of improvement, the labour market to date, has not yet fully recovered from the COVID-19 global health pandemic which has negatively impacted the growth of the economy and which has since been hamstrung by the continued energy crisis. During the first quarter of 2020, the country had a workforce of approximately 16.4 million individuals and by the fourth quarter of 2022, the workforce had declined to a total of 15.9 million, hence a need for increased skills development initiatives. By quarter four of 2022, seven industries recorded a decline, with only the Transport, Storage and Communication; Construction and Personnel Services having registered growth, in turn resulting in serious implications for planned skills development activities.

CHALLENGES ENCOUNTERED

The main activities of the Programme relate to WBL, which in the main are linked with workplaces, and comprise of learnerships, internships, apprenticeships and work-integrated learning interventions. The repeal of various regulations related to the COVID-19 global health pandemic during June 2022 in turn brought about much needed relief to the industry.

WBL numbers have since exhibited an upward trajectory, though still falling short of predetermined targets as set prior to the advent of the pandemic. With the implementation of the Skills Strategy Economic Reconstruction and Recovery Plan (SS-ERRP), it is expected that more WBL programmes will be implemented and which are aimed towards better addressing the need for occupations in high demand as identified in the SS-ERRP. Furthermore, with the economic trajectory showing signs of recovery, the rate of levy collection is also expected to improve resulting in positive spinoffs with regard to massifying the implementation of WBL programmes across industries.

MEASURES ADOPTED TO MITIGATE THE IMPACT OF THE CHALLENGES ON SERVICE DELIVERY

During July 2022, the Minister hosted a TVET College Strategic Industrial Partnership Summit, which was hosted at the Cape Town International Convention Centre, and which among other, was directed towards encouraging employers to open up workplaces for WBL programmes as this process was a central objective contained in the WP-PSET. The Minister has also continued to engage with SETAs and industry at large on the importance of prioritising WBL programmes.

The Minister accordingly increased the apprenticeship grant paid to employers by promoting apprenticeships as an incentive, with the grant being increased from R165 000 to R206 290 as of 1 April 2021.

The ERRP launched by the President during October 2020 has culminated in a comprehensive Skills Strategy duly established to support Government efforts in mitigating the impact of COVID-19 pandemic while also supporting initiatives geared towards economic and social recovery. The Skills Strategy was presented during a Cabinet Lekgotla hosted on 29 January 2021 and before NEDLAC on 3 March 2021. Following extensive stakeholder engagements and endorsement by NEDLAC social partners, the Skills Strategy was approved by the Minister on 30 March 2022. Subsequent to approval, SETAs are currently entrusted with providing funding support towards the implementation of the SS-ERRP alongside identifying and supporting suitable training in relation to occupations in high demand.

The Skills Development Branch currently oversees the work of 21 SETAs, as well as the QCTO. SETAs on an annual basis enter into Service Level Agreements which set out their targets for supporting skills development interventions in developing the needs of their respective employers and other stakeholders.

Importantly, SETAs have provided support to at least 3 980 beneficiaries in learnerships, internships, apprenticeships and WIL incumbencies, while also focusing on priority occupations identified in the SS-ERRP. SETAs generally realise most of their commitments or targets during the third and fourth quarters of the financial year, making it challenging as a result of low levels of in-year progress reporting, to determine whether predetermined targets will be achieved by the end of a particular performance cycle. Seven indicators during the period under review performed below 50% as of 31 December 2022 and comprise of completed internships, candidacy enrolments, candidacy completion rates, bursaries granted and incumbents accordingly enrolled, bursaries granted and incumbencies completed, as well as partnerships with TVET and CET colleges, respectively.

The QCTO has been involved in different activities in support of the Skills Strategy so as to ensure improved turn-around times pertaining to the accreditation of programmes and service providers. Importantly, the mechanism endorsed for enhancing coordination among the Quality Councils (SAQA, CHE, QCTO, and Umalusi) are in the process of being refined. A total of 30 Qualifications and eight part-qualifications were registered during the period under review, which is lower than the planned target. QCTO is transitioning from a paper-based to an electronic system and this development is expected to improve the approvals process.

Ninety-three percent of Skills Development Provider accreditation applications for Occupational qualifications as well as part qualifications, were processed within the prescribed turn-around time of 90 working days. In addition, 98% of Skills Development Provider accreditation applications for Skills Programmes were also processed within the same turn-around period, while 99% of Assessment Centre applications were processed within the prescribed turn-around time of 30 working days.

2.2.4 COMMUNITY EDUCATION AND TRAINING

The CET sector is still in a developmental phase and its most recent achievements reflect concerted efforts in ensuring that programmes duly delivered at its learning centres have been aligned with the needs of local communities in areas where they are located. Key achievements include:

- A three-year rolling enrolment plan approved by the Minister on 15 December 2022, which has been informed by priority skills identified in the SS-ERRP and other labour market research conducted by the Department;
- The finalisation of a Programme and Qualification Mix review approved by the Ministerial Team and a CET Indaba was convened to further engage with stakeholders;
- A partnership established with NEMISA and DSI on the development of digital skills programmes alongside the creation of learning labs. The selection of these labs has since been finalised and are progressing well;
- The CET Branch has collaborated with the QCTO in developing new skills programmes informed by local economic needs. A total of forty new skills programmes were also introduced by December 2022; and
- CET colleges have also partnered with SEDA in developing entrepreneurship programmes which are provided through Entrepreneurship Hubs currently being established at each of the nine CET colleges.

The NDP and WP-PSET articulates the objectives of CET colleges as contributing to the reduction of unemployment, poverty and inequality, while improving social cohesion and realising social justice.

The Community Education and Training College System

The National Plan for the Implementation of the WP-PSET states that the mandate of CET colleges is focussed towards contributing to the provision of a skilled and capable workforce in support of an inclusive growth path. This is further incorporated as part of the Service Delivery Framework for CET colleges.

Diversification of Programmes

During the 2022/23 financial year, the Department expanded and diversified programmes for students, contributed to improving student performance, offered bursaries and trained lecturers across various academic and skills competencies. In addition, project interventions were implemented on digital literacy as well as digital programmes, while establishing ICT laboratories and promoting activities on entrepreneurship. These projects were delivered in collaboration with a range of stakeholders and partners.

The Department also successfully hosted the Ministerial CET Skills Summit during March 2022. This Summit focused on the implementation of a mass skills intervention through CET colleges. Key resolutions were adopted in relation to the new vision for the CET landscape, which relates to the need for the provision of appropriate infrastructure, nurturing strategic partnerships, the roll-out of capacity building interventions and the establishment of a Ministerial Task Team with a brief to develop fully costed implementation and operational plans in response to the resolutions taken during the Summit.

Teaching and Learning

The Department during the period under review, migrated the functions of the General Education and Training Certificate: Adult Basic Education and Training (GETC: ABET) examinations from the Provincial Education Departments (PEDs) as of 31 March 2012. This has been a major undertaking given that the process for the determination of the requisite budget, including post and personnel requirements were concluded during 2015 as a result of the function shift of Adult Education and Training (AET) and Further Education and Training colleges.

The Department has finalised and gazetted a new Policy pertaining to the Conduct, Management and Administration of Examinations on behalf of colleges. The Policy has been implemented during the 2022 examination cycles, which include the migrated function of the GETC: ABET qualification. Having taken over the migrated function within a new Policy compliance context has proven challenging in relation to:

- The provision of relevant services, and
- The implementation of plans without adequate funding for the finalisation of College Organograms, as well as the comprehensive implementation of the standardisation process and subsequent employment of Centre Managers. This capacity is required for ensuring ongoing functionality of and stability at colleges.

CHALLENGES ENCOUNTERED

The provision of sufficient and adequate infrastructure has continued to prove challenging in so far as constraints have limited the expansion of CET college enrolments and the provision of relevant programmes to the benefit of out-of-school youth and adults.

Taking over the functions of GETC: ABET examinations from PEDs by the Department has also not been a smooth process. Insufficient capacity is apparent in effectively coordinating and providing examinations and specifically, in relation to experienced staff at CET colleges in the regions.

MEASURES ADOPTED TO MITIGATE THE IMPACT OF THE CHALLENGES ON SERVICE DELIVERY

A new process has been concluded regarding a review of the current Departmental Organogram, both at national and regional levels. Furthermore, a process has been set in motion for the possible transfer of staff at district offices to colleges with a view to enhance capacity. Funding from other Departmental programmes has also been redirected to CET colleges for the appointment of Centre Managers. These measures are aimed at addressing the capacity gaps at colleges while funding is being sourced for the full implementation of the Organogram and concurrent standardisation process.

An infrastructure grant amounting to R1 billion has been made available for the construction activities at nine CET sites, one each, per province. These sites will enable CET colleges to create an institutional identity, expand student numbers and enable different programmes for implementation. In addition to the infrastructure grant, R200 million was also made available by the NSF towards the implementation of skills programmes and learnerships as part of a cohesive response to the Skills Strategy as well as support for ERRP.

Inter-Governmental Protocols were developed with the purpose of requesting PEDs to continue supporting the Department in relation to the migrated functions of the GETC: ABET examinations. These Protocols call on PEDs to continue assisting and building the capacity of the CET colleges with regard to continued administrative and examinations functions.

2.3 SERVICE DELIVERY IMPROVEMENT PLAN

Main Services and Standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Resolution of all queries that are registered through integrated entry points: Reception and Walk-In Centre, Toll-free line and Web queries.	Members of the public.	100% resolution of all queries.	Quality and compliance with Batho Pele principles.	Decent service and 100% resolution of queries.
Issue certificates for all eligible candidates within 90 working days following the release of examination results or within 150 working days for candidates who are involved in examinations irregularities or whom have applied for re-marking.	Students Public TVET colleges Examination centres	To issue certificates for all eligible candidates within 90 working days following the release of examination results or within 150 working days for candidate involved in examinations irregularities or whom have applied for re-marking.	Improving reporting on certification backlogs by analysing student data and to exclude those who do not qualify as a result- or complete all subjects. An overhauled examination IT System	100% of the certificates released to eligible students within the set time-frame, including eradicating backlog/ historical records that were outstanding.

Batho Pele Principles (Consultation, Access, among other) with Beneficiaries

Current/actual arrangements	Desired arrangements	Actual achievements
Access	100% certification of students who qualified after one examination session and satisfying all qualification requirements, as well as issuing certificates to all eligible students subsequent to the release of results.	The current overall performance against the target of 100% based on the quarter 4 performance report is 100%.
	95% certification of students who do not qualify in one sitting and repeat courses over multiple examinations.	
Consultation	Monthly Certification Task Team meetings with TVET colleges and PEDs to address all certification issues.	A Multi-disciplinary Task Team chaired by the Director-General on a monthly basis.
		Fortnightly Task Team meetings chaired by the Chief Director: NEA and submitting quarterly reports to DDG: TVET Branch.
		Monthly operational Meetings chaired by Chief Director: NEA.
		Regional College structures convening meetings every month.

Current/actual arrangements	Desired arrangements	Actual achievements
Information	Information provided through the Department's Annual Report.	2022 Examinations and Assessment Statistics are published as part of the Annual Report. The 2022/23 Annual Report published during September 2023.
	Annual publication of Statistics on PSET in South Africa on the Departmental website.	Statistics on PSET in South Africa was published on the Departmental website.
	Ongoing generation of all TVET certification dashboards.	
	Conducting annual roadshows and/or webinars to remind TVET colleges and students of all qualification certification requirements and targets across all regions.	2022/23 training on examination processes including issues pertaining certificates was conducted from 20 February 2023 until 24 March 2023.
Open and Transparency	Publishing certification backlogs in the Department's Annual Report.	A report on the certification backlog is an annual target of the Department. A progress report on the certification backlog was reported quarterly.
Redress	Advocacy on part of TVET colleges on the use of e-Query certification services.	Ongoing audits of outstanding certificates conducted by the Chief Director: NEA.
		Training for college examinations officials on certification processes is ongoing for improved service delivery.
Value for Money	Implementing the IT examination system with a view to reduce data challenges.	SITA IT System overhaul is continuing while development of new examinations system is underway.
		The user acceptance test for the new IT examination system was completed. The hosting of monthly operational meetings which included all technical issues between the Department/SITA to address all challenges.
	Reducing certification backlogs for candidates who qualified in multiple examinations cycles to 0.5%.	A user acceptance test for the new IT examination system was completed.
Courtesy	Strengthening a decentralised certification service at TVET colleges and/or examination centre as per a TVET college student affairs strategy.	Provided access to the examination officials located in the mainframe system to all TVET colleges and to decentralise the certifications services. Registered 147 officials on the mainframe system and 86 of those users have the mainframe system installed on their respective machines.

Service Delivery Information Tool

Current/actual information tools	Desired information tools	Actual achievements
Manual capturing of data.	Client Records Management system.	Easy referring and proper compliance with Batho Pele principles.

Complaints Mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievement
Use of the toll-free line.	Inclusion/activation of the short message support facilities.	A decent service.
	Toll-free access across all network providers.	

2.4 ORGANISATIONAL ENVIRONMENT

During the first quarter of the 2022/23 financial year, the Department encountered challenges relating to office accommodation as there was a spate of lockouts and power cuts that resulted from a breakdown in relations between the Department of Public Works and Infrastructure and the landlord. Offices as a result were not accessible for several days on three separate occasions, in turn impacting on the Department's ability to provide effective services to the public.

The Department has accordingly suffered reputational damage as the Department of Public Works and Infrastructure failed to take responsibility for the impasse. The unstable work environment has also had an impact on staff morale in general. This has been compounded by the failure of the Department of Public Works and Infrastructure to identify alternative offices for the Department and the situation remains unpredictable, be it as a result of lockouts, power or water cuts. The impact of loadshedding and intermittent downtime at SITA have also affected ICT connectivity and in particular, access to transversal systems. Client Services by and large have been negatively affected as requisite services could not be accessed by the public.

The organisational review process that commenced during the 2021 financial year and which was aimed at aligning the structure with the new mandate of the Department in terms of the integration of the PSET System as per the WP-PSET, continued for the greater part of the 2022/23 financial year and has created uncertainty regarding the continuation of some branches. Senior Management Service members could also not be placed on the interim Organisational Structure, due to delays in relation to the verification of their respective qualifications.

During 2022/23 financial year, some functions within the Corporate Services Branch and comprising of Human Resource Management and Administration, Risk Management, Fraud Prevention and Anti-corruption and Ethics and Integrity Management were moved to the Office of the Director-General.

The delay in filling post vacancies timeously in turn also had a direct impact on the implementation of the Post Provisioning Norms (PPNs) for the TVET colleges process, resulting in under-expenditure at these centres and the Department remains constrained in implementing the CET college PPNs due to budgetary constraints. The Corporate Services Branch still reflects a high vacancy rate at senior management levels (eleven and above), which has adversely affected management and leadership accountability as well as a continued ability to meet Branch operational obligations and targets.

The Organisational Functionality Assessment

The Organisational Functionality Assessment could not be conducted and completed by the end of the financial year due to miscommunication with the Department of Public Service and Administration (DPSA) in this regard. However, the Department has since managed to expedite these processes and progress has been apparent.

The Organisational Functionality Assessment process was accordingly conducted as directed by the DPSA. The report contains functionality findings based on an analysis of information related to organisational functionality indicators. The findings have served as the basis for specific recommendations aimed at improving Departmental functionality and sharing good practices with other departments. Based on the recommendations, the Department will also develop a project-specific Organisational Functionality Improvement Plan, detailing the steps that are required to improve organisational functionality across the Department.

Post Provisioning Norms

The implementation of the TVET, PPN model and standardised organisational structure commenced at the advent of the 2020/21 financial year. At the time of implementation, only 26 colleges were ready for its

implementation. The second year of implementation covered 48 colleges and the same challenges were experienced, with the difference that these challenges were expensive as all colleges were required to fully implement the PPN model.

The PPN Technical Working Group engaged with 47 College Implementation Committees to address challenges of matching and placement, spending of the Compensation of Employees budget, filling of critical vacant posts as well as the migration of college employed staff to the PERSAL system. The CET, PPN structure has been completed, but not approved however, due to a lack of sufficient funding. The availability of funds for the filling of fourteen Assistant Director: Finance and 92 Centre Manager posts was later confirmed by the Chief Financial Officer. The Department received approval for fourteen Assistant Director posts by the Minister of Public Service and Administration and the recruitment and selection process will be initiated in due course.

Compliance

The Constitutional Court judgement pertaining to the application of Broad-Based Black Economic Empowerment measures had a negative impact as the Department could not proceed with procurement processes, pending the revised directives from National Treasury. The delay in the appointment of bid committees in turn also affected relevant Supply Chain Management processes, impacting negatively on the appointment of service providers and SITA recommendations and as a result, several ICT recommendations and bid processes were severely delayed.

There were also several delays regarding the processing of transactions due to unavailability of access to the BAS due to intermittent power cuts and closure of the Head Office building for a significant period during the 2022/23 financial year.

The newly appointed travel agency publishes its invoices online and the Department is accordingly required to print all invoices with supporting documents in an effort to record and reconcile all transactions against the various cost centres, which has resulted in protracted administrative processes.

During the Adjusted Estimates process, the Department managed to reprioritise funds within the Vote, and specifically, in relation to the University Education allocation geared towards augmenting the apparent budget shortfall of the NSFAS. Careful monitoring of the Compensation of Employees budget for the CET sector also had to take place due to backdated payments made towards implementing the standardisation of the salaries to the nearest notch for CET lecturing staff. By means of the virement process and shifting of funds, projected over-expenditure on some activities within the Department could accordingly be effectively dealt with. Details on under-expenditure and savings are accordingly highlighted as part of the Appropriation Statement in **Part F** of this Annual Report.

A major challenge with which the Department has also grappled, has been achieving an indicator pertaining to a 40% public procurement spend on women owned businesses in terms of the Preferential Procurement Policy, Regulation 4 of 2017. Regulation 4 had not made provision for procuring services directly from women, but only provided for procurement from women-owned enterprises by way of sub-contracting processes, which complicated matters in effectively realising the target. In addition, it is also note-worthy that the majority of contracts also do not require any sub-contracting arrangement.

Consequently, the Department only measured the percentage of procurement transactions from women-owned businesses subsequent to the completion of requisite procurement processes. These processes are further constrained by a lack of adequate and appropriate systems to monitor and/or report on requisite procurement targets. Progress and monitoring of activities have therefore been concluded by means of the following process:

- A monthly procurement report, R103, generated from the LOGIS system (the Transversal Procurement System) and then exported to Excel;
- Additional columns inserted to capture relevant information and targets for procurement expenditure in relation to businesses owned by women, the youth, as well as persons living with disabilities;
- The percentage of expenditure per supplier calculated in the Excel programme; and
- A table displaying the Rand value and percentage of expenditure against the fore-mentioned targets provided.

MEASURES ADOPTED TO MITIGATE THE IMPACT OF THE CHALLENGES ON SERVICE DELIVERY

Subsequent to the implementation of the Preferential Procurement Policy Framework Regulation 2022, the Department is now in a position to direct procurement to the specific goals or targets which currently enables it to report on the procurement allocated towards women-directed procurement interventions, rather than measuring expenditure in line with the promulgation issued by the President of the Republic of South Africa.

During the fore-mentioned Head Office lockout periods, as well as intermittent power and water cuts, staff were compelled to work remotely, as was also apparent during the COVID-19 pandemic lockdown levels. Staff were still able to meet their respective contractual obligations and timeous measurement and oversight of operational plans in general. The Department has continued filling vacancies in terms of the interim Organisational Structure approved during 2019. However, vacant posts are advertised on a quarterly basis and critical posts continuously prioritised.

The Department has redirected relevant Delegations of Authority to College Principals and Regional Managers during the period under review. With regard to CET colleges, the Department has managed to prioritise critical posts in Finance and is in the process of migrating district staff to central offices of CET colleges.

Implementation of the Organisational Functionality Assessment has been fast-tracked and the Department has since successfully completed the process. The Department has also progressively implemented the RT15-21 Transversal Contract with staff at the National Office being allocated mobile phones with data packages in an effort to ensure business continuity during inadvertent power cuts and load-shedding cycles.

The Department has been able to ensure ICT connectivity subsequent to having procured a generator in ensuring the operability of servers during power outages. Alternative arrangements have also been set in place for finance staff to work at the SITA premises during power outages and ensure unrestricted access to requisite transversal systems.

New appeal committees have also been appointed during the period under review and by way of intermittent sessions, the Department has been in a position to effectively address case backlogs.

In relation to relevant Supply Chain Management processes, requisite bid committees were appointed during November 2022 and meetings scheduled by way of block sessions in order to timeously process the bids.

2.5 KEY POLICY DEVELOPMENTS AND LEGISLATIVE FRAMEWORK

No changes to Legislative Imperatives and/or Policy Mandates have been apparent in relation to the Department for the period under review. However, both the Occupational Qualifications Sub-Framework and National Qualifications Framework Amendment Act (2019) have since been published (while the NQF Amendment Act has not yet been promulgated) and the HEQSF is currently being revised.

PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

Performance in relation to Institutional Outcomes

Departmental interventions geared towards improving access, quality of provision, responsiveness and the efficiency of the PSET System are certainly bearing positive results. Even though some targets have not been achieved, progress to date substantiates positive movement towards meeting targets encapsulated in the 2019 to 2024 MTSF.

For the period under review, the PSET System consisted of 342 institutions comprising of 26 public and 124 private HEIs, 50 TVET colleges, as well as 133 registered private and nine CET colleges.

Expansion of Access to PSET Opportunities

Enrolments at universities decreased by 2.4% from 1 094 808 during the 2020 academic year to 1 068 046 enrolments during the 2021 academic year. The proportion of female students enrolled at public HEIs comprised of 655 427 students or 61% and was higher than their male counterparts at 412 428 enrolments or 39%. The majority of students accordingly enrolled were Africans (849 246 students or 80%), while White students accounted for 10% (or 108 982 students), followed by Coloured students (59 313 students or 6%) and Indian students (38 911 or 4%).

The planning principle to deviate from the envisioned targets by 2% is utilised by the Department to accommodate institutional strategies aimed at improving student access and success in response to unplanned events such as the COVID-19 pandemic. However, with the persistence of budget restrictions imposed by National Treasury, universities have been prohibited to under and over enrol students by more than 2%. Thus, under-enrolment can be equated to a lack of support for expanded access to the PSET system, while over-enrolment on the other hand may imply that the Department is unable to provide additional resources for the provision of quality teaching and learning, such as the provision of requisite infrastructure for student accommodation expansion.

Enrolments at TVET colleges reached 589 083 during the 2021 academic year, reflecting a 30% or a 136 806 increase when compared with the 2020 academic year (452 277 enrolments). This performance presents 95% when measured against the 5-year target of 620 000 enrolments. The reason for the decline is informed by the fact that enrolment is dependent on funding as outlined in the TVET college funding norms and standards. However, funding and enrolment plans are not aligned and TVET colleges receive allocations which do not fully cover all planned enrolments outlined in Ministerially approved programmes.

The preliminary data on targets for funding university students through the NSFAS has exceeded 556 629 students (or 129%) in terms of preliminary data and when measured against the planned target of 431 412 students and has declined at TVET colleges (266 063 students or 81%). The Auditor-General of South Africa and NSFAS have agreed that updated Financial Statements be submitted by 31 March 2023 and the auditor's report signed-off by 30 June 2023.

A total of 143 031 students were enrolled at CET colleges during 2021, which reflects an increase of 3% from 142 538 students during the 2020 academic year. Most students enrolled were females (101 879 or 71.2%) significantly more than their male counterparts at 41 152 students or 28%. African students constituted

135 525 enrolments (or 94,8%), followed by Coloured students (6 709 enrolments or 4,7%), Indian students (355 enrolments or 0,3%) and White students (322 enrolments or 0,2%).

The consistently low performance in student enrolment across the CET sector has been influenced by inadequate funding allocations, which has resulted in the provision of insufficient infrastructure to enable colleges in offering programmes that are attractive to both adults and the youth and the CET college sector not having an institutional identity as it largely operates within public schools and an absence of coherent advocacy interventions at both national and institutional levels. These challenges were aggravated by the advent of the COVID-19 pandemic during the 2020/21 financial year.

For the period under review, 99 778 (93.2%), (2021/22 data) learners registered for the WBL programme when measured against the planned target of 107 000 learners.

In addition, 72 554 (68%) (2022/23 financial year, preliminary data) learners have registered for WBL programmes when measured against the planned target of 110 500 learners. More females at 44 742 learners (or 62%) were supported when compared to their male counterparts at 27 812 learners (or 38%). Most students enrolled were African at 63 432 learners (or 87%), followed by Coloured students comprising 4 918 learners (or 7%), Indian students comprising of 1 716 learners (or 2.3%) and White students comprising 2 223 learners (or 3%). In addition, representatively is further aggregated into 63 691 (or 88%) for youth, 1 007 (or 1.4%) for people with disabilities, and 265 students (or 0.3%) classified as other.

The 2022/23 financial year preliminary data indicates that there were only 71% (or 16 230) registrations of artisanal programmes measured against the planned target of 23 000 registrations. More male learners were enrolled (11 465 or 70.6%) compared to their female counterparts (4 765 or 29.3%). Most students enrolled were Africans (13 188 or 81.2%), followed by White students (1 512 or 9.3%), Coloured students (1 222 or 7.5%) and Indian students (308 or 1.8%). In addition, 13 235 students or 81.5% comprised of youth and 12 students or 0.07% representing people with disabilities.

The Department has developed and approved the Artisan Recognition of Prior Learning (ARPL) Grant Policy followed by extensive consultation with relevant role-players with a view of increasing access for informal or non-contracted candidates with significant experience in occupations listed by the Minister as trades.

The Department has also embarked on a Decade of Artisan programme with the objective of encouraging youth to enrol in Artisan's as careers of choice. INDLELA has also since enlisted all state-owned companies to provide successful training options across the country.

CDS (comprising of information, advice, guidance and counselling) has also been facilitated on behalf of prospective students (mostly in school) through the Khetha multi-channel career helpline service (comprising of telephone, SMS, email, fax, post, Facebook and walk-in centre assistance); as well as online services provided on the NCAP and the CareerHelp Website; while information was also disseminated by way of expos, training interventions, information sessions and campaigns. The following successes were apparent by 31 March 2023:

- A total of 11 040 clients were assisted by means of the multi-channel service;
- In terms of the CareerHelp Website, 399 598 users visited the website, while 499 124 sessions were facilitated and 2 050 693 page views recorded;
- With regard to the NCAP, a total of 123 336 users visited the portal, while 144 396 sessions were facilitated and 849 272 page views recorded;
- A total of 171 909 grade 9 to 12 learners, university and TVET college students, NEET Youth and Interns participated during 20 exhibitions facilitated by the Department; and

- A total of 9 295 grade 9 to 12 learners, university and TVET college students, NEET Youth and Interns participated in 27 information sessions provided by the Department.

The Directorate: Social Inclusion and Equity also convened two workshops with TVET colleges on the implementation of Social Inclusion Policies in North West, Mpumalanga and Limpopo Regions, respectively.

The Department implemented Stage 1 of the Central Application Service (CAS) pilot project, the first of a three-step process to collect information in support of developing and finalising the PSET, CAS Bill. This stage highlighted the need for the CAS to monitor applications by grade 12 learners and in particular, applicants from schools located in rural areas. The pilot for the 2023 academic year has been completed with the Ximoyi Khoza High School reflecting the highest number of applicants among the 48 identified pilot school sites. The Ximoyi Khoza High School is located approximately 100 kilometres from Mbombela in the rural area of Agincourt, Bushbuckridge. Five universities and eight TVET colleges have also participated in the pilot. However, a 3% application rate across the 48 schools canvassed and with a combined incumbency of 13 000 grade 9 to 12 learners was apparent subsequent to completion of Stage 1. The pilot will continue during the second and third stages of the project over the next two-year period.

Success and Efficiency of the PSET System

There were 233 257 graduates produced at public universities during 2021, which reflects a 1.9% (or 4 625 graduate) decrease when compared with the number of graduates reported for 2020 (a total of 237 882 graduates). Most graduates were females determined at 64% or a total of 148 841 graduates, while 36% (or 84 367 graduates) were male. Generally though, male graduates were more visible in attaining Doctoral qualifications (at a total of 1 930 graduates).

In addition to the increase in enrolments, the public higher education sector has also seen improvements in graduations. For the 2021 academic year, several targets have been exceeded, namely graduates in human and Animal Health Sciences at 11 286 enrolments (or 102.6%), Animal Science and Veterinary Science at 1 728 enrolments (or 192%) and Initial Teacher Education at 29 925 enrolments (or 103%). The number of graduates for Doctoral degrees comprised a total of 3 574 graduates during 2021 and this was 0.6% (or 22 graduates) more than when compared with the numbers for 2020 (comprising a total of 3 552 graduates).

However, a lower graduate output was apparent for targets accordingly set for scarce skills areas. During 2021 the system produced 85% (or 12 605 graduates) within the field of Engineering, 96% (or 10 608 graduates) for Natural and Physical Science degrees and 95% (or 13 796 graduates) in relation to all Master's degrees.

In terms of programmes and qualifications offered at TVET colleges, there has been a gradual increase in occupational offerings, which will go to scale in the ensuing years, through adjustments to the funding grid in enabling more enrolments across occupational programmes. As a parallel process, existing curricula in NATED programmes are systematically updated and made relevant, especially where technologies remain essential to learning content.

As of 31 March 2023, 45 146 (144%), (2021/22 data) learners completed learnerships and accordingly exceeding the target of 31 300.

The 2022/23 preliminary data for learners who completed learnerships comprises a total of 22 714 learners (or 70%), with 11 956 (or 53%) representing females and 10 758 (or 47%) males. African students constituted 18 713 incumbents (or 83.2%), Coloured learners, 2 348 (or 10.3%), Indian learners 707 (or 3.1%) and White learners 942 (or 4.1%), while learners classified as others comprised four learners (or 0.01%) and 48 learners (or 0.21%) people living with disabilities.

In improving economic participation and social development, 4 138 (or 80%), (2021/22 data) learners successfully completed internships.

For the 2022/23 reporting period, 1 160 individuals (or 18%), (preliminary data) have completed internships with 706 learners (or 61%) representing females and 454 learners (or 39%) males when measured against the target of 6 450 learners. African students constituted 1 140 learners (or 98%), Coloured learners 12 (or 1%), Indian learners six (or 1%) and White learners one (or 0.08%), while the youth comprised 906 learners (or 78%) and those incumbents classified as others, one (or 0.08%).

For the period under review, 83 579 (84%), (2021/22 data) learners successfully completed Skills Programmes.

For the 2022/23 financial year, 54 142 learners (or 54%), (preliminary data) have completed skills programmes with a total of 22 581 incumbents (or 42%) constituting females, and 31 561 incumbents (or 58%) males when measured against the target of 100 000 learners. African students constituted 50 291 learners (or 93%), followed by 1 894 Coloured learners (or 3%), 143 Indian learners (or 0%), and 1 303 White learners (or 2%), with 511 (or 1%) classified as others and 92 (or 0%) as people living with disabilities.

In an attempt to promote the take-up of artisan trades as a career choice among youth, 19 461 (or 95%), (2021/22 data) learners were found to be competent as measured against the planned target of 20 500. There were more males comprising of 15 035 learners (or 77%) while 4 426 were female (or 23%). More learners were Africans at 14 773 (or 76%), with smaller numbers apparent in relation to White and Coloured learners at 3 083 (or 16%) and 1 281 (or 7%), respectively. Indian learners comprised of 399 learners (or 2%), while the youth comprised 14 143 learners (or 72%) and six learners (or 0.03%) constituting people living with disability.

The 2022/23 preliminary data for competent artisan learners is 6 085 (or 29%) when measured against the target of 21 000. Most artisan learners having completed their studies were male at 4 676 learners (or 23%) when compared to their female counterparts at 1 409 learners (or 7%). More learners were Africans at 4 826 learners (or 24%), with smaller numbers apparent for White and Coloured learners at 832 (or 4%) and 469 (or 2%), respectively. Indians comprised 13 learners (or 0%), whereas youth totalled 4 704 learners (or 23%) and four learners (or 0%) representing people living with disabilities.

Student performance and success rates at CET colleges remains an area requiring further improvement. Final data for the GETC: ABET (2021) indicates that the number of students who registered for the November 2021 examinations comprises a total of 58 262 students, with those who wrote five or more subjects and therefore becoming eligible for a full qualification determined at 42 179 students. Those students who actually achieved completion comprised a total of 25 780 students, reaching a 61.1% pass rate. This represents a 3.2% increase from the 2020 pass rate of 57.9%.

Quality of Provisioning across the PSET System

The Department, by way of the South Africa University Framework has established the New Generation of Academics Programme (nGAP) aimed at enhancing quality, success and equity in relation to qualifications. The programme provides opportunities for new academics. Accordingly, posts are created and funded at universities, while staff members are recruited into permanent nGAP posts and supported through an intensive development programme. During the 2020 academic year, 100 nGAP posts were filled at 26 universities. This number has exceeded the set MTSF target of annually allocating 85 nGAP posts to universities. During the 2021 academic year a total of 87 posts were also filled.

As part of lecturer professionalisation at TVET colleges, fourteen universities have been supported to develop 16 programmes and thirteen of these programmes have since received CHE accreditation. In addition, nine of these universities are offering TVET programmes, namely the Cape Peninsula University of Technology, the Durban University of Technology (DUT), the University of Johannesburg (UJ), the Nelson Mandela University, the University of Pretoria (UP), the Tshwane University of Technology (TUT), the Vaal University of Technology, the University of the Western Cape and the University of the Witwatersrand (WITS).

As part of teacher development at TVET colleges, ten universities have received accreditation in offering TVET related programmes and of which eight institutions have already commenced offering these programmes. In addition, three universities are awaiting CHE accreditation while two are engaged in further institutional processes.

SETAs have established 1 878 partnerships with industries directed towards up-scaling graduate placements, work integrated learning, research as well as increasing TVET college lecturers workplace exposure in line with the needs of industry. These partnerships also afford SETAs access to labour market intelligence which in turn informs the development of appropriate sector skills plans and curriculum development and thereby improving the quality of provisioning and employability.

For the period under review, all CET colleges have complied with the standard of good governance, which has been structured and informed by several dimensions such as strategic leadership, teaching and learning, research and community engagement, resources, institutional accountability and productive council meetings. CET colleges have also complied with the Policy on the Conduct and Management of Examination and Assessment in an effort to ensure that quality provisioning across the CET sector is achieved. During the period under review, 903 CET college lecturers were also trained.

The Directorate: Open Learning has set in place and maintains a production environment conducive to building capacity at universities in developing high-quality digital open learning materials. As a result, seven modules on digital open learning materials for the Adv Dip TVT (seven modules) have since been developed including: Interpreting Curriculum Lesson Planning, Managing TVET Assessment, Being a TVET Lecturer, Psychology of Education for TVET, Vocational Pedagogy, Collaboration in Teaching and Learning and Reflective Practice.

Eight other modules are currently in development. In addition, all Adv Dip TVT digital open learning materials were uploaded onto the Content and Learning Management systems of the NOLS for utilisation, re-utilisation, repurposing and adaptation by universities.

Responsiveness of the PSET System

The EDHE programme is being implemented on an ongoing basis and WITS in collaboration with Universities South Africa has submitted a report and a submission for the release of funds aimed at supporting its continued implementation.

Interest in graduate employment and unemployment across South Africa has increased considerably over the past decade. The reasons for this elevated interest are wide-ranging and often form part of the broader discourse pertaining to the post-apartheid labour market, high levels of youth unemployment, the restructuring of the higher education landscape, the role of higher education within society, as well as continued debate on the impact and outcomes of affirmative action policies. However, there has been no national study on graduate outcomes which could provide detailed evidence on labour market trajectories across the higher education sector.

In response to the persistent scourge of youth unemployment, focus has been directed towards the up-scaling of entrepreneurship at TVET colleges. Accordingly, 17 colleges have already prepared for the promotion of enterprise development among students. Five colleges were supported during the previous year and four more are currently assisted through the provision of expertise and financial support by SEDA, the National Youth Development Agency and other smaller stakeholders and involving approximately 50% of all colleges. In addition, a Ministerial Summit on Partnerships and an Entrepreneurship Workshop respectively, were hosted during the period under review.

Partnerships with the Education, Training and Development Practices Sector Education and Training Authority have embarked on establishing 4IR Centres of Excellence at ten TVET colleges. One of these Centres was also



successfully launched at Vhembe TVET College and it is anticipated that the College will train lecturers and students in respect of relevant 4IR interventions.

A total of eleven NATED Report 191 subjects in Engineering and Services studies were reviewed and approved for implementation which will commence from 2024 onwards. Teaching and learning activities in supporting the development of digital skills were also integrated in three programmes.

The NCV: IT and Computer Science (Coding and Robotics) programme was introduced at ten public TVET colleges having commenced from January 2023.

The Department has also successfully addressed the protracted certification backlog and has set in place strategies to avert any potential resurgence of new delays.

All SETAs have developed the SSPs which require an up-to-date list of scarce and critical skills apparent for each sector. With the updated SSPs set in place, training interventions supported by SETAs have been aligned to and are responsive to the skills needs identified in each sector.

CET colleges are working with partners to introduce skills programmes that respond to key skills demands required by communities, the labour market and employers alike. An additional four new and accredited programmes have since been introduced at CET colleges during the 2023/24 financial year.

The Directorate: Open Learning has facilitated the establishment of the Artificial Intelligence (AI) Centre of Excellence at the Orbit College located in the North-West Province. Intel Master Trainer sessions were also convened at the College for nine lecturers as well as in the Western Cape at the West Coast and False Bay colleges for fifteen lecturers. A total of 672 lecturers were accordingly trained in e-learning/Open Learning, while 433 lecturers attended training sessions on the use of Moodle regarding access and the development of educational content.

MAJOR CHALLENGES AND BLOCKAGES AFFECTING IMPLEMENTATION OF THE INTERVENTIONS IDENTIFIED IN THE REVISED MTSF TO ACHIEVE THE DESIRED OUTPUTS AND TARGETS

The ongoing lack of requisite infrastructure for CET colleges remains a serious challenge facing the sector. Furthermore, a major risk in the implementation of the revised curriculum and skills programmes has been identified as the continued lack of sufficient and sustainable operational funding for colleges and which includes inadequate human capacity at college level in undertaking the task of introducing new skills programmes. Additionally, a lack of sufficient teaching and learning materials and resources for lecturer development and support also hampers progress in relation to student performance.

Limited opportunity in expanding the establishment of entrepreneurship hubs is also apparent. A shortage of resources such as suitable infrastructure, adequate human resource capacity and sufficient student funding have also been identified as ongoing challenges inhibiting student performance.

PROGRESS ON ECONOMIC RECONSTRUCTION AND RECOVERY PLAN INTERVENTIONS AND OTHER INITIATIVES SUCH AS THE COVID-19 VACCINATION ROLL-OUT INITIATIVE AND THE STIMULUS PACKAGES PROVIDED BY GOVERNMENT

Colleges are currently in the process of identifying Occupational Programmes to be introduced with the aim of aligning the latter to priority sectors as stipulated in the ERRP, in partnership with the QCTO and Institute for the National Development of Learnerships, Employment Skills and Labour Assessments (INDLELA). This is over and above the thirteen occupational priority trades offered by CoS in tandem with implementing QCTO trade qualifications.

A partnership with 'We Think Code' has seen 56 students completing a Software Development programme offered in collaboration with the MICT SETA. These students are incentivised with a stipend of R20 000 during the twelve-month cycle of training and are then placed in relevant industries on successful completion. The project is intended to expand its reach during 2024, targeting 3 000 students enrolled mainly at TVET colleges located in the Gauteng Province.

The Department has entered into a partnership with the SEDA on the introduction of entrepreneurship skills at CET colleges. The aim of this project focuses on providing support with regard to the development of capacity and capabilities for enterprises, communities and officials. To date, 450 participants have been trained on the Entrepreneurship Programme.

The Department is in the process of establishing 54 ICT laboratories nationally, at the designated 54 pilot Community Learning Centres (CLCs), with funding support derived from the W&RSETA. Through the establishment of these ICT Labs, digital skills will be provided. To date, ten ICT labs have been established and in cooperation with another partner, Ecolabs Africa, thirteen additional ICT labs were established at the Gauteng CET college.

Digital learning platforms have been established at all nine CET colleges with the assistance of the Cape Peninsula University of Technology. The features and functionalities of the platform include access to online support for learning in a variety of formats such as delivery of digital content, assessments, learning resources, interactive learning activities and the recording of achievements. The digital platforms are populated with curriculum resources for both students and lecturers at CET colleges. Training in how to utilise the platform has accordingly been provided to 27 administrators at all colleges. Orientation in the use of the digital platform has also been concluded on behalf of officials and lecturers interred at the nine colleges.

In partnership with NEMISA, digital literacy training has taken place at eight of the nine CET colleges involving the successful training of 1 900 lecturers, while training at the remaining college is currently underway.

Actions Needed to Address Major Constraints and Challenges

The CET college funding model will contribute to fair, transparent, equitable and efficient distribution of funds to CET colleges. The model will also be used to determine the required and estimated budget for the sector as a whole. Other actions include the mediation of the Teaching and Learning Improvement Plan to regions and CET colleges aimed at addressing inefficiencies in the CET college system and the establishment and strengthening of strategic partnerships with SETAs, Government Departments and other relevant partners in facilitating the impactful development of digital technologies and entrepreneurship.

In addition, funding has also been made available for the renovation and construction of infrastructure at CET colleges. To this end, infrastructure plans are being finalised targeting selected colleges and their service centres.

3. INSTITUTIONAL PROGRAMME PERFORMANCE

3.1 PROGRAMME 1: ADMINISTRATION

3.1.1 PROGRAMME PURPOSE

Provides strategic leadership, management and support services for the Department.

There are five budget sub-programmes:

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

3.1.2 SIGNIFICANT ACHIEVEMENTS OF TARGETS AND OUTPUT INDICATORS AND HOW THEY CONTRIBUTED TO ACHIEVING THE OUTCOME

Human Resource Planning

The Human Resource Planning Directorate had been tasked with achieving a total of thirteen targets during the period under review. These targets comprise of the development of human resource policies, the filling of vacancies within the prescribed period, addressing disciplinary cases within 90 days, the review of the Organisational Structure, the development of the Organisational Culture Protocol, development of Change Management Guidelines and conducting a Staff Skills Audit. The Department subsequently managed to achieve eleven of the thirteen targets.

Attrition positions that became vacant during previous financial years were unfortunately not filled as planned placing a huge burden on the Department and requiring staff to work additional hours in ensuring that the Department could meet its targets.

Several apparent delays in timeously concluding disciplinary hearings have been the result of the non-availability of chairpersons, witnesses and intermittent postponements, which have proven challenging and in turn impacting the Department's ability in resolving all cases within the prescribed 90-day period. The Department also experienced delays in addressing appeal cases within 60 days, due to resignation of several Appeals Committee members. Despite these challenges, the Department still managed to attain the set target of 80% disciplinary cases finalised within a period of 90 days.

The Department enrolled a total of 419 interns and WIL learners as well as 106 learnerships to render assistance across under-capacitated directorates/units in the Department. Two interns were appointed permanently in the Department, while an additional 17 were permanently employed by the private sector and another seven permanently employed by other government departments.

Office of the Chief Financial Officer

During the period under review, the Office of the Chief Financial Officer has ensured that all financial services compliance matters were dealt with timeously. The Department also received an unqualified audit opinion for the 2021/22 financial year. The successful implementation of the e-distribution of pay slips and IRP5's also commenced during the 2022/23 financial year. Even though the Department did not pay all invoices (nineteen) within 30 days, it processed on average, all other invoices (comprising of 72 805 invoices) within 7.7-day threshold period.

The Department ensured that all compliance matters were successfully dealt with during the financial year under review. An unqualified audit opinion has been realised in relation to the Annual Financial Statements for the 2021/22 financial year. In addition, a number of budget review and advisory committee meetings were convened during the year with a view to reflect on and discuss critical budget-related matters.

3.1.3 THE PROGRAMME'S RESPONSE TO THE NEED TO PRIORITISE WOMEN, YOUTH AND PERSONS WITH DISABILITIES IN ITS SERVICE DELIVERY ENVIRONMENT

For the 2022/23 financial year, the Department set a target of 40% procurement to women owned and controlled businesses. During the year, a total amount of R56.814 million was spent on women which represented 22.62% of a total spending of R148.761 million (refer to the Table 1 below). The 40% target was not met, mainly due to the inability to procure directly from women as limited by the former Preferential Procurement Regulations of 2017. In terms of paragraph 9 of the 2017 Regulations, procurement to advance designated groups may only be applied through subcontracting.

In respect of women as a specific goal, subsection 2 of paragraph 9 further required a tender to be advertised with a specific tender condition that such tenders must subcontract a minimum of 30% of the value of the contract to, for an example, to an Emerging Micro Enterprise or Qualifying Small Business (QSB) which is at least 51% owned by black people who are women. For the financial year under review, the Department did not conclude many contracts with a subcontracting arrangement as these are mostly in instances of major or complex contracts.

Table 1: Public Procurement Spend on Women-Owned Businesses

FINANCIAL YEAR 2022/23								
No of suppliers	No of transaction	No of EME	No of QSB	Expenditure of Black People	Expenditure on Women	Expenditure on Youth	Expenditure on People with Disabilities	Total Expenditure
847	4 682	2 069	1 141	R148 760 595.52	R56 813 876.54	R30 842 072.92	R14 781 268.36	R251 197 813.34
Percentage		44.19%	24%	59.22%	22.62%	12.28%	5.88%	
Target				40.00%	40.00%	10.00%	10.00%	
Achievement				19.22%	(17.38%)	2.28%	(4.12%)	

With the amended Preferential Procurement Regulations, 2022 that is applicable for the 2023/24 financial year, the Department set five specific goals procurement targets. The current Preferential Procurement Regulations, 2022 is more accommodating for direct procurement in respect of specific procurement goals.



Ms LC Mbobo-Vava, Deputy Director-General: Corporate Services

3.1.4 PROGRAMME 1: ADMINISTRATION

PROGRAMME 1: ADMINISTRATION								
Outcome	Output	Output indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and under achievement
Excellent business operations within the DHET	Maintaining vacancy rate to be below 10%	Percentage of vacancy rate		New Indicator	Below 10%	Target achieved 9.4%	0.6%	Due to full decentralisation of recruitment and selection process and college Persal appointment functions. The Department is also investing in e-Recruitment.
	Departmental disciplinary cases finalised	Percentage of disciplinary cases resolved within 90 days per annum	79%	87%	80%	Target Achieved 80%	None	None
	An up-to date and reliable ICT infrastructure implemented	Percentage of network connectivity uptime per annum	99.5%	97.52%	98%	Target Not Achieved 95%	(3%)	Challenges of loadshedding and SITA outages were experienced. Generators are being installed at all the sites because Uninterrupted Power Supplies only last for an hour, so for prolonged loadshedding generators are needed.
	Policy directives on preferential procurement implemented	Percentage of public procurement spent on women owned business		New indicator	40%	Target not achieved 22.62%	(17.38%)	The Preferential Procurement Regulations 2017 did not allow direct procurement from women hence it was not possible to achieve the 40% target. The former Regulations 2017 only permitted procurement through sub-contracting that did not make much contribution to achieving the target.
	Payment of suppliers timeously effected	Percentage of valid invoices received from creditors paid within 30 days	99.6%	97%	100%	Target not achieved 99.7%	(0.3%)	Office closure during the first quarter of the 2022/23 financial year due to power cuts and administrative delays.

PROGRAMME 1: ADMINISTRATION

Outcome	Output	Output indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and under achievement
	Clean audit opinion obtained from the Auditor-General (AG) South Africa	Audit opinion received from the AG of South Africa	Unqualified audit opinion	Unqualified audit opinion	Clean audit outcome	Target not achieved Unqualified audit opinion	Unqualified audit opinion The collected evidence was done in accordance to financial year instead of academic year.	The TVET Branch had one material finding regarding performance information. The audit of the pre-determined objectives was not supported with appropriate audit evidence and consequently the adjustment in the Annual Performance Report was rejected by the Auditor-General.
	Determination tests on irregular, fruitless and wasteful expenditure concluded	Percentage of determination tests on irregular, fruitless and wasteful expenditure concluded within 12 months	100%	100%	100%	Target achieved 100%	None	None

3.1.5 STRATEGY TO DEAL WITH UNDERPERFORMANCE

1) Percentage of network connectivity uptime per annum

Loadshedding has intermittently affected the effective performance of staff as well as the percentage of network connectivity uptime per annum as outlined by the relevant target as this indicator is measured on the availability of the customer edge router. The Department in an effort to mitigate this challenge is in the process of procuring generators and diesel for regional offices. It is also envisioned to relocate the Head Office and NSF staff complements to the Council for Scientific and Industrial Research (CSIR), with a view to address the fore-mentioned challenges as the CSIR has been furnished with solar power.

2) Percentage (40%) of women procurement

Subsequent to the implementation of the Preferential Procurement Policy Framework Regulation, 2022, the Department is now in a position to direct procurement processes towards the attainment of specific goals or targets in so far as they relate to procurement spend toward women, youth and persons with disabilities. Accordingly, the Department will going forward report on procurement allocated or directed towards women procurement instead of measuring the expenditure which is in line with and responds to the promulgation by the President of the Republic of South Africa on this matter.

3) Unqualified audit opinion

Corrective actions in ensuring the attainment of a clean audit has been implemented through the facilitation of weekly Audit Steering Committee meetings with a view of addressing any apparent process-related challenges. Ongoing engagements with relevant management, relevant staff members and the Office of the Auditor-General are also facilitated with the aim of timeously responding to evident audit issues, while any issues with pertinent audit risks are escalated to management for intervention.

4) Percentage (100%) of valid invoices received from creditors paid within 30 days

Financial Management Processes

The target of 100% valid invoices paid within 30 days was not achieved during the period under review. Office closures, large and congested emails inhibiting the easy and timeous printing of invoices for payment and administrative delays brought about by purchase order related matters have led to the numerous delays in the timeous processing of invoices as received from creditors. In an effort to improve the processing of invoices a number of interventions such as a programme that will promote the electronic sign-off and submission of all payments, the implementation of a central email for the delivery of invoices, establishing a group email with Government Information Technology Officer (GITO) for electronic payments accordingly submitted, prioritising urgent payments, allocating a dedicated official to monitor in and outgoing payments submitted by Directorates as well as performing weekly checks on the BAS payment system to check for any outstanding payments and commitments have been adopted. In addition to the fore-mentioned interventions, letters will be issued to branch managers pertaining to payments not made within 30-days, on a continuous basis.

Supply Chain Management Processes

Suppliers are responsible to ensure that their supplier details at all times are current and correctly captured on the Central Supplier Database maintained by National Treasury. These details in turn are filtered to LOGIS (transversal) and BAS (transversal payment) systems. In isolated cases, it has been apparent that supplier details were incorrect, or their respective compliance certificates had expired, hence transactions not being captured on the transversal systems and resulting in delayed payments in particular. In these cases, suppliers were requested to update or correct their details on Central Supplier Database without returning the invoices to the relevant suppliers. These invoices were then only processed once the requisite action by the suppliers were concluded and which in turn and in some instances resulted in late payments.

As a remedial action, it was decided that these invoices be returned to the affected suppliers for updating or correction of their Central Supplier Database information and the re-issue of new invoices in an effort to avoid late payments.

In other cases, the time lag between the receipt of invoices and sign-off by relevant project owners also resulted in delayed payments. An in-depth review of and enquiry into the latter instances revealed that disagreements existed between suppliers and Departmental project managers and the turn-around times in resolving such disputes had accordingly resulted in delayed payments.

The remedial action taken in relation to the fore-mentioned delayed payment currently compels Departmental project managers to raise and report potential instances of late payments to the Supply Chain Management Chief Directorate under the auspices of the Office of the Chief Financial Officer in order to register any disagreements or disputes with a supplier. In these instances, the claim can then only be invoiced subsequent to the settlement of the disagreement or dispute.

3.1.6 LINKING PROGRAMME PERFORMANCE WITH BUDGETS

SUB-PROGRAMME	2022/23			2021/22		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Department Management	34 456	28 205	6 251	30 447	24 090	6 357
Corporate Management Services	255 531	222 938	32 593	225 411	201 044	24 367
Office of the Chief Financial Officer	101 180	88 161	13 019	90 383	83 609	6 774
Internal Audit	11 576	10 947	629	10 943	10 630	313
Office Accommodation	101 951	101 826	125	113 206	113 206	-
Total	504 694	452 077	52 617	470 390	432 579	37 811



Ms PNT Makulule, Chief Financial Officer

3.2 PROGRAMME 2: PLANNING, POLICY AND STRATEGY

3.2.1 PROGRAMME PURPOSE

Provides strategic direction in the development, implementation and monitoring of Departmental policies and in the Human Resource Development Strategy for South Africa.

There are six budget sub-programmes:

- Programme Management: Planning, Policy and Strategy
- Human Resource Development Council of South Africa (HRDCSA)
- Policy, Planning, Monitoring and Evaluation
- International Relations
- Legal and Legislative Services
- Social Inclusion and Quality

3.2.2 SIGNIFICANT ACHIEVEMENTS OF TARGETS AND OUTPUT INDICATORS AND HOW THEY CONTRIBUTED TO ACHIEVING THE OUTCOMES

The 2022/23 targets in **Programme 2** are critical for creating an enabling environment regarding achievement of Department's outcomes. For instance, the Programme during the period under review, has ensured that the Department is committed in addressing the country's persistent skills shortages through the establishment of the two new universities in Ekurhuleni and Hammanskraal for Science and Innovation and Crime Detection, respectively. The University of Science and Innovation will focus on disciplines such as data science, machine-learning, artificial intelligence, block chain processes, robotics and hydrogen-powered technologies, while the second university will concentrate on the detection and prevention of crime. Feasibility studies have since been completed and the Department is ready to move to the design stage for the two projects.

Planning processes for the establishment of a new UNIZUL Campus at Ulundi and a Multi-Purpose Centre in Giyani, Limpopo are also underway. In relation to the Ulundi Campus, a feasibility study has been completed and signed off by the Vice-Chancellor. For the period under review, the Departmental Infrastructure Unit was in the process of facilitating access to R91 million required by the University to finalise the requisite concept designs. The Universities' Infrastructure Unit has also embarked on finalising processes for eventual site ownership and the availability of bulk services. Concept designs are earmarked for completion by end of the 2023/24 financial year.

Regarding the Imbali Precinct, the University requested R182 million which was transferred to Durban University of Technology. Construction of the Engineering building during the period under review, had reached a 95% completion rate and was scheduled for completion by the end of March 2023. The contractor has since requested a time extension of another 60 days beyond the fore-mentioned date. Identified challenges that are subsequently being addressed include:

- Illegal tenants who continue to occupy the student accommodation and continue posing a threat to the further development of the precinct as a big portion of the allocated funding (R158 million) has been earmarked for the renovation of this student accommodation; and
- The University has consequently committed to engaging the Provincial Department of Human Settlement on the matter and is awaiting the outcome of a meeting between their Provincial EXCO and the Minister.

With regard to development in relation to the Giyani Precinct, an allocation of R2.5 million has been approved for the finalisation of a feasibility study and the Sefako Makgatho University (SMU) was accordingly appointed to procure the services of a suitable service provider for this purpose. A Departmental Project Steering Committee had also been established to oversee subsequent implementation activities, the appointed service

provider commenced with work on 9 May 2023 and indicated that a progress report would be submitted to the Department by 30 October 2023.

The Department has also made significant progress in relation to the infrastructure programme aimed at building, refurbishing and maintaining existing buildings at universities and TVET colleges on an ongoing basis. In addition, work is proceeding as planned at the Ikhala TVET (Sterkspruit campus) and Gert Sibande TVET (Balfour campus) Colleges. Planning is also underway for the completion of uMgungundlovu TVET (Greytown campus) and uMfolozi TVET (Bhambanana Campus) Colleges, respectively.

Funding for three TVET colleges, namely the King Hintsa, Gert Sibande and Majuba has been approved and planning for the construction of student housing has already commenced. The total budget for these projects comprises an amount of R1.12 billion.

The Department coordinates CDS across all spheres of Government and provides free services to all citizens through a multi-platform services hub, comprising of the Khetha Helpline, the National Career Advice Portal and CareerHelp Website. The Department has also continued providing face-to-face information sessions and training workshops for the NEET youth, lecturers, teachers, students and school learners in making informed career decisions and choices.

Progress has also been apparent with regard to ensuring that all bilateral agreements are timeously concluded and implemented. A Letter of Intent was signed between the Department and the Ministry of Education for the People's Republic of China regarding continued Cooperation within the field of higher education and training on 16 February 2023. The Letter of Intent serves as commitment to conclude the formal agreement between South Africa and China which is currently under further negotiation. In addition, a partnership agreement on higher education with the Mozambique Government was finalised and is ready for signature by the Minister and his counterpart in Mozambique. The President's Minute was obtained granting authorisation for the Minister to sign the Agreement. It is expected that the Agreement will be signed in the mutually agreeable date in the 2023/24 financial year.

3.2.3 THE PROGRAMME'S RESPONSE TO THE NEED TO PRIORITISE WOMEN, YOUTH AND PERSONS WITH DISABILITIES IN ITS SERVICE DELIVERY ENVIRONMENT

The effective functioning of CET colleges as a result of the COVID-19 pandemic has been severely impeded since its advent and its subsequent dissipation, as more than 95% of these colleges do not have their own buildings for administrative and educational purposes and are reliant largely on the Department of Basic Education (DBE) for the provision of requisite accommodation. This challenge continues to be an impediment to impactful service provision across the CET sector. In line with Government and Departmental guidelines all infrastructure build include project-embedded plans for placement of women, youth and people with disabilities in particular.

The Department has continued to implement the Policy Framework to Address Gender-Based Violence (GBV) in the PSET System through Higher Health which oversees and coordinates the implementation of a seven-pillar integrated programme on campuses that includes *inter alia*, programmes to mitigate the incidence of violence against women and people with disabilities and in particular, addressing cases of sexual violence on campuses across the country.

The Department of Women, Youth and Persons with Disabilities (DWYPD) has issued a directive to departments to consider businesses owned by women (40%), youth (30%) and persons with disabilities (7%) related to the procurement of goods and services. However, this directive was turned down by the National Treasury indicating that there was no legislation or policy to effectively guide this decision. Furthermore, the financial systems of government did not provide for reporting on the gender, age and disability status of those that state departments do business with. Thus, the implementation of this DWYPD directive has largely depended on the goodwill of the officials in Government.

3.2.4 PROGRAMME 2: PLANNING, POLICY AND STRATEGY

PROGRAMME 2: PLANNING, POLICY AND STRATEGY								
Outcome	Output	Output Indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and under achievement
1. Expanded access to PSET opportunities	NQF-related policies developed or reviewed and monitored	Revised Recognition of Prior Learning (RPL) Coordination Policy Gazetted	A report on the recommendations and proposed amendments to the RPL Coordination Policy was approved by the Director-General on 4 March 2021	A report and amendments to the RPL Coordination Policy was consulted (Workshop took place on 19 August 2021)	Revised RPL Coordination Policy Gazetted for public comments by 31 March 2023	Target Achieved Revised RPL Coordination Policy was Gazetted for public comments by 24 March 2023	None	None
		Policy brief on articulation between TVET and universities submitted for approval	A model for programme articulation of TVET college programmes into university programmes was approved by the Director-General on 3 March 2021	A baseline report for articulation implementation between TVET colleges and universities was approved by the Director-General on 16 March 2022	Policy brief on articulation between TVET and universities submitted to the Minister for approval by 31 March 2023	Target Achieved Policy brief on articulation between TVET and universities was submitted and approved by the Minister on 23 March 2023	None	None
	Amended NQF Act assented to and promulgated by the President for implementation	NQF Amendment Bill approved			NQF Amendment Bill approved by Parliament by 31 March 2023	Target Achieved The Minister approved the submission and the NQF Amendment Bill on 28 March 2023 and the Amended Bill was submitted to the Presidency for conclusion and further publishing/gazetting	None	None

PROGRAMME 2: PLANNING, POLICY AND STRATEGY								
Outcome	Output	Output Indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and under achievement
	Integrated Infrastructure Development Support Programme (IIDSP) for PSET implementation	Monitoring report on the implementation of IIDSP for PSET approved annually	The IIDSP for PSET submitted to the Minister for approval for implementation on 20 October 2020	A report on the implementation of IIDSP for PSET was approved by the Director-General on 31 March 2022	A report on the implementation of IIDSP for PSET approved by the Director-General by 31 March 2023	Target Not Achieved A report on the implementation of the Integrated Infrastructure Development Support Programme was not submitted and approved by the Director-General as planned	A report on the implementation of the Integrated Infrastructure Development Support Programme was being developed at the time of reporting.	Lack of capacity in the Infrastructure Unit.
		Monitoring report on the number of Imbali Precinct projects completed in collaboration with DUT approved annually			Monitoring report on the number of Imbali Precinct projects completed in collaboration with DUT approved by the Director-General by 31 March 2023	Target Not Achieved Monitoring report on the number of Imbali Precinct projects completed in collaboration with DUT was not developed and approved as planned	Monitoring report on the number of Imbali Precinct projects was being developed at the time of reporting.	Lack of capacity in the Infrastructure Unit.

PROGRAMME 2: PLANNING, POLICY AND STRATEGY								
Outcome	Output	Output Indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and under achievement
		Monitoring report of a feasibility study to establish Multi-Purpose Centre in Giyani, Limpopo approved			Monitoring report of a feasibility study to establish Multi-Purpose Centre in Giyani, Limpopo approved by the Director-General by 31 March 2023	Target Not Achieved Monitoring report of a feasibility study to establish Multi-Purpose Centre in Giyani, Limpopo was not developed as planned	Monitoring report of a feasibility study to establish Multi-Purpose Centre in Giyani, was being developed at the time of reporting.	Lack of capacity in the Infrastructure Unit.
		Monitoring report of a feasibility study for the establishment of a satellite campus in Ulundi approved			Monitoring report of a feasibility study for the establishment of a satellite campus in Ulundi approved by the Director-General by 31 March 2023	Target Achieved Monitoring report of a feasibility study for the establishment of a satellite campus in Ulundi was approved by the Director-General on 28 March 2023	None	None
	The Macro Infrastructure Framework (MIF) implemented and fully complied to by all institutions by 2025	Monitoring report on progress towards the achievement of MIF milestones approved annually	A monitoring report on progress towards the achievement of MIF milestones was approved by the Director-General on 29 March 2021	A monitoring report on progress towards the achievement of the MIF milestones was approved by the Director-General on 31 March 2022	A monitoring report on progress towards the achievement of MIF milestones approved by the Director-General by 31 March 2023	Target Not Achieved A monitoring report on progress towards the achievement of MIF milestones was not developed and approved by the Director-General as planned	Most universities did not review and update MIF milestone reports for approval at the level of Vice-Chancellor.	Lack of capacity at Universities.

PROGRAMME 2: PLANNING, POLICY AND STRATEGY								
Outcome	Output	Output Indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and under achievement
	Multifaceted student accommodation strategy implemented and monitored	Multifaceted student accommodation strategy approved		Multifaceted student accommodation strategy was not approved by the Director-General as planned	Multifaceted student accommodation strategy approved by the Director-General by 31 March 2023	Target Not Achieved Multifaceted student accommodation strategy was not approved by the Director-General as planned	Multifaceted student accommodation strategy was being developed at the time of reporting.	Lack of funding to procure a Support Team made up of SMEs with significant experience in the development, operation and maintenance of student housing facilities in accordance with the Department's cost norms and/or other best practice methodologies, processes or systems.
	Establishment of new universities	A plan for establishment of the new institutions based on the feasibility study submitted for approval			A plan for establishment of the two new institutions, based on the feasibility study submitted to the Minister for approval by 31 March 2023	Target Not Achieved A plan for establishment of the new institutions, based on the feasibility study was not developed as planned	Feasibility studies were not yet completed.	The Development of a plan from the feasibility study requires a team of experts in the Academic Enterprise and University Infrastructure.

PROGRAMME 2: PLANNING, POLICY AND STRATEGY								
Outcome	Output	Output Indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and under achievement
	Norms and standards for PSET student housing	Revised Policy on Minimum Norms and Standards for student housing approved	Draft Norms and Standards for PSET student housing were approved by the Minister for public comments on 31 March 2021		Revised Policy on Minimum Norms and Standards for student housing approved by the Director-General for submission to the Minister by 31 March 2023	Target Not Achieved Revised Policy on Minimum Norms and Standards for student housing was not approved by the Director-General for submission to the Minister as planned	Revised Policy on Minimum Norms and Standards for student housing was in the process of being finalised at the time of reporting.	Lack of funding to procure a Support Team made up of SMEs with significant experience in the development, operation and maintenance of student housing facilities in accordance with the Department's cost norms and/or other best practice methodologies, processes or systems.

PROGRAMME 2: PLANNING, POLICY AND STRATEGY

Outcome	Output	Output Indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and under achievement
	Two new cooperation agreements signed per annum	Number of new agreements on cooperation in Higher Education and Training entered with foreign countries per annum	One international scholarship agreement was signed between South Africa and France	0	2	Target Not Achieved 0	(2)	The agreements on cooperation on Higher Education and Training with Mozambique and the United Arab Emirates (UAE) were finalised. However, these were in the process of approval by Minister at the time of reporting.
	Policy on Social Inclusion in PSET implemented and monitored	Monitoring report on the implementation of Social Inclusion in the PSET System approved annually	A report on the implementation of Social Inclusion in the PSET System was approved by the Director-General on 31 March 2021	A report on the implementation of Social Inclusion in the PSET System was approved by the Director-General on 16 March 2022	A report on the implementation of Social Inclusion in the PSET System approved by the Director-General by 31 March 2023	Target Achieved A report on the implementation of Social Inclusion in the PSET System was approved by the Director-General on 16 February 2023	None	None

PROGRAMME 2: PLANNING, POLICY AND STRATEGY								
Outcome	Output	Output Indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and under achievement
		Monitoring report on the implementation of Gender Equality and GBV policy framework for PSET system approved annually			A report on the implementation of Gender Equality and GBV policy framework for PSET System approved by the Director-General by 31 March 2023	Target Achieved A report on the implementation of Gender Equality and GBV policy framework for PSET System was approved by the Director-General on 16 February 2023	None	None
		Monitoring report on the number of people reached through collaborative efforts between DHET and Higher Health approved annually			Monitoring report on the number of people reached through collaborative efforts between DHET and Higher Health approved by the Director-General by 31 March 2023	Target Achieved Monitoring report on the number of people reached through collaborative efforts between DHET and Higher Health was approved by the Director-General on 3 February 2023	None	None

PROGRAMME 2: PLANNING, POLICY AND STRATEGY								
Outcome	Output	Output Indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and under achievement
2. Improved success and efficiency of the PSET system	Reports aimed at supporting decision making in respect to enrolment planning, funding and policy making produced	Number of PSET reports published	Report on Statistics on PSET was approved by the Director-General on 26 March 2021 PSET Monitoring Report was approved by the Director-General and published on 31 March 2021	2 Report on statistics on PSET was approved by the Director-General on 26 March 2021 PSET Monitoring report was approved by the Director-General and published on 31 March 2021	2 Report on Statistics on PSET published by 31 March 2023 Draft PSET monitor report produced by 31 March 2023	Target Achieved 2 Report on Statistics on PSET was published on 31 March 2023 The Draft PSET monitor report was approved by the Director-General on 30 March 2023	None	None
	National Integrated CDS system implemented	Monitoring report on the implementation of National integrated CDS system approved annually		A report on the implementation of the National Integrated CDS system was approved by the Director-General on 16 March 2022	A report on the implementation of the National integrated CDS system approved by the Director-General by 31 March 2023	Target Achieved A report on the implementation of National integrated CDS system was approved by the Director-General on 16 February 2023	None	None
	Open Access LTSM for students in TVET colleges increased	Guidelines on provision of open access LTSM for students in TVET colleges approved			Guidelines on provision of open access LTSM for students in TVET colleges approved by the Director-General by 31 March 2023	Target Achieved Guidelines on provision of open access LTSM for students in TVET colleges was approved by the Director-General on 16 February 2023	None	None

PROGRAMME 2: PLANNING, POLICY AND STRATEGY								
Outcome	Output	Output Indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and under achievement
3. Improved quality of PSET provisioning	E-learning / Open Learning Strategy implemented	Policy brief on E-learning/ Open Learning Strategy in PSET approved		E-learning/ Open Learning Strategy in PSET was approved by the Director-General on 21 March 2022	Policy brief on E-learning/Open Learning Strategy in PSET approved by the Director-General by 31 March 2023	Target Achieved Policy brief on E-learning/Open Learning Strategy in PSET was approved by the Director-General on 16 February 2023	None	None
	Infrastructure maintenance plans for TVET colleges developed and implemented	Infrastructure maintenance plans for TVET colleges approved annually	TVET colleges Infrastructure maintenance plans for 2021/22 relating to 59% sites of delivery was approved by the Director-General on 24 March 2021		TVET colleges Infrastructure maintenance plans for 2023/24 relating to all (100%) sites of delivery approved by the Director-General by 31 March 2023	Target Not Achieved TVET colleges Infrastructure maintenance plans for 2023/24 relating to all (100%) sites of delivery were not approved as planned	Reports submitted by TVET colleges were not satisfactorily and not all colleges submitted their plans. However, project maintenance plan was underway.	Lack of funding to procure a Support Team made up of SMEs with significant experience in the development, operation and maintenance of student housing facilities in accordance with the Department's cost norms and/or other best practice methodologies, processes or systems.

PROGRAMME 2: PLANNING, POLICY AND STRATEGY								
Outcome	Output	Output Indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and under achievement
	Infrastructure delivery plans for universities developed and implemented	Infrastructure delivery plans for universities approved			Infrastructure delivery plans for universities approved by the Director-General by 31 March 2023	Target Not Achieved Infrastructure delivery plans for universities were not approved by the Director-General as planned	Infrastructure delivery plans for universities were being developed at the time of reporting.	Lack of capacity in the Infrastructure Unit.
	Norms for differentiated infrastructure linked to curriculum delivery developed	Monitoring report on the implementation of norms for differentiated infrastructure approved annually			A report on the implementation of norms for differentiated infrastructure approved by the Director-General by 31 March 2023	Target Not Achieved A report on the implementation of norms for differentiated infrastructure was not approved as planned	A report on the implementation of norms for differentiated infrastructure was in the process of being developed for approval.	Lack of capacity in the Infrastructure Unit.
4. A responsive PSET system	Research reports aimed at supporting decision making in respect to improving the responsiveness of the PSET System	Number of reports aimed at supporting decision making in respect to enrolment planning, funding and policy making approved annually	3 Research report on Critical Skills was approved by the Director-General on 31 March 2021 List of Occupations in High Demand was gazetted on 31 March 2021 A draft Priority Skills Plan was developed based on the engagements with the Master Plan teams and other stakeholders	2 The Report on Skills Supply and Demand was approved by the Director-General on 30 March 2022 as planned. However, the monitoring report on Priority Skills was only approved by the Director-General on 30 March 2022 and not by the Minister as planned	1 Monitoring report on the implementation of SS-ERRP approved by the Minister by 31 March 2023	Target Achieved Monitoring report on the implementation of SS-ERRP was approved as planned on 28 February 2023	None	None

3.2.5 STRATEGY TO DEAL WITH UNDERPERFORMANCE

- i) A Memorandum of Understanding (MoU) on the Indicator relating to new agreements on cooperation in Higher Education and Training was entered with foreign countries and signed on 9 May 2023. It is envisaged that a MoU with Mozambique would be signed during the BRICS meeting scheduled for July 2023. It should be noted that these agreements were included as part of the 2023/24 financial year targets.
- ii) The Chief Directorate: Infrastructure Development is responsible for achieving ten targets and none of which were attained during the period under review. The reason for non-achievement is largely the result of severe capacity and resource constraints across the Chief Directorate. In an effort to appropriately address these challenges, a strategy was devised requesting the Minister to:
- Rescind an allocation of R3.785 million to the University of the Witwatersrand (WITS) for the expansion and management of the previous Macro-Infrastructure Framework (MIF) platform.
 - From the residual funding interest apparent for WITS, allocated R5 million to the Sefako Makgatho Health Sciences University (SMU) so as to enable the Department to effect by way of the SMU, Phase 2 of the feasibility studies for the establishment of new universities at Ekurhuleni and Hammanskraal, as well as a Development Plan for the establishment of these two institutions.
 - From the residual funds interest apparent at WITS, allocate R15 million to the SMU with a view of enabling the Department through the latter to develop a new MIF platform for all its infrastructure programmes.
 - From the residual funds interest apparent at WITS, allocate R6 million to the SMU with a view of enabling the Department through the latter to manage the Higher Education and Training Information Management System (HETMIS), including the extension of employment contracts for HETMIS staff members.
 - From the residual funds interest apparent at WITS, allocate R5 million to the SMU with a view of enabling the Department through the latter to carry out the development of two restricted Multi-Faceted and Comprehensive Student Accommodation Strategy, as well as the finalisation of a Draft Review Policy on Minimum Norms and Standards for Student Housing.
 - From the residual funds interest apparent at WITS, allocate R8.25 million to the SMU with a view of enabling the Department through the latter to carry out a three-year extension of contracts for officials located in the Directorate: Infrastructure Support, as well as absorbing the resident intern as part of the Office of the DDG: Planning, Policy, and Strategy staff establishment on a three-year contract.
 - From the residual funds interest apparent at WITS, allocate R19.6 million to the SMU with a view of enabling the Department through the latter to carry out the recruitment of built environment specialists required to provide the Department with support in relation to current PSET infrastructure programmes.
 - From the residual funds interest apparent at WITS, allocate R9.6 million to the SMU with a view of enabling the Department through the latter to carry out the capacitation of infrastructure staff, as well as infrastructure staff located at PSET institutions (with emphasis on CET and TVET colleges, as well as ten identified universities).
 - From the residual funds interest apparent at WITS, allocate R1.050 million to the SMU with a view of enabling the Department through the latter to facilitate the funding of the three-year Higher Education Facilities Management Association membership fees in relation to TVET colleges.
 - From the residual funds interest apparent at WITS allocate R17 million to the SMU with a view of enabling the Department through the latter to carry out the development of as-built drawings and/or floor plans for PSET institutions (with the emphasis on TVET colleges and ten identified universities).

3.2.6 LINKING PROGRAMME PERFORMANCE WITH BUDGET

SUB-PROGRAMME	2022/23			2021/22		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Management: Planning, Policy and Strategy	6 880	6 682	198	4 607	3 922	685
Human Resource Development Council of South Africa	10 070	9 301	769	8 595	8 170	425
Policy, Planning, Monitoring and Evaluation	4 469 543	4 466 088	3 455	2 006 536	1 999 024	7 512
International Relations	17 889	15 082	2 807	14 656	11 311	3 345
Legal and Legislative Services	21 609	19 380	2 229	15 186	13 503	1 683
Social Inclusion and Quality	169 860	166 921	2 939	188 573	181 018	7 555
Total	4 695 851	4 683 454	12 397	2 238 153	2 216 948	21 205



Ms N Gasa, Deputy Director-General: Planning, Policy and Strategy

3.3 PROGRAMME 3: UNIVERSITY EDUCATION

3.3.1 PROGRAMME PURPOSE

Develop and coordinate policy and regulatory frameworks for an effective and efficient university education system. Provide financial and other support to universities, the National Student Financial Aid Scheme and national higher education institutions.

There are six budget sub-programmes:

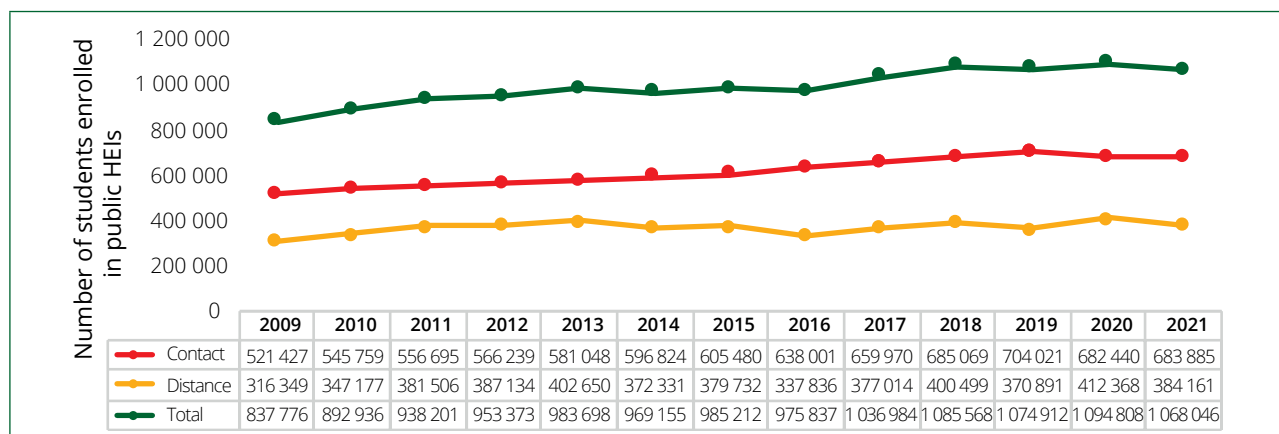
- Programme Management: University Education
- University Planning and Institutional Funding
- Institutional Governance and Management Support
- Higher Education Policy Development and Research
- Teaching, Learning and Research Development
- University Subsidies

3.3.2 SIGNIFICANT ACHIEVEMENTS OF TARGETS AND OUTPUT INDICATORS AND HOW THEY CONTRIBUTED TO ACHIEVING THE OUTCOMES

Expanded access to PSET System

The total student enrolment at public HEIs during 2021 was 1 068 046, comprising of 2.4% (or 26 762 enrolments) less than when compared to enrolment for 2020. The highest proportion of students enrolled through the contact mode of learning (at 64.0% or 683 885 enrolments), while 36.0% or 384 161 students enrolled through the distance mode of learning.

FIGURE 1: Number of students enrolled in public HEIs by attendance mode, 2009 – 2021



Sources: Statistics on Post-School Education and Training in South Africa, 2020.

2021 HEMIS database, data extracted in November 2022.

Note 1: The contact mode of study involves personal interaction with lecturers or supervisors, through *inter alia*, lectures, seminars and/or practicals at the premises of the institution.

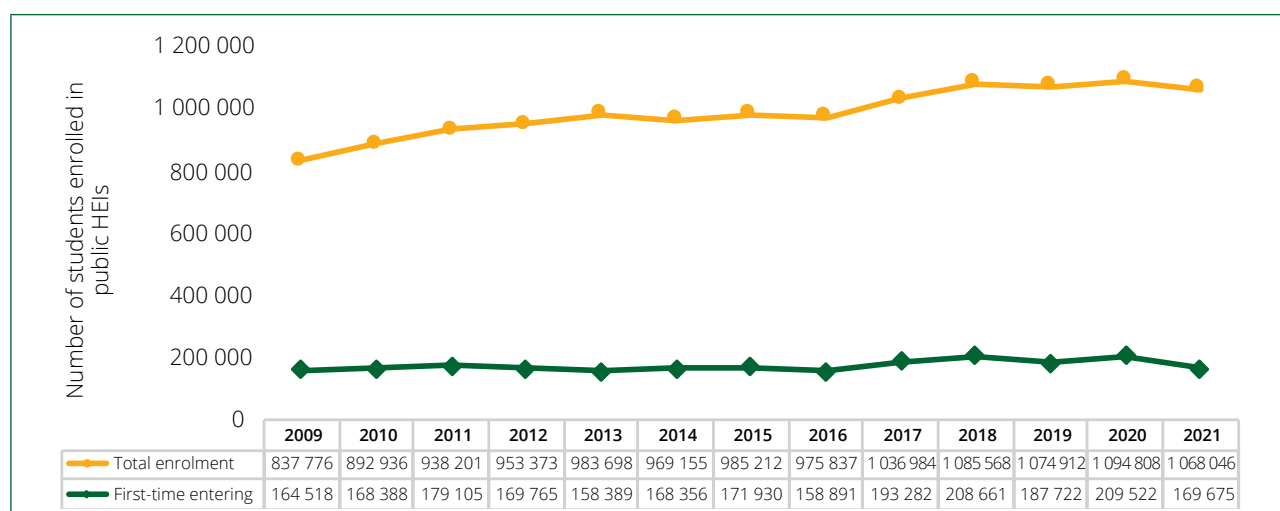
Note 2: The distance mode of study involves interaction with lecturers or supervisors through distance education techniques, such as written correspondence, telematics and/or the internet.

Most students who enrolled through the contact mode were recorded at the Tshwane University of Technology (TUT) (comprising of 58 038 students or 8.5%), followed by the University of Pretoria (UP) (with 50 599 students or 7.4%) and the UJ (comprising 49 224 students or 7.2%). UNISA only offers courses through the distance mode of learning, and 94.5% or 363 020 students who enrolled through this mode during 2021 were from this University.

Overall student enrolment at public HEIs increased by 27.5% (or 230 270 students) over the thirteen-year period spanning 2009 to 2021. The highest increase during this period was recorded for students enrolled through the contact mode of learning (at 31.2% or 162 458 enrolments), while enrolment for the distance mode of learning students increased by 21.4% (or 67 812 students).

There were 169 675 new students enrolled at public HEIs during 2021, which represents 15.9% of the total enrolment. UNISA (at 21.6% or 36 585 students) had the highest percentage of first-time entrants during 2021, followed by TUT (with 6.7% or 11 318 students) and UJ (at 6.2% or 10 534 students).

FIGURE 2: Number of first-time undergraduate students enrolled in public HEIs, 2009 – 2021



Sources: *Statistics on Post-School Education and Training in South Africa, 2020.*

2021 HEMIS database, data extracted in November 2022.

Note: The term 'undergraduate students' refers to students who have enrolled in a Bachelor's degree, Diploma (including advanced Diploma), Higher Certificate, Advanced Certificate and Post-Graduate Certificate in Education. It also includes professional Bachelor's degrees such as BSc (Engineering) and MB (ChB), which are those that have an approved formal time of three or more years.

When compared with 2020, the number of first-time entering students decreased by 19.0% or 39 847 students for 2021, and the major contributor to this decline was UNISA which enrolled 41 559 (or 53.2%) fewer students between the two academic years. Notwithstanding the overall decrease in the number of first-time entering students between 2020 and 2021, enrolment still increased at 18 of the 26 public HEIs, with the uppermost increase recorded at Walter Sisulu University (representing an increase of 37.3% or a total of 1 866 students).

The CAS Bill has been introduced as part of efforts to simplify application processes for admissions in universities and TVET colleges. The CAS pilot was launched on 1 March 2022 and at present five universities and fourteen TVET colleges are utilising the CAS pilot system after having signed the requisite non-disclosure and service agreements.

Improved Success and Efficiency of the PSET System

There were 233 257 graduates in public HEIs during 2021, and most graduates obtained their qualifications in the SET (28.9% or 67 422 graduates), followed by Business and Management (comprising 27.9% or 64 971 graduates), Other Humanities (at 25.6% or 59 801 graduates) and Education (17.6% or 41 063 graduates) fields of study. UNISA (at 23.4% or 54 677 graduates), TUT (with 6.9% or 16 179 graduates), North-West University (at 6.2% or 14 484 graduates), UP (with 5.8% or 13 592 graduates) and UJ (comprising 5.6% or 12 998 graduates) produced nearly half of the graduates during 2021.



The number of graduates in 2021 was 1.9% (4 625 graduates) lower than when compared with graduates reported for 2020 (237 882 graduates) and 60.4% (87 831 graduates higher when compared with numbers for 2009 (145 426 graduates). Decreases in the number of graduates in 2021 were recorded in almost all fields of study except Science, Engineering and Technology, where an increase of 2 701 graduates was apparent. The biggest decrease was in the Education field of study, where the number of graduates declined by 13.1% (or 6 208 graduates).

The majority of the 233 257 graduates produced in 2021 obtained undergraduate degrees (a total of 100 199 or 43.0%), followed by undergraduate certificates and diplomas (a total of 63 725 or 27.3%), and postgraduate below Master's level (a total of 32 226 or 13.8%) and these proportions are similar to what was observed during 2020. Master's level graduates were mainly from the UP (with 2 046 graduates or 14.8%), WITS (with 1 782 graduates or 12.9%) and the University of Stellenbosch (with 1 521 graduates or 11.0%).

Over 34% of the 3 574 Doctoral degree recipients were from the University of KwaZulu-Natal (at 12.5% or 445 recipients), UNISA (at 11.8% or 421 recipients) and UP (at 10.3% or 367 recipients). A large number of graduates for undergraduate certificates and diplomas, undergraduate degrees, postgraduate below Master's level and advanced diploma and postgraduate certificate in education were from UNISA.

The Department has partnered with the University of the Western Cape to conduct a needs analysis to inform on interventions required for implementation as part of the University Governance Support project. This project, funded through the University Capacity Development Programme (UCDP) is aimed at supporting and strengthening institutional governance at universities, as well as focusing on councils and institutional forums.

The first phase of the project is directed towards research pertaining to higher education governance in the form of a needs-assessment, which will serve as a knowledge base for enhancing programme design and delivery that is responsive to key systemic issues impacting effective governance at higher education institutions. The work will also feed into a review of the *Higher Education Act, No 101 of 1997*.

The project was underway during the 2022/23 financial year. The Needs Analysis Report due for approval by the Director-General by 31 March 2023, and owing to some challenges at the time resulted in the target not being met. Measures have since been set in place to address these challenges and ensure the finalisation of the Needs Analysis Report, which will be used to develop the University Governance Support Programme Framework.

Improved Quality of PSET Provisioning

The UCDP aims to bolster entrepreneurship development in higher education and has been developed to focus on strengthening student entrepreneurship, as well as building staff capacity in entrepreneurship development and programmes which incorporate entrepreneurship development. The Programme seeks to respond to high unemployment faced by students on graduating and provide each with skills to start their own businesses. This is a comprehensive Programme that requires universities to train staff and review curricula to adopt entrepreneurship development. While the focus is geared towards improving the employability of students in social sciences, universities also conduct various workshops to support students within the field of mathematics as well.

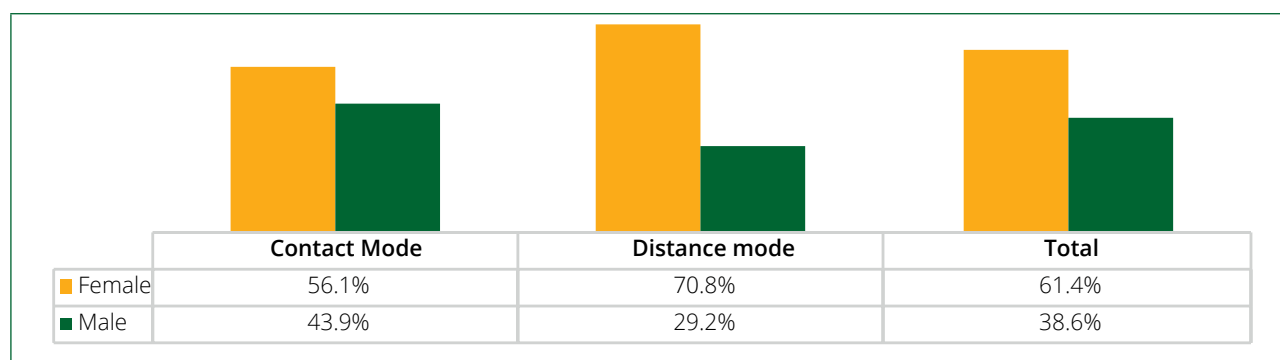
A Responsive PSET System

EDHE and HELM programmes facilitated through the UCDP, provide support to institutions in terms of entrepreneurship education and development, as well enhancing leadership and management skills in public higher education with a view to improve skills required in higher education.

3.3.3 THE PROGRAMME'S RESPONSE TO THE NEED TO PRIORITISE WOMEN, YOUTH AND PERSONS WITH DISABILITIES IN ITS SERVICE DELIVERY ENVIRONMENT

Female students made up 61.4% of all students enrolled in public HEIs during 2021, compared to 38.6% of their male counterparts. Female students led in both the contact and distance learning modes (comprising 56.1% and 70.8%, respectively). The greatest gender disparity was apparent in relation to distance learning, where seven out of ten students (or 70.8%) were females compared to 29.2% of male students.

FIGURE 3: Proportion of student enrolment in public HEIs, by attendance mode and gender, 2021



Source: 2021 HEMIS database, data extracted in November 2022.

Africans constituted for nearly 80% of students enrolled in public HEIs during 2021 (at 79.5% or 849 246 students), while White students accounted for 10.2% (at a total of 108 982) of total enrolment, followed by Coloured students (at 5.6% or 59 313 students) and Indian/Asian students (at 3.6% or 38 911 students). In each population group, more female than male students were enrolled. The African population group had the highest gender disparity, with 199 509 more female students enrolled than their male counterparts, and the Indian/Asian population group had the smallest gender gap (at 8 056 more females compared to males).

Most of the students enrolled in the contact and distant learning modes were female African students. The highest gender gap was evident in the distance mode of learning, where 135 327 more African female students were enrolled than male students, while the smallest gender gap was apparent for Indian/Asian students enrolled through the contact mode, where there were 2 664 more female than male students.

The total number of students who reported having a disability was 12 877 during 2021, comprised 1.2% of the total enrolment at public HEIs (or 1 068 046 students). The most common type of disability among students was reported to be a hearing disability (at 20.7% or 2 665 students), followed by a sight disability (at 19.7% or 2 541 students) and physical disability (at 17.2% or a total of 2 220 students). Additionally, a significant number of students (comprising 20.7% or a total of 2 660 students) did not disclose their disability type.

TABLE 1: Number of students enrolled in public HEIs by primary disability and gender, 2021

Barriers to Learning	Female	Male	Unspecified	Total
Communication (talking, listening)	55	132	0	187
Emotional (behavioural or psychological)	695	413	11	1 119
Hearing (even with a hearing aid)	1 563	1 101	1	2 665
Intellectual (difficulties in learning)	665	732	4	1 401
Multiple	52	32	0	84
Physical (moving, standing, grasping)	1 265	953	2	2 220
Sight	1 397	1 142	2	2 541
Disabled but unspecified	1 552	1 104	4	2 660
Total	7 244	5 609	24	12 877

Source: 2021 HEMIS database, data extracted in November 2022.

More than half of the students who reported to have a disability were female (at 56.3% or a total of 7 244 students) while 43.6% or 5 609 students were male. The highest gender gap was apparent for students with hearing and physical disabilities, where 462 and 312 more females reported to have these disabilities compared to their male counterparts. Even though there were generally more females than males with disabilities, a slightly higher number of male students reported to have communication and intellectual disabilities when compared to female students.

Almost two thirds of all graduates were female (at 63.8% or 148 841 graduates), while 36.2% (or 84 367 graduates) were male. The number of female graduates were also higher across almost all qualification types (except Doctoral degrees), with the largest gender disparities observed for undergraduate degrees (comprising 27 903 graduates) and undergraduate certificates and diplomas (comprising 20 556 graduates). Male graduates for Doctoral degrees outnumbered females by 287 graduates.



Dr M Socikwa, Deputy Director-General: University Education

3.3.4 PROGRAMME 3: UNIVERSITY EDUCATION

PROGRAMME 3: UNIVERSITY EDUCATION								
Outcome	Output	Output Indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (* 2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned targets to Actual Achievement	Comment on deviation: Both over and under achievement
1. Expanded access to PSET opportunities	A five-year enrolment plan for universities for 2020-2025 with equity targets implemented and achieved	Reviewed Enrolment Planning Statement for the cycle 2023-2025 for universities approved			Reviewed Enrolment Planning Statement for the cycle 2023-2025 for universities approved by the Minister by 31 December 2022	Target Achieved Reviewed Enrolment Planning Statement for the cycle 2023-2025 was approved by the Minister on 13 December 2022	None	None
	A report on the achievement of Ministerial enrolment planning targets approved	A report on the achievement of Ministerial enrolment planning targets approved annually	A report on the achievement of Ministerial enrolment planning targets was approved by the Director-General on 26 March 2021	A report on the achievement of Ministerial enrolment planning targets was approved by the Director-General by 31 March 2022	A report on the achievement of Ministerial enrolment planning targets approved by the Director-General by 31 March 2023	Target Achieved A report on the achievement of Ministerial enrolment planning targets approved by the Director-General on 11 November 2022	None	None
	A Fee Regulation Framework developed and implemented by all public HEIs	A Fee Regulation Framework submitted for approval		A proposed Fee Regulation Framework was developed and submitted to the Minister on 4 November 2021	A Fee Regulation Framework submitted to the Minister for approval by 31 December 2022	Target Not Achieved A Fee Regulation Framework was not submitted to the Minister for approval as planned	More additional data was required before approval for consultation.	The Framework was not yet ready for public consultation and substantive engagement with the Minister was required.

PROGRAMME 3: UNIVERSITY EDUCATION								
Outcome	Output	Output Indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (* 2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned targets to Actual Achievement	Comment on deviation: Both over and under achievement
	Guidelines for the DHET Bursary Scheme at public universities implemented	Updated guidelines for implementation of the DHET Bursary Scheme at public universities submitted for concurrence annually	Updated guidelines for implementation of the DHET Bursary Scheme at public universities were submitted to the Minister for approval on 26 March 2020	Updated guidelines for the implementation of the DHET Bursary Scheme for students from poor and working class families at public universities were submitted to the Minister for approval by 31 December 2021	Updated guidelines for the DHET Bursary Scheme at public universities submitted to the Minister for concurrence by 31 December 2022	Target Achieved Updated guidelines for the DHET Bursary Scheme at public universities were submitted and approved by the Minister on 13 December 2022	None	None
	Student funding policy implemented	Student funding policy submitted for approval		Proposed funding framework for student policy was developed and approved by the Director-General on 27 March 2022	Student funding policy submitted to the Minister for approval by 30 October 2022	Target Achieved Student funding policy was submitted to the Minister for approval on 13 September 2022	None	None
	Student enrolments at public universities	Number of students enrolled at public universities annually	1 074 912	1 094 808	1 098 000*	Target Not Achieved 1 068 046	(29 954)	The cause for deviation is the delay in HEQSF alignment process in replacing the B-Tech qualifications with Advanced Diplomas, especially for UoTs and Comprehensive universities.

PROGRAMME 3: UNIVERSITY EDUCATION

Outcome	Output	Output Indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (* 2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned targets to Actual Achievement	Comment on deviation: Both over and under achievement
								The bulge of the # fees must fall decisions had an impact in that universities projected enrolments using the rise in student numbers. Thereafter returning students left the system.
	University students receiving funding through NSFAS bursaries	Number of university students receiving funding through NSFAS bursaries annually	393 767	504 336	431 412*	Target Achieved 556 629	125 217	There are no limits imposed by the Department on the number of students that may be permitted to benefit under the scheme.
2. Improved success and efficiency of the PSET System	Students completing a university qualification	Number of students completing a university qualification annually	221 942	237 882	227 000	Target Achieved 233 257	6 257	This target was achieved and exceeded due to the delivery and assessment methods used by universities during COVID-19. Most students passed and the high pass rate resulted in the overachievement in the graduate outputs.

PROGRAMME 3: UNIVERSITY EDUCATION								
Outcome	Output	Output Indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (* 2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned targets to Actual Achievement	Comment on deviation: Both over and under achievement
	Graduates in engineering	Number of graduates in engineering annually	13 714	12 652	14 750*	Target Not Achieved 12 605	(2 145)	Universities projected numbers for the 240-credit Diplomas that were approved and accredited. The 240-credit Diplomas were mainly for engineering qualifications, however the Department placed a moratorium on the 240-credit Diplomas and this caused the decline in engineering graduates.
	Graduates in natural and physical sciences	Number of graduates in natural and physical sciences annually	9 121	9 642	11 000*	Target Not Achieved 10 608	(392)	TUT and NMU had an impact in the decreased numbers in enrolments for natural and physical sciences graduates. The universities mentioned that the HEQSF alignment for the replacement of B-Techs and Advanced Diploma had a negative impact in the production of graduates in these areas.

PROGRAMME 3: UNIVERSITY EDUCATION

Outcome	Output	Output Indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (* 2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned targets to Actual Achievement	Comment on deviation: Both over and under achievement
	Graduates in human health science	Number of graduates in human health science annually	10 760	9 646	10 000*	Target Not Achieved 9 558	(442)	Impact of COVID-19 pandemic on university graduations. Twelve institutions under achieved which affected the overall achievement of the sector.
	Graduates in animal health science	Number of graduates in animal health science annually	516	867	900*	Target Achieved 1 509	609	There are 15 universities active in Animal Sciences. UNISA produced 987 graduates and this has a big impact on deviation on the field.
	Graduates in initial teacher education	Number of graduates in initial teacher education annually	28 335	30 809	29 000*	Target Achieved 29 925	925	Universities are encouraged to produce more teachers, especially in the STEM subjects due to the envisaged number of teachers that will be retiring in the next few years. The over achievement in initial teacher education is within the minimum range for deviation of 2%, which is acceptable.

PROGRAMME 3: UNIVERSITY EDUCATION								
Outcome	Output	Output Indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (* 2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned targets to Actual Achievement	Comment on deviation: Both over and under achievement
	Graduates in veterinary science	Number of veterinary science graduates annually	284	208	185*	Target Achieved 219	34	The Department is encouraging universities to produce more veterinary science graduates. Two universities have been requested to provide feasibility studies on the expansion of veterinary sciences. The increase in graduate number is within the accepted 2% deviation.
	Master's graduates (all master's)	Number of master's graduates (all master's) annually	13 519	12 922	14 500*	Target Not Achieved 13 796	(704)	The sector is currently facing challenges in sourcing funding for postgraduate qualifications, this caused the decrease in the number of enrolments which ultimately affected graduate output. This could be due to student debt from undergraduate studies and the state of the country and ability to employ graduates.

PROGRAMME 3: UNIVERSITY EDUCATION

Outcome	Output	Output Indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (* 2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned targets to Actual Achievement	Comment on deviation: Both over and under achievement
	Doctoral graduates	Number of Doctoral graduates annually	3 445	3 552	3 350*	Target Achieved 3 574	224	This is an over achievement that is acceptable. The country needs to produce more Doctoral candidates.
	Increase in first-time students entering university	Percentage increase in first-time students entering university	187 722	209 522	1.5 %* (204 000)	Target Not Achieved (-19.02%) (169 675)	(18%) (39 847)	The first time entering undergraduate student numbers dropped due to the low number of matric students meeting the entrance requirements to universities for certain degrees and the capping of numbers for specific qualifications, e.g. South African Nursing Council and the South African Dental Technicians Council.
	Throughput rate of first-time cohort at universities	Throughput rate of 2014 first-time cohort at universities			61%	Target Achieved 63%	2%	According to enrolment, institutions are given a +2 % deviation from the enrolment plan.

PROGRAMME 3: UNIVERSITY EDUCATION								
Outcome	Output	Output Indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (* 2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned targets to Actual Achievement	Comment on deviation: Both over and under achievement
	Implementation of student success initiatives by universities supported	Monitoring report on the implementation of UCDP approved annually	A report on the implementation of UCDP was approved by the Director-General on 30 March 2021	A report on the UCDP report was approved by the Director-General on 28 March 2022	A report on the implementation of UCDP approved by the Director-General by 31 March 2023	Target Not Achieved A report on the implementation of UCDP was not approved as planned	There were delays in approving the release of funds that must form part of the financial component of the UCDP report.	There were delays in approving the release of funds that must form part of the financial component of the UCDP report.
3. Improved quality of provisioning	The Staffing South Africa's Universities Framework implemented	Number of nGAP posts filled at universities every year	100	87	85	Target Achieved 87	2	The target was over-achieved due to the improvement on the recruitment processes at universities.
		Number of scholarship or internship positions allocated to universities through the Nurturing Emerging Scholars Programme		42	40	Target Achieved 41	1	Sufficient funding to allocate scholarships to more than 40 academics.

PROGRAMME 3: UNIVERSITY EDUCATION								
Outcome	Output	Output Indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (* 2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned targets to Actual Achievement	Comment on deviation: Both over and under achievement
		Number of Doctoral scholarships allocated to universities through the University Staff Doctoral Programme (USDP) for award to permanent instructional or research staff members		43 awards for instructional or research staff members were recommended for the USDP opportunities	40	Target Achieved 48	8	Sufficient funding to allocate scholarships to more than 40 academics.
		Number of awards made to permanent instructional or research staff at universities to participate in the Future Professors Programme	31	29	25	Target Achieved 27	2	Sufficient funding to allocate two more fellowships.
	University lecturers (permanent instruction or research staff) who hold Doctoral degree	Proportion of university lecturers (permanent instruction or research staff) who hold Doctoral degrees			48%	Target Achieved 49%	1%	Due to improved recruitment processes at universities.

PROGRAMME 3: UNIVERSITY EDUCATION								
Outcome	Output	Output Indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (* 2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned targets to Actual Achievement	Comment on deviation: Both over and under achievement
	Universities that meet standard of good governance	Percentage of universities that meet standard of good governance			85%	Target Achieved 86%	1%	With limited work done on university governance indicators internationally, the Department developed indicators of good governance tailored to a university context which provide comprehensive coverage of governance matters at South African universities, for self-assessment by councils. In determining institutions that met standards of good governance, a number of factors were taken into consideration: 1) submission of scorecards and annual reports; 2) council self-assessment scores; 3) audit outcomes; 4) Ministerial interventions.

PROGRAMME 3: UNIVERSITY EDUCATION								
Outcome	Output	Output Indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (* 2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned targets to Actual Achievement	Comment on deviation: Both over and under achievement
								The self-assessments have served to conscientise councils about the areas of their responsibilities, and as such identify areas for improvement. There is a gradual alignment of governance practices by councils with the Guidelines for Good Governance Practice.
	Universities that are supported to develop TVET college articulation implementation plans	Number of universities that are supported to develop TVET college articulation implementation plans			6 (cumulative)	Target Achieved 6 (cumulative)	None	None
	Support to improve university governance and management practices provided	A needs analysis report and framework for the university governance programme approved			A needs analysis report and framework for the university governance programme approved by the Director-General by 31 March 2023	Target Not Achieved Draft needs analysis report was developed but not submitted for approval	The draft needs analysis report needed major revisions and possibly additional research.	The target was not met due to non-satisfactory needs analysis report, as a result of both internal and external factors. The needs analysis work was conducted by a project team appointed by the partner institution.

PROGRAMME 3: UNIVERSITY EDUCATION								
Outcome	Output	Output Indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (* 2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned targets to Actual Achievement	Comment on deviation: Both over and under achievement
								As the project progressed, it became evident that the deep knowledge of higher education governance required to achieve the project goals was lacking in the team. The Researcher later resigned which resulted in further delays. There was also low participation by universities during the data collection stages. As a result, the draft needs analysis submitted in December 2022, was found to require major revisions and possibly additional research. The situation was also exacerbated by internal capacity issues as a result of understaffing which weakened the oversight on the project. Measures have been put in place to ensure the finalisation of the report during the course of 2023.

PROGRAMME 3: UNIVERSITY EDUCATION

Outcome	Output	Output Indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (* 2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned targets to Actual Achievement	Comment on deviation: Both over and under achievement
	Effective reporting by public and private HEIs and entities to enable monitoring of governance and management	A report on the financial health of all (26) public HEIs approved annually	A report on the financial health of all public HEIs was approved by the Director-General on 29 March 2021	A report on the financial health of all public HEIs was approved by the Director-General on 14 December 2021	A report on the financial health of all 26 public HEIs approved by the Director-General by 31 December 2022	Target not achieved A report on the financial health of all 25 public HEIs was approved by the Director-General on 09 January 2023	Delays in receiving correct data from some of the institutions.	The achievement refers to only 25 public HEIs approved by the Director-General. The UNISA requested an extension until 30 September 2022 citing that their external auditors (Ernest & Young) have identified additional risks during the 2022 audit and this required them to perform additional audit work.
		A report on effective governance of all (26) public HEIs approved annually	A report on effective governance of all public HEIs was approved by the Director-General on 11 March 2021	A report on effective governance of all public HEIs was approved by the Director-General on 20 March 2022	A report on effective governance of all 26 public HEIs approved by the Director-General by 31 March 2023	Target Achieved A report on effective governance of all 26 public HEIs was approved by the Director-General on 20 February 2023	None	None
		A report on the compliance of PHEI to the regulations approved annually	A report on the compliance of PHEI to the regulations was approved by the Director-General on 30 March 2021	A report on the compliance of PHEI to the regulations was approved by the Director-General on 30 March 2022	A report on the compliance of PHEI to the regulations approved by the Director-General by 31 March 2023	Target Not Achieved A report on the compliance of PHEI to the regulations was developed but not submitted as planned to Director-General as planned	The Directorate did not submit the report as planned.	The report could not be finalised at CD level before the end of the financial year.

PROGRAMME 3: UNIVERSITY EDUCATION								
Outcome	Output	Output Indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (* 2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned targets to Actual Achievement	Comment on deviation: Both over and under achievement
	Quality of research and creative and innovation outputs monitored	A report on the evaluation of research outputs of public universities approved annually	A report on the evaluation of the 2019 research outputs of public universities was approved by the Director-General on 29 March 2021	A report on the evaluation of the 2020 research outputs of public universities was approved by the Director-General on 27 March 2022	A report on the evaluation of the 2021 research outputs of public universities approved by the Director-General by 31 March 2023	Target Not Achieved Draft report on the evaluation of the 2021 research outputs of public universities was developed	The Directorate did not submit the report as planned.	The report could not be finalised at CD level before the end of the financial year. However, the report was subsequently approved outside the timeframe by the Director-General on 10 May 2023.
		A report on the evaluation of creative and innovation outputs by public universities approved annually	A report on the evaluation of creative and innovation outputs by public universities was approved by the Director-General on 28 December 2020	A report on the evaluation of creative and innovation outputs by public universities was approved by the Director-General on 27 December 2021	A report on the evaluation of creative and innovation outputs by public universities approved by the Director-General by 31 December 2022	Target Achieved A report on the evaluation of creative and innovative outputs by public universities was approved by the Director-General on 22 December 2022	None	None
	Universities that are implementing student-focused entrepreneurship development activities	Number of universities that are implementing student-focused entrepreneurship development activities	The Programme for EDHE was approved by the Director-General on 26 March 2021		8 (cumulative)	Target Achieved 20	12	Increased participation in Student Entrepreneurship initiatives by universities.

3.3.5 STRATEGY TO DEAL WITH UNDERPERFORMANCE

- i) The following targets form part of the Ministerial Enrolment Plan which were negatively affected by the COVID-19 pandemic, namely: the number of students annually enrolled at public universities, the number of graduates annually enrolled in engineering, the number of graduates annually enrolled in natural and physical sciences, the number of graduates enrolled in human health, the number of Master's graduates (all Master's) enrolled annually and the percentage increase in first-time students entering university. The Branch for the period under review undertook a mid-term review process for the amendment of 2023 to 2025 of the 2020 to 2025 enrolment plan. Following on Enrolment Planning workshops facilitated during 2022, reporting of scarce skills was introduced as part of the templates. Monitoring of the data has commenced and a report will be generated once numbers have been audited.
- ii) **A report on the evaluation of the 2021 research outputs of public universities approved by the Director-General by 31 March 2023:** Interventions will be made to ensure that additional capacity is made available during the next financial year with a view to ensure timeous submission.
- iii) **A report on the compliance of PHEI to the regulations approved by the Director-General by 31 March 2023:** Interventions will be made to ensure that additional capacity is made available during the next financial year with a view to ensure timeous submission.
- iv) **A report on the implementation of the UCDP approved by the Director-General by 31 March 2023:** This activity is deemed operational and is dependent on the early release of funds and reconciliation of finances for the UCDP grant by universities.
- v) **A needs analysis report and framework for the university governance programme approved by the Director-General by 31 March 2023:** Measures have been set in place to address shortcomings identified in the report. A meeting was convened with the partner university to relay concerns and an improvement plan has since been developed which requires that the report be submitted by July 2023.
- vi) **A Fee Regulation Framework submitted to the Minister for approval by 31 December 2022:** Additional data required will be collected and used to draft the final Framework for Ministerial approval and public consultation.
- vii) **A report on the financial health of all 26 public HEIs approved by the Director-General by 31 December 2022:** Universities will be engaged on Regulation 5(5) of the Reporting Regulations (Gazette 37726, dated 9 June 2014) subsequent to submission of universities Annual Reports to the Department either on or before 30 June of each year.

3.3.6 LINKING PROGRAMME PERFORMANCE WITH BUDGETS

SUB-PROGRAMME	2022/23			2021/22		
	Final appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Management: University Education	5 024	4 515	509	2 965	2 016	949
University Planning and Institutional Funding	17 365	14 770	2 595	18 816	14 737	4 079
Institutional Governance and Management Support	45 930 182	45 928 344	1 838	38 805 467	38 800 537	4 930
Higher Education Policy Development and Research	9 870	6 285	3 585	13 190	6 900	6 290
Teaching, Learning and Research Development	25 664	22 340	3 324	29 387	18 902	10 485
University Subsidies	42 846 380	42 842 335	4 045	41 289 433	41 287 565	1 868
Total	88 834 485	88 818 589	15 896	80 159 258	80 130 657	28 601



Mr SZ Zungu, Deputy Director-General: Technical and Vocational Education and Training

3.4 PROGRAMME 4: TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING

3.4.1 PROGRAMME PURPOSE

The purpose of the programme is to plan, develop, implement, monitor, maintain and evaluate national policy, programmes assessment practices and systems for TVET colleges. Provide financial and other support to TVET colleges and regional offices.

There are six budget sub-programmes:

- Programme Management: Technical and Vocational Education and Training
- Technical and Vocational Education and Training System Planning and Institutional Support
- Programmes and Qualifications
- National Examinations and Assessment
- Technical and Vocational Education and Training Financial Planning
- Regional Offices

3.4.2 SIGNIFICANT ACHIEVEMENTS OF TARGETS AND OUTPUT INDICATORS AND HOW THEY CONTRIBUTED TO ACHIEVING THE OUTCOMES

Expanded access to PSET System

A total of 589 083 students were enrolled at TVET colleges during 2021 and this represents 30.2% or an increase of 136 806 students when compared to 2020 (comprising of 452 277 students). The COVID-19 pandemic resulted in a decrease in TVET college enrolment during 2020. However, enrolment is now beginning to improve, explaining the higher comparative increase between 2020 and 2021.

TABLE 1: Enrolment cycle count of students in TVET colleges by qualification category and gender, 2021

Qualification Category	Female	Male	Total	Female	Male
NC(V)	98 237	43 531	141 768	69.3%	30.7%
Report 191	255 001	161 948	416 949	61.2%	38.8%
Occupational Qualifications	12 068	6 209	18 277	66.0%	34.0%
Skills Programmes	2 633	4 020	6 653	39.6%	60.4%
PLP	2 676	1 905	4 581	58.4%	41.6%
Level 5 and Level 6 Qualifications	769	86	855	89.9%	10.1%
Grand Total	371 384	217 699	589 083	63.0%	37.0%

Source: TVETMIS 2021, data extracted in February 2023.

Subsequent to the President's call to place 10 000 unemployed TVET graduates in workplaces as from April 2022, the Department has overseen the placement of graduates in roles aligned to their respective fields of study. A total of 10 616 graduates were accordingly placed within industry and across government departments by 31 March 2023.

Improved Success and Efficiency of the PSET System

The Department has introduced the PLP at TVET colleges for students who did not meet the minimum requirements in their chosen fields of study, such as Engineering as a result of substandard grades evident in their pre-requisite classes, particularly in relation to Mathematics and Science studies.



In terms of programmes and qualifications offered at TVET colleges, there has been a gradual increase in occupational offerings, which will go to scale in the ensuing years, facilitated through adjustments to the funding grid geared towards enabling more enrolments across occupational programmes. As a parallel process, existing curricula in NATED programmes are being systematically updated and made relevant, especially where technologies are core to learning content.

Improved Quality of PSET Provisioning

The NDP directs the PSET system in supporting the development of programmes at universities focussed on the training of college lecturers. The Department has ensured that a framework was developed enabling universities to offer accredited TVET colleges lecturing qualifications. In this regard, 21 universities have been offering accredited TVET college lecturing qualifications at the close of the 2021 academic year. In addition and measured against the set target of 250 lecturers, 118 TVET college lecturers were accordingly supported during the 2021 academic year in acquiring professional qualifications.

A Responsive PSET System

The Department has made a commitment to building the capacity of TVET colleges in relation to training artisans and contributing towards the NDP target by producing 30 000 artisans by 2030. To date, 34 CoS have been established at TVET colleges offering thirteen critical trades accordingly identified in the National Infrastructure Plan.

The introduction of learning programmes in robotics and digital skills have been prioritised for implementation at TVET colleges in alignment with 4IR imperatives and requisite skills requirements. A total of 38 curricula have since been reviewed, with a commitment to in future, revise ten additional curricula per annum and ensure that vocational skills remain current and relevant.

3.4.3 THE PROGRAMME'S RESPONSE TO THE NEED TO PRIORITISE WOMEN, YOUTH AND PERSONS WITH DISABILITIES IN ITS SERVICE DELIVERY ENVIRONMENT

Nine of every ten students enrolled at TVET colleges during 2021, were Africans (at 92.0% or comprising a total of 542 093 students), with Coloured students accounting for 7.2% (or 42 614 students). Indian/Asian students made up 0.2% (or a total of 1 013 students), White students comprised 0.6% (or a total of 3 346 students) while others accounted for 0.003 (or 17 students). African, Coloured and Indian/Asian students enrolled primarily for Report 191 and NC(V) qualifications, while 86.6% of White students enrolled for Report 191 and occupational qualifications.

The total number of female students enrolled at TVET colleges during 2021 was 371 384, which represents 153 685 more students, when compared to their male counterparts comprising of 217 699 students. The proportion of female students was higher than that of males across almost all qualification types with exception of skills programmes, where 1 387 more males enrolled when compared with female enrolments. Report 191 qualification reflected the greatest gender disparity, with 93 053 more female students enrolling than males.

3.4.4: PROGRAMME 4: TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING

PROGRAMME 4: TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING								
Outcome	Output	Output indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (*2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and under achievement
Expanded access to PSET opportunities	Three-year enrolment plan with differentiation in programme enrolment developed and implemented	Three-year enrolment plan with differentiation in programme enrolment approved annually	Final conceptual framework for the development of a three-year enrolment plan with differentiation in programme enrolment was approved by the Director-General on 31 March 2021	Draft three-year enrolment plan with differentiation in programme enrolment was approved by the Director-General on 25 March 2022	Three-year enrolment plan with differentiation in programme enrolment approved by the Director-General by 30 September 2022	Target Achieved (outside planned timeframe) Three-year enrolment plan with differentiation in programme enrolment was approved by the Acting Director-General on 28 October 2022	Delays experienced during the consultation process with the TVET colleges to finalise the enrollment plan.	The process of collating the plans from colleges was not fully considered in setting the target date of 30 September 2023.
	Disability Support Units (DSUs) to support students with disabilities in TVET colleges established	Number of TVET colleges with established DSUs to support students with disabilities	The report on the number of COS's to support students with disabilities in TVET colleges have been completed and approved by the Director-General on 18 March 2021	Four TVET colleges with established DSUs to support students with disabilities	Additional one DSU to support students with disabilities in TVET colleges established by 31 March 2023	Target Achieved Additional one DSU to support students with disabilities in TVET colleges was established on 16 February 2023	None	None
	Student enrolments at TVET colleges	Number of students enrolled at TVET colleges annually	673 490	452 277	580 849*	Target Achieved 589 083	8 234	Colleges planned realistically and achieved within the funding provided.

PROGRAMME 4: TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING								
Outcome	Output	Output indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (*2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and under achievement
	TVET colleges students receiving funding through NSFAS bursaries	Number of TVET college students receiving funding through NSFAS bursaries annually	289 418	265 747*	329 554*	Target Not Achieved 266 063	(63 491)	The colleges were still struggling to recover from COVID-19 impact and the decrease in funding.
	Artisan learners trained in CoS	Number of artisan learners trained in CoS per annum	200	91*	800*	Target Achieved 856	56	Some colleges registered more learners than the planned target.
	Unemployed TVET students placed in workplaces	Number of unemployed TVET students placed in workplaces annually		New indicator	10 000	Target Achieved 10 616	616	An intensive drive by the Department and colleges encouraged employers to place students in the workplace, contributed to overachievement. A Partnerships Summit was hosted to strengthen this initiative. Furthermore, a data capture tool was developed and refined to ensure better alignment of data collected between SETAs and colleges. Finally, the tool forces colleges to report on partnerships comprehensively.

PROGRAMME 4: TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING								
Outcome	Output	Output indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (*2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and under achievement
	Cooperation agreement with Germany on South African Institute for Vocational and Continuous Education and Training (SAIVCET) work implemented	Report on cooperation agreement with Germany on SAIVCET work approved annually	A report on cooperation agreement with Germany on SAIVCET work was approved by the Director-General on 18 March 2021	A report on cooperation agreement with Germany on SAIVCET work was approved by the Director-General on 9 March 2022	A report on cooperation agreement with Germany on SAIVCET work approved by the Director-General by 31 March 2023	Target Not Achieved A report on cooperation agreement with Germany on SAIVCET work was not approved as planned. Subsequently, the report was approved by the Director-General on 4 May 2023	There were delays in the compilation of the report due to a lack of capacity as a result of staff resignation.	Although the report was developed within the financial year it was not approved by the end of the financial year, hence this resulted in the target not being achieved.
Improved success and efficiency of the PSET system	A user-friendly integrated examination resulting system developed	Number of days to release examination results to qualifying students	Report on user acceptance tests (UAT) and factory acceptance tests (FAT) was approved by the Director-General on 29 March 2021	Examinations results per cycles for qualifying students were released in 10 days from the last date of exam timetable	Examination results released to qualifying students within 40 days from last day of the exams timetable (per cycle)	Target Achieved 23 days (Average of Q2: 18 days and Q4: 28 days)	17 days	The standardisation and approval dates are provided by Quality Councils. Meetings are held during the weekend with QCs to conduct resulting processes.
	Certificates issued to qualifying candidates	Period it takes to issue certificates to qualifying candidates following publication of results (months)			3 months	Target Achieved 2 months (Average of 65 and 60 days)	1 month	Geographical dynamics contributed to an overachievement. It took a few days to deliver certificates to colleges closer to the Department and longer to colleges far away.

PROGRAMME 4: TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING								
Outcome	Output	Output indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (*2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and under achievement
	Certification backlog reduced	Report on eradication of certification backlog approved	Certification backlog reduced to less than 0.5% of qualifying students per examination (Progress report was approved by the Director-General on 29 March 2021)	99.94%	Report on eradication of certification backlog approved by the Director-General by 30 September 2022	Target Achieved (outside planned timeframe) Report on eradication of certification backlog was signed and approved by the Director-General on 30 March 2023	There were delays in the finalisation of the report. There were erroneous records which needed DHET and UMALUSI Team to correct and align the dataset.	
	TVET college students completing N6 qualification	Number of TVET college students completing N6 qualification annually	113 393	14 700	72 298*	Target Not Achieved 28 685	(43 613)	Due to COVID-19 pandemic and its restrictive regulations in 2021, certain curriculum changes had to be made with regards to delivery of curriculum. These include: 1. Wavering of 80% class attendance requirement, which may have impacted negatively on the performance and therefore completion. 2. Internal Continuous Assessment (ICASS) Guidelines were also adjusted to align with COVID-19 regulations. This may have impacted negatively on the performance of students in some assessment activities.

PROGRAMME 4: TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING

Outcome	Output	Output indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (*2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and under achievement
	TVET college students completing NC(V) Level 4	Number of TVET college students completing NC(V) Level 4 annually	10 920	12 507	13 552*	Target Not Achieved 11 374	(2 178)	Due to COVID-19 pandemic and its restrictive regulations in 2021, certain curriculum changes had to be made with regards to delivery of curriculum. These include: 1. Wavering of 80% class attendance requirement, which may have impacted negatively on the performance and therefore completion. 2. Internal Continuous Assessment Guidelines were also adjusted to align with COVID-19 regulations. This may have impacted negatively on the performance of students in some assessment activities. 3. In the case of NCV programme, students lost almost 4 weeks of lecturing days due to the restrictive COVID-19 regulations implemented at the beginning of 2021.

PROGRAMME 4: TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING								
Outcome	Output	Output indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (*2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and under achievement
	Throughput rate of TVET (NC(V))	Throughput rate of TVET (NC(V))	46.8%	36.6%	40%	Target Not Achieved 27.2%	(12.8%)	This cohort of students experienced two years of COVID-19 pandemic. This period was characterised by long stay aways from teaching and learning, and adaptation to multi-modal learning strategies which may have had an impact on the performance of students. It should also be noted that the method of calculation for throughput was revised to include all students who enrolled in the cohort. Due to this change the target for this indicator was supposed to have been revised down accordingly. Finally, students are aware that they are fully funded for N1 period of study, which culminates in one extra period of study hence driving down the throughput rate which is calculated as the minimum period for completion of studies.

PROGRAMME 4: TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING

Outcome	Output	Output indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (*2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and under achievement
	Students enrolled in PLP to improve success	Number of students enrolled in PLP to improve success	3 597	5 250	4 000	Target Achieved 4 581	581	More students presenting inadequate numeracy and literacy skills needed to succeed in TVET programmes are applying at TVET colleges but this cohort comes at the funding expense of admitting more students into actual qualifications.
Improved quality of PSET provisioning	TVET college lecturers with professional qualifications	Percentage of TVET college lecturers with professional qualifications	59%	66%	70%*	Target Not Achieved 65%	(5%)	During the 2021 academic year there was COVID-19 which had an impact on a number of lecturers to pursue further studies towards attaining professional qualifications. Quite a number had to deregister from their studies due to the impact of the national lockdown.

PROGRAMME 4: TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING								
Outcome	Output	Output indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (*2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and under achievement
	TVET college lecturers holding appropriate qualifications supported to acquire professional qualifications	Number of TVET lecturers holding appropriate qualifications supported to acquire professional qualifications annually	161	119	250*	Target Not Achieved 118	(132)	During the 2021 academic year there was COVID-19 which had an impact on a number of lecturers supported to pursue further studies towards attaining professional qualifications. Quite a number had to deregister from their studies due to the impact of the national lockdown.
	TVET college lecturing staff appropriately placed in industry or exchange programmes	Percentage of TVET college lecturing staff appropriately placed in industry or exchange programmes	6%	2.2%	14%*	Target Not Achieved 2%	(12%)	Due to COVID-19 pandemic and lack of access to industry.

PROGRAMME 4: TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING

Outcome	Output	Output indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (*2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and under achievement
	Lecturers participating in project-based lecturer capacity building programmes in engineering (electrical, plumbing and mechanical)	Number of lecturers participating in project-based lecturer capacity building programmes in engineering (electrical, plumbing and mechanical)	New Indicator	100	100*	Target Achieved 115	5	Two separate programmes were conducted in 2021 for electrical and plumbing lecturers (80) sponsored by the GIZ; and for mechanical and electrical (TRAINME) (35) sponsored by KfW. Due to the impact of COVID-19, it was not expected that the programme will be conducted physically. However, due to the easing of COVID-19 regulations, the programme was conducted in blended modes including physical contact sessions held in October 2021.
	Governance standards for TVET colleges councils developed and implemented	Instrument to monitor the implementation of TVET college council code of conduct approved	Draft governance standards and regulations for TVET college councils were developed and not approved as planned	Final governance standards for TVET college Councils were not developed as planned	Instrument to monitor the implementation of TVET college council code of conduct approved by the Director-General by 31 March 2023	Target Achieved Instrument to monitor the implementation of TVET college council code of conduct was approved by the Director-General on 20 March 2023.	None	None

PROGRAMME 4: TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING								
Outcome	Output	Output indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (*2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and under achievement
A responsive PSET System	Students placed in workplaces for experiential learning	Percentage increase in student placement in the workplace for experiential learning per annum	Guidelines for the placement of students and lecturers in the workplace for experiential learning was developed but not completed due to disruptions caused by COVID-19	5% The total number of student placement decreased from 9 094 in 2020 to 9 061 in 2021	8%	Target Achieved 207%	199%	Student placements in three provinces contributed to over-achievement: 1. Gauteng 2. KwaZulu-Natal 3. Western Cape These three provinces collectively account for 16 396 student placements, i.e. 59% of all student placements. At a college level, five colleges have made a significant contribution towards placements of students: 1. South West Gauteng 2. Motheo 3. Majuba 4. False Bay 5. West Coast
	TVET colleges offering 4IR aligned skills training	Number of TVET colleges offering 4IR aligned skills training	New Indicator	0 TVET colleges offer 4IR aligned training programmes in terms of this project	25*	Target Achieved 42	17	There is a drive to integrate Information Technology and 4IR programmes into the curriculum of all TVET colleges.

PROGRAMME 4: TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING

Outcome	Output	Output indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (*2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and under achievement
	Lecturers participating in digital literacy programmes	Number of lecturers participating in digital literacy programmes	New Indicator	651	3 000*	Target Not Achieved 649	(2 351)	During the 2021 academic year there was COVID-19 which had an impact on a number of lecturers participating in digital literacy programmes. Quite a number had to deregister from their studies due to the impact of the national lockdown.
	TVET colleges that are implementing student-focused entrepreneurship development activities	Number of TVET colleges that are implementing student-focused entrepreneurship development activities annually		New Indicator	All 50 public TVET colleges implementing student-focused entrepreneurship development programmes	Target Not Achieved 42 public TVET colleges implementing student-focused entrepreneurship development programmes	(8)	Eight TVET colleges implement student-focused entrepreneurship development programmes. They are: 1. Flavius Mareka; 2. Sedibeng; 3. Tshwane South; 4. Western; 5. Mthashana; 6. Thekwini; 7. Letaba; and 8. South Cape.

PROGRAMME 4: TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING								
Outcome	Output	Output indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (*2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and under achievement
								Given that colleges were required to report on these programmes for the first time, some colleges reported that they were unable to secure funding for implementation.
	Protocols signed with industry to place TVET college students and lecturers for workplace experience	Number of protocols signed with industry to place TVET college students and lecturers for workplace experience annually		New Indicator	All 50 public TVET colleges sign at least two protocols with industry and place learners for workplace experience accordingly	Target Not Achieved 9 public TVET colleges sign at least two protocols with industry and place learners for workplace experience	(41)	The following nine TVET colleges had at least two protocols signed with industry: East Cape Midlands, King Hintsa, Port Elizabeth, Ekurhuleni, Ekurhuleni West, Majuba, Mnambithi, Taletso and False Bay. The remaining 41 colleges did not submit reports, which contributed to the variance of non-achievement.
	TVET college curricula aligned with industry needs developed and implemented	Number of new or revised subject curricula for TVET colleges approved annually	At least 5 subjects' curricula were reviewed	15 revised subject curricula for TVET colleges were approved by the Director-General on 30 March 2022	10 new or revised subject curricula for TVET colleges approved by the Director-General for implementation by 31 March 2023	Target Achieved 11 new or revised subject curricula for TVET colleges approved by the Director-General for implementation by 31 March 2023	1	The focus for review in the Services Studies learning area was on the Hospitality and Catering Services programme. The subject Tourism Destinations was added to complete the review of the Tourism programme whose other subjects were already reviewed in the 2020/21 financial year.

PROGRAMME 4: TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING								
Outcome	Output	Output indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (*2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and under achievement
	Upscaling of digital skills training in TVET colleges	Number of TVET programmes with integration of digital skills training	Target not achieved	50 TVET colleges offering training programmes in digital skills	3 additional new/ reviewed TVET programmes with integrated digital skills training approved by the Director-General for implementation by 31 March 2023	Target Achieved 3 additional new/ reviewed TVET programmes with integrated digital skills training approved by the Director-General for implementation on 16 February 2023	None	None

3.4.5 STRATEGY TO DEAL WITH UNDERPERFORMANCE

i) **The targets on the number of students completing the N6 qualification and NC(V) Level 4 annually were not achieved**

The TVET Branch has established a Task Team to consider options on accelerated access and growth of the TVET sector. Various sub-committees are currently working on the mitigating options that include the following:

- The assessment of the available excess infrastructure (such as classrooms, workshops, among other) to facilitate additional enrolments;
- The assessment of college capacity in offering multi-modal/ hybrid teaching and learning modes such as distance learning;
- The acceleration of initiatives for digitising assessments and online digital content development; and
- The assessment of the human resource (lecturers) capacity in enabling growth across the sector.

ii) **Number of TVET college students annually receiving funding through NSFAS bursaries**

The Department is currently promoting the NSFAS to potential students during the advent of registrations processes at universities and TVET colleges.

iii) **A report on the cooperation agreement with Germany regarding SAIVCET work approved by the Director-General by 31 March 2023**

The report on the cooperation agreement with Germany pertaining to SAIVCET work was submitted to and approved by the Director-General subsequent to the requisite date and duly signed on 4 May 2023. However, action will be taken to ensure that additional capacity is made available during the next financial year as well as timely submission.

iv) **Throughput rate of TVET (NC(V))**

It should also be noted that the methodology for calculation of throughput was revised to include all students who enrolled as part of this cohort. Due to the amendment, the target for this indicator should have been revised downward accordingly. Finally, students are aware that they are fully funded for the N+1 period of study, which culminates in one extra period of study and as a result driving down the throughput rate which is calculated as the minimum period for completion of studies.

v) **All 50 public TVET colleges sign at least two protocols with industry and place learners for workplace experience accordingly**

TVET colleges will be supported through workshops on how to enter into partnerships. Relevant templates and guidelines on drawing up agreements will also be provided to colleges. The Minister has instructed that all TVET college principals in their respective performance agreements must have partnership agreements and the placement of students and lecturers included as part thereof.

vi) **All 50 public TVET colleges implementing student-focused entrepreneurship development programmes**

The Department will on an ongoing basis provide support to those TVET colleges that do not have the capacity and capability to develop and implement student focused entrepreneurship development programmes. In addition, letters will be written to all the non-complaint colleges to highlight concerns regarding their lack of implementing student-focused entrepreneurship development programmes and subsequently request them to submit plans aimed at introducing these programmes.

vii) Number of lecturers participating in digital literacy programmes

Workshops will be conducted encouraging students to participate in digital literacy programmes.

viii) Percentage of TVET college lecturing staff appropriately placed in industry or exchange programmes

The Department will conduct regional workshops to determine the root causes for the decline in student placements and identify measures to address this matter.

ix) Percentage of TVET college lecturers with professional qualifications

The Department will conduct regional workshops encouraging TVET college lecturers to register for professional qualifications.

x) Number of TVET lecturers holding appropriate qualifications supported to acquire professional qualifications annually

The Department will conduct regional workshops to encourage and support TVET college lecturers to register for professional qualifications.

3.4.6 LINKING PROGRAMME PERFORMANCE WITH BUDGETS

SUB-PROGRAMME	2022/23			2021/22		
	Final appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Management: Technical and Vocational Education and Training	5 476	4 998	478	4 070	3 899	171
Technical and Vocational Education and Training System Planning and Institutional Support	11 677 976	11 402 226	275 750	11 312 669	11 176 778	135 891
Programmes and Qualifications	22 157	20 436	1 721	22 328	18 393	3 935
National Examinations and Assessment	689 273	635 559	53 714	666 608	649 649	16 959
Technical and Vocational Education and Training Financial Planning	17 187	15 258	1 929	15 732	12 273	3 459
Regional Offices	235 764	204 056	31 708	225 562	201 321	24 241
Total	12 647 833	12 282 533	365 300	12 246 969	12 062 313	184 656

3.5 PROGRAMME 5: SKILLS DEVELOPMENT

3.5.1 PROGRAMME PURPOSE

Promote and monitor the National Skills Development Strategy. Develop skills development policies and regulatory frameworks for an effective skills development system.

There are five budget sub-programmes:

- Programme Management: Skills Development;
- National Artisan Development;
- Sector Education and Training Authority Coordination;
- National Skills Authority Secretariat; and
- Quality Development and Promotion

3.5.2 SIGNIFICANT ACHIEVEMENTS OF TARGETS AND OUTPUT INDICATORS AND HOW THEY CONTRIBUTED TO ACHIEVING THE OUTCOMES

Expanded access to PSET System

For the period under review, 99 778 (93%) (2021/22 data) learners registered for the WBL programme when measured against the planned target of 107 000. The 2022/23 preliminary data for learners registered in WBL programme comprises a total of 72 554 (or 66%) when compared with the planned target of 110 000.

The total number of learners who enrolled in artisanal learning programmes during the 2021/22 financial year comprised a total of 14 379 learners representing 39.6% (or 4 077 learners) and reflects an increase compared with the 2020/21 financial year. INDLELA registered a total of 1 046 learners, CHIETA with 622 learners, MERSETA at 622 learners and W&RSETA with a total of 594 learners and collectively were the major contributors to the increase between the two financial years (2020/21 and 2021/22). Three SETAs (FOODBEV, FP&M and HWSETA) recorded decreases during the same period despite the overall increase.

During the 2021/22 financial year, INDLELA with 2 895 students or 20.1%, CETA with 2 191 students or 15.2%, MQA with 2 160 or 15.0%, CHIETA with 1 770 students or 12.3% and MERSETA at 1 619 or 11.3% reported the highest student numbers enrolled in artisanal learning programmes. The number of registrations decreased by 41.1% or 10 036 students between 2011/12 and 2021/22, with MERSETA, INDLELA, and SERVICES SETA experiencing the highest decreases (at 4 635, 2 332 and 1 459 learners, respectively).

Improved Success and Efficiency of the PSET System

There were 19 536 learners who completed artisanal learning programmes during the 2021/22 financial year, a 29.3% (or 4 430) increase when compared to the 2020/21 financial year (which comprised a total of 15 106 students), and delineated with CETA at 1 295 students, EWSETA with 951 students and INDLELA with 923 and collectively were the contributors to the growth. During the same period, six SETAs recorded decreases and the largest decline was apparent for MQA with 528 students. More than a quarter of completions recorded during the 2021/22 financial year were reported by MERSETA at 5.1% or a total of 4 895 completions, followed by CETA at 14.0% or 2 741 completions and EWSETA with 13.2% or 2 582 completions.

The largest contributors to the 39.3% increase in completions or comprising a total of 5 513 students over the eleven-year period spanning 2011/12 to 2021/22 were CETA with 2 042 completions, followed by EWSETA at 2 011 completions and MERSETA with 1 740 completions. INDLELA recorded the largest decrease at 1 504 of learners completing artisanal learning programmes over the eleven-year period, despite the overall increase reported for this period.

3.5.3 THE PROGRAMME'S RESPONSE TO THE NEED TO PRIORITISE WOMEN, YOUTH AND PERSONS WITH DISABILITIES IN ITS SERVICE DELIVERY ENVIRONMENT

Male students made up the majority of those enrolled in artisanal learning programmes, accounting for 9 918 students or 69.0% of all registrations, compared with 4 461 or 31.0% of female students. The provinces with the largest gender gaps were Gauteng, KwaZulu-Natal and Mpumalanga, where 1 503, 914 and 773 more male students than their female counterparts entered artisanal learning programmes, respectively.

The majority of learners who completed artisanal learning programmes during the 2021/22 financial year were residents in Gauteng (at 46.3% or a total of 9 054 learners), followed by KwaZulu-Natal (at 11.1% or 2 165 learners) and Mpumalanga (with 9.8% or a total of 1 915 learners), while the lowest proportion was recorded for the Northern Cape province (at 1.3% or 263 learners).

A similar trend was apparent for registrations, where male students made up the majority of incumbents having completed artisanal learning programmes (at 77.0% or a total number of 15 047 students), while female students made up a smaller share at 23.0%, or 4 489 students. The largest gender gap was apparent across Gauteng, where 4 966 more male than female students completed their studies.



Mr ZC Mvalo, Deputy Director-General, Skills Development

3.5.4 PROGRAMME 5: SKILLS DEVELOPMENT

PROGRAMME 5: SKILLS DEVELOPMENT								
Outcome	Output	Output Indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (*2021/22 financial year) 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and under achievement
1. Expanded access to PSET opportunities	Approved Service Level Agreements (SLA) with SETAs monitored	Annual number of learners or students placed in WBL programmes	158 651	78 317	107 000*	Target Not Achieved 99 778	(7 222)	During the 2021/22 financial year about six industries were not yet recovered from the COVID-19 pandemic, as also presented by the Statistician-General. WBL programmes require employers and workplaces.
		Number of learners registered in skills development programmes annually		43 885	148 000*	Target Not Achieved 90 531	(57 469)	During the 2021/22 financial year about six industries were not yet recovered from the COVID-19 pandemic, as also presented by the Statistician-General. WBL programmes require employers and workplaces.
		Number of learners entering artisanal programmes annually		10 302	22 000*	Target Not Achieved 14 379	(7 621)	During the 2021/22 financial year about six industries were not yet recovered from the COVID-19 pandemic, as also presented by the Statistician-General. WBL programmes require employers and workplaces.

PROGRAMME 5: SKILLS DEVELOPMENT								
Outcome	Output	Output Indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (*2021/22 financial year) 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and under achievement
2. Improved success and efficiency of the PSET System	Approved Service Level Agreements (SLA) with SETAs monitored	Number of artisans found competent annually		15 107	20 500*	Target Not Achieved 19 536	(964)	During the 2021/22 financial year about six industries were not yet recovered from the COVID-19 pandemic, as also presented by the Statistician-General. WBL programmes require employers and workplaces.
		Number of learners who completed learnerships annually		24 136	31 300*	Target Achieved 45 146	13 846	Most of the learners, would have started prior to the COVID-19 pandemic hence it is possible that the target was achieved.
		Number of learners who completed internships annually		5 284	5 200*	Target Not Achieved 4 138	(1 062)	During the 2021/22 financial year about six industries were not yet recovered from the COVID-19 pandemic, as also presented by the Statistician-General WBL programmes require employers and workplaces.
		Number of learners who completed skills programmes annually	49 804		100 000*	Target Not Achieved 83 578	(16 422)	During the 2021/22 financial year about six industries were not yet recovered from the COVID-19 pandemic, as also presented by the Statistician-General. Mostly the skills by the SETAs require workplaces.

PROGRAMME 5: SKILLS DEVELOPMENT								
Outcome	Output	Output Indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (*2021/22 financial year) 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and under achievement
3. Improved quality of PSET provisioning	SETAs meeting the standard of good governance	Percentage of SETAs that meet the standard of good governance	Target Not Achieved		95%	Target Achieved 100%	5%	There is constant feedback and engagements with SETAs on meeting Good Governance Standard Requirements, as a result, there is improved compliance.
	Allocated SETA Mandatory Grants paid on time to employers	Percentage of allocated SETA Mandatory Grants paid to employers		New indicator	100%	Target Not Achieved 60.45%	(39.55%)	This is a new target; the system was not fully geared to produce the required information.
4. A responsive PSET System	Average lead time from qualifying trade test applications received until trade test is conducted (days)	Average lead time from qualifying trade test applications received until trade test is conducted (days)	30 days	29 days	40 days	Target Achieved 31 days	Workflow processes were reviewed and process measured included in the reviewed processes. More training assessors were employed and new equipment for the workshop bought.	None

PROGRAMME 5: SKILLS DEVELOPMENT								
Outcome	Output	Output Indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (*2021/22 financial year) 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and under achievement
	Credible Sector Skills Plans developed by SETAs	Number of SETAs assessed to have developed credible Sector Skills Plans per annum		New indicator	21	Target Achieved 21	None	None
	Approved Skills Strategy implemented	A monitoring report on the implementation of Skills Strategy approved annually		The Skills Strategy was approved by the Minister on 30 March 2022	A monitoring report on the implementation of Skills Strategy approved by the Director-General by 31 March 2023	Target Achieved A monitoring report on the implementation of SS-ERRP was approved by the Director-General on 28 February 2023	None	None

3.5.5 STRATEGY TO DEAL WITH UNDERPERFORMANCE

The Minister of Higher Education, Science and Innovation, Dr Blade Nzimande hosted the TVET Colleges Strategic Industrial Partnership Summit during July 2022, which was convened at the Cape Town International Convention Centre and the event in accordance with the central theme of the WP-PSET among others, sought to encourage employers to open up workplaces for the facilitation of WBL programmes. During the period under review the Minister continued engaging SETAs in prioritising WBL programmes and engaging industry to prioritise performance-related matters as part of their Accounting Authority meetings.

The Director-General also continued ensuring that there was a commitment to expand skills development opportunities through the signing of Service Level Agreements with all SETAs in relation to a number of learning programmes, such as learnerships, internships, work-integrated learning and artisan development.

The Minister duly increased the apprenticeship grant paid to employers hosting apprenticeships from R165 000 to R206 290 with inception from 1 April 2021, and as an incentive to employers, noting the impact of the COVID-19 global pandemic on our socio-economic fabric.

3.5.6 LINKING PROGRAMME PERFORMANCE WITH BUDGETS

SUB-PROGRAMME	2022/23			2021/22		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Management: Skills Development	6 672	6 296	376	5 014	4 294	720
Sector Education and Training Coordination	256 717	254 434	2 283	251 795	248 641	3 154
National Skills Authority Secretariat	11 146	10 061	1 085	11 566	8 412	3 154
Quality Development and Promotion	28 506	28 506	-	27 630	27 630	-
National Artisan Development	108 361	106 733	1 628	118 038	103 065	14 973
Total	411 402	406 030	5 372	414 043	392 042	22 001

3.6 PROGRAMME 6: COMMUNITY EDUCATION AND TRAINING

3.6.1 PROGRAMME PURPOSE

Plan, develop, implement, monitor, maintain and evaluate national policy, programme assessment practices and systems for Community Education and Training. Provide financial and other support to CET colleges.

There are four budget sub-programmes:

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

3.6.2 SIGNIFICANT ACHIEVEMENTS OF TARGETS AND OUTPUT INDICATORS AND HOW THEY CONTRIBUTED TO ACHIEVING THE OUTCOMES

Expanded access to PSET opportunities

The increase in the number of programmes offered by CET colleges has contributed to diversification of the CET system. Through these programmes, further teaching and learning opportunities have been made available for out-of-school youth and adults. This is accordingly aligned with both the WP-PSET and the CET sector plan.

Improved success and efficiency of the PSET system

Preliminary examination data for 2022 indicates that the overall student completion rate for 2022 is 68.4%. This data will undergo refinement and verification for all candidates, including the finalisation of outstanding results and the clearing of irregularities. In relation to previous performance, a total of 25 473 students completed the GETC: ABET Level 4 qualification during 2021 and has resulted in a completion rate of 61.1%.

The success subsequent to the development of the funding model will improve transparency and fairness in the equitable distribution of funding to CET colleges. CET colleges are also expected to implement the funding model by applying the principles required when allocating funding to CLCs and Satellite Centres.

Improved quality of PSET provisioning

For the period under review all CET colleges complied with the standard of good governance which has been structured in accordance with various dimensions such as strategic leadership, teaching and learning, research and community engagement, resource allocation, institutional accountability and productive council meetings. CET colleges have also complied with the Policy on the Conduct and Management of Examination and Assessment.

To ensure that quality of provisioning across the CET sector is achieved, a total of 903 CET college lecturers and 329 non-teaching staff were trained during the period under review.

A responsive PSET System

The introduction of new, short skills programmes duly accredited by the QCTO has contributed to ensuring the diversification and responsiveness of programme provision at CET colleges.

CET colleges are working with partners to introduce skills programmes that respond to key skills demands required by the communities, as well as the labour market and employers. Digital skills have been implemented at one of the 54 pilot centres in the Eastern Cape, the Bofolo CLC. Programmes offered comprise of basic

computer literacy, web publishing, customer experience and social entrepreneurship. Community members are also being trained in these digital skills with a view to establish digital services for the community in relation to income generation purposes. A total of fifteen CLCs were also accredited to offer skills programmes. The QCTO has subsequently identified and developed curricula for 40 additional skills programmes to be offered by CET colleges.

Entrepreneurship programmes have been implemented in collaboration with the SEDA. Through this intervention, skills are provided to students enrolled at CET colleges, as well as youth in Communities. A total of 450 students and communities have been trained in relation to entrepreneurship as a direct response to the ERRP.

There are a variety of ICT initiatives which have built on the capacity of centres and staff. By way of funding provided by the W&RSETA, several interventions such as the establishment of ICT laboratories at 54 pilot CLCs by the W&RSETA, the establishment of digital learning platforms by the ETDP SETA at nine CET colleges, collaborative work undertaken at three CLCs as part of the pilot by the DSI and Technology Innovation Agency, engagement with the Media Information and Communications Technology (MICT) SETA and work with the South African National Research Network (SANReN) on CET college connectivity, as well as the targeting and capacitation of 2 500 lecturers by NEMISA on digital literacy and the setting up of 17 ICT laboratories in partnership with Ecolabs Africa in Gauteng, have since been successfully undertaken.

3.6.3 THE PROGRAMME'S RESPONSE TO THE NEED TO PRIORITISE WOMEN, YOUTH AND PERSONS WITH DISABILITIES IN ITS SERVICE DELIVERY ENVIRONMENT

Enrolment at CET colleges was dominated by female students (at 71.2% or 101 879 students) during 2021 when compared to the proportion of their male counterparts (at 28.8% or a total of 41 152 male students). The biggest gender gaps were apparent for Grade 12 and GETC: ABET Level 4 programmes, where the number of female students enrolled exceeded the number of male students by a total number of 27 335 and 25 966, respectively.

TABLE 1: Number of students enrolled in CET colleges by programme and gender, 2021

Programme	Female	Male	Total	Female	Male
AET Level 1	1 022	834	1 856	55.1%	44.9%
AET Level 2	1 624	1 222	2 846	57.1%	42.9%
AET Level 3	3 097	2 356	5 453	56.8%	43.2%
GETC: ABET Level 4 (NQF Level 1)	40 411	14 445	54 856	73.7%	26.3%
Grade 10 (NQF Level 2)	921	302	1 223	75.3%	24.7%
Grade 11 (NQF Level 3)	944	271	1 215	77.7%	22.3%
Grade 12 (NQF Level 4)	47 256	19 921	67 177	70.3%	29.7%
Non-formal programmes	5 399	1 270	6 669	81.0%	19.0%
Occupational Qualifications	1 205	531	1 736	69.4%	30.6%
Total	101 879	41 152	143 031	71.2%	28.8%

Source: CET Unit Level Record data, 2021.

Note 1: Non-formal programmes were previously referred to as other/skills programmes.

Note 2: Grade 12 enrolment figure includes enrolment for National Senior Certificate and Senior Certificate.

Note 3: Total enrolment is based on a response rate of 88.3%.

Female enrolment in non-formal programmes was 81.0% (or a total of 5 399 students), while male enrolment was 19.0% (or 1 270 students). In comparison to male students, more than 70% of female students enrolled in Grades 10 to 12 and GETC: ABET Level 4 programmes.

A large number of students enrolled at CET colleges during 2021 were African (comprising of 135 525 students or 94.8%), followed by Coloured students (at a total of 6 709 or 4.7%), while a lower number of students were Indian/Asian and White (at 355 and 322 students, respectively). The majority of African, Indian/Asian and White students enrolled primarily for Grade 12, followed by GETC: ABET Level 4. Coloured students reflected a different picture, with the majority enrolling primarily in GETC: ABET Level 4, followed by Grade 12 enrolment.



Ms T Futshane, Deputy Director-General: Community Education and Training

3.6.4 PROGRAMME 6: COMMUNITY EDUCATION AND TRAINING

PROGRAMME 6: COMMUNITY EDUCATION AND TRAINING								
Outcome	Output	Output indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (*2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and underachievement
Expanded access to PSET opportunities	A five-year enrolment plan for CET colleges developed and implemented	Revised five-year enrolment plan for CET colleges approved		New Target	Reviewed five-year enrolment plan for CET colleges approved by the Minister by 31 December 2022	Target Achieved Reviewed five-year enrolment plan for CET colleges was approved by the Minister on 12 December 2022	None	None
	Sustainable funding model for CET colleges developed and implemented	A sustainable funding model for CET colleges approved	Terms of reference were not developed as planned	Service provider for the development of a sustainable funding model for CET colleges was appointed on 1 February 2022	A sustainable funding model for CET colleges approved by the Director-General by 30 September 2022	Target Achieved (outside the reporting period) A sustainable funding model for CET colleges was approved by the Director-General on 7 October 2022	Delay was caused by consultation process that needed to be properly undertaken to solicit inputs with relevant stakeholders. Unfortunately, consultation meetings were moved several times due to unavailability of relevant stakeholders.	
	Students enrolling at CET colleges annually	Number of students enrolled at CET colleges annually	171 409 (2019 academic year)	220 549	266 424*	Target Not Achieved 143 031	(123 393)	There is Lack of provision of adequate infrastructure for teaching and learning in CET colleges.

PROGRAMME 6: COMMUNITY EDUCATION AND TRAINING								
Outcome	Output	Output indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (*2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and underachievement
								The percentage of centres with own delivery sites is as low as 95% of the learning sites operate from DBE schools and mostly on a platooning system. Number of own learning centres: GP (34); EC (13) and FS (11). These are the only three colleges that own more than 10 centres each. The rest of the colleges range between 0 to 6 own learning centres, as follows: • LP and the NW do not have any centres in their name. MP, NC, and the WC have one centre each that they own and KZN owns six.

PROGRAMME 6: COMMUNITY EDUCATION AND TRAINING								
Outcome	Output	Output indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (*2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and underachievement
Improved success and efficiency of the PSET System	CET college students completing GETC: Level 4	Number of CET college students completing GETC: Level 4 annually	41 638	22 764	40 000*	Target Not Achieved 25 473	(14 527)	The number of students who wrote exams was below the annual target which then impacted on the completion target. High dropout rate in the number that registered students to write exams as compared to the number that wrote.
	Programmes and qualifications offered in CET colleges increased	Number of programmes and qualifications offered in CET colleges	8	5	2	Target Achieved 4	2	Additional partnerships with SETAs enabled more programmes, i.e Computer and Digital Support Assistant, National Certificate: New Venture Creation NQF 2: Basic Business Practice, National Certificate: IT: End User Computing NQF 3 and Upholstery NQF 2 to be offered in colleges.

PROGRAMME 6: COMMUNITY EDUCATION AND TRAINING

Outcome	Output	Output indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (*2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and underachievement
	Open access Learning and Teaching Support Material (LTSM) for students in CET colleges increased	Monitoring report in the implementation of open access LTSM for students in CET colleges approved	Submission and guidelines on the provision of open access LTSM for students in CET colleges was approved by the Director-General by 11 March 2021	Open LTSM developed in AET sub-level 3 in the fundamentals was approved by the Director-General on 31 March 2022	Report on the implementation of open access LTSM for students in CET colleges approved by the Director-General by 31 March 2023	Target Achieved Report on the implementation of open access LTSM for students in CET colleges was approved by the Director-General on 16 February 2023	None	None
Improved quality of PSET	CETCs that meet standard of good governance	Percentage of CETCs that meet standards of good governance	New Target	Final governance standards and regulations for CET college councils was approved by the Director-General on 25 March 2022	95%	Target Achieved 97.5%	2.5%	There are an improved capability in CET colleges in implementing all the dimensions of good governance standards.
	CET lecturers trained	Number of CET college lecturers trained	744	1 249	900	Target Achieved 903	3	Colleges trained more lecturers than what was envisaged in Mathematics and Science and Economic and Management Sciences learning areas.

PROGRAMME 6: COMMUNITY EDUCATION AND TRAINING								
Outcome	Output	Output indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (*2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and underachievement
	CET colleges compliant with the policy on the conduct and management of examination and assessment	Percentage of CET colleges compliant with the policy on the conduct and management of examination and assessment per annum	99.5%	99.99%	100%	Target not Achieved 93.5% (Average of: Q1= 87% and Q4=100%)	(6.5%)	There are two examinations that are conducted and monitored, one in June and the other in November, annually. The examination function migrated from PEDs to the Department with effect from 1 April 2022. It is the first year that colleges are administering examinations starting with the June 2022 examinations. The non-compliance was due to the following: • a vandalised building; • lack of running water and electricity; and • an untidy examination room.

PROGRAMME 6: COMMUNITY EDUCATION AND TRAINING								
Outcome	Output	Output indicator	Actual Performance 2020/21	Actual Performance 2021/22	Planned Annual Target (*2021 academic year) 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Comment on deviation: Both over and underachievement
								Two irregularities were reported namely: 1) Question paper was opened by a caretaker. 2) Question paper was photocopied from one center and submitted to the other centre.
	Pilot community learning centres accredited	Number of pilot community learning centres accredited	Only 3 out of 54 pilot CLC's and one ordinary CLC were accredited out of the 54	15	35	Target Not Achieved 1	(34)	CLC's were not compliant to the accreditation requirements by QCTO and SETAs.

3.6.5 STRATEGY TO DEAL WITH UNDERPERFORMANCE

Percentage of CET colleges compliant with the policy on the conduct and management of examination and assessment per annum

Management at both colleges will assist the centres regarding maintenance, communication, training and monitoring interventions in relation to the examination policy. Quarterly targeting has been corrected during the 2023/24 financial year, so that only quarters 2 to 4 performance is reported. This is aligned to the two examination sessions that take place at CET colleges.

Number of CET college students completing GETC: Level 4 annually

The number of registered candidates for examination is in line with the projected target. However, there is a dropout in the number of students who do sit for examinations. Colleges must ensure that the preliminary schedule for examinations is accordingly verified and candidates confirm their participation during examination periods.

Intermittent advocacy for- and communication with candidates by colleges remains necessary in ensuring that candidates actually sit for their examination. The Department is currently commissioning a study on student performance, including a review of the high dropout of students during the examination cycles.

Pilot community learning centres accredited

The issuing of Occupational Health and Safety (OHS) certificates as one of the compliance requirements for accreditation remains a challenge for CLCs. The Department has sought a legal opinion on the responsibility for OHS. Standard agreements will duly be developed in an effort to ensure that centres work with TVET colleges in relation to programme and accreditation purposes. The second compliance matter pertains to ownership and the availability of learning and teaching materials for specific short skills programmes. Colleges will collaborate in the development of materials for these identified skills programmes.

Number of students enrolled at CET colleges annually

CET colleges have continued working with partners to introduce skills programmes that respond to key skills demands required by communities, the labour market and employers. An additional seven new and accredited programmes have been introduced in CET colleges during the 2023/24 financial year.



The Honourable Minister, Dr BE Nzimande, MP at the Launch of the Trade Centre at the South West Gauteng TVET College

3.6.6 LINKING PROGRAMME PERFORMANCE WITH BUDGETS

SUB-PROGRAMME	2022/23			2021/22		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Management: Community Education and Training	6 084	3 590	2 494	2 977	2 307	670
Community Education and Training Colleges System Planning, Institutional Development and Support	2 397 968	2 390 851	7 117	2 123 937	1 952 669	171 268
Community Education and Training colleges Financial Planning and Management	226 330	225 494	836	214 290	212 096	2 194
Education and Training Development Assessment	12 986	12 099	887	18 988	13 399	5 589
Total	2 643 368	2 632 034	11 334	2 360 192	2 180 471	179 721



The Honourable Minister, Dr BE Nzimande, MP Officiating during the Sod Turning ceremony at Kwampumuza

4. TRANSFER PAYMENTS

4.1 Transfer Payments to Public Entities

Name of Public Entity	Services rendered by the public entity	Amount Transferred to the public entity	Amount Transferred to the public entity
		2021/22	2022/23
		R'000	R'000
Agriculture Sector Education and Training Authority (AGRISETA)	Provision of relevant, quality and accessible education, training and development in both primary and secondary agriculture sectors	513 559	564 897
Banking Sector Education and Training Authority (BANKSETA)	Provision of relevant, quality and accessible education, training and development in the banking sector	847 872	944 919
Chemical Industry Education and Training Authority (CHIETA)	Provision of relevant, quality and accessible education, training and development in the chemical industries sector	588 232	628 519
Construction Sector Education and Training Authority (CETA)	Provision of relevant, quality and accessible education, training and development in the construction industry	579 117	631 319
Council on Higher Education (CHE)	Advises the Minister of Higher Education and Training on all higher education policy matters, implements the system of quality assurance for all Higher Education Institutions (HEIs), monitors the state of the higher education system and contributes to the development of higher education through intellectual engagement	70 012	74 486
Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority (CATHSSETA)	Provision of relevant, quality and accessible education, training and development in the culture, arts, tourism, hospitality and sport sector	319 832	391 622
Education, Training and Development Practices Sector Education and Training Authority (ETDP-SETA)	Provision of relevant, quality and accessible education, training and development in the education, training and development sector	662 855	710 159
Energy and Water Sector Education and Training Authority (EWSETA)	Provision of relevant, quality and accessible education, training and development in the energy and water sector	347 207	333 999
Fibre, Processing and Manufacturing (FP&M SETA)	Provision of relevant, quality and accessible education, training and development in the fabric processing and manufacturing sector	347 190	373 301
Financial and Accounting Services Sector Education and Training Authority (FASSETA)	Provision of relevant, quality and accessible education, training and development in the financial and accounting services sector	619 932	696 725
Food and Beverages Sector Education and Training Authority (FOODBEV-SETA)	Provision of relevant, quality and accessible education, training and development in the food and beverages sector	441 138	476 702

Name of Public Entity	Services rendered by the public entity	Amount Transferred to the public entity	Amount Transferred to the public entity
		2021/22	2022/23
		R'000	R'000
Health and Welfare Sector Education and Training Authority (HWSETA)	Provision of relevant, quality and accessible education, training and development in the health and welfare sector	592 144	652 721
Insurance Sector Education and Training Authority (INSETA)	Provision of relevant, quality and accessible education, training and development in the insurance sector	584 982	631 721
Local Government Sector Education and Training Authority (LGSETA)	Provision of relevant, quality and accessible education, training and development in the local government sector	867 352	882 284
Manufacturing, Engineering and Related Services Sector Education and Training Authority (MERSETA)	Provision of relevant, quality and accessible education, training and development in the manufacturing, engineering and related services sector	1 438 730	1 597 942
Media, Information and Communication Technologies Sector Education and Training Authority (MICT- SETA)	Provision of relevant, quality and accessible education, training and development in the information system, electronics and telecommunications technologies sector	985 430	1 100 898
Mining Qualifications Authority (MQA)	Provision of relevant, quality and accessible education, training and development in the mining and minerals sector	1 335 860	1 500 521
National Student Financial Aid Scheme (NSFAS)	Responsible for administering loans and bursaries and allocating these to eligible students, developing criteria and conditions for the granting of loans and bursaries to eligible students in consultation with the Minister of Higher Education and Training, raising funds, recovering loans, maintaining and analysing a database, undertaking research for the better utilisation of financial resources and advising the Minister on matters relating to student financial aid	38 675 173	45 794 967
National Skills Fund (NSF)	To fund national skills development priority projects as identified in the National Skills Development strategy and projects related to achieving the purpose of the Act as determined by the Accounting Authority	3 902 322	4 261 770
Public Service Sector Education and Training Authority (PSETA)	Provision of relevant, quality and accessible education, training and development in the public service sector	124 181	128 489
Quality Council for Trades and Occupations	To develop and quality assure occupational qualifications that are responsive to labour market and developmental state initiatives	27 630	28 506
Safety and Security Sector Education and Training Authority (SASSETA)	Provision of relevant, quality and accessible education, training and development in the safety and security sector	381 207	432 292
Services Sector Education and Training Authority (SERVICES SETA)	Provision of relevant, quality and accessible education, training and development in the services sector	1 674 203	1 839 553

Name of Public Entity	Services rendered by the public entity	Amount Transferred to the public entity	Amount Transferred to the public entity
		2021/22	2022/23
		R'000	R'000
South African Qualifications Authority (SAQA)	SAQA focuses on the further development and implementation of the National Qualifications Framework (NQF), which includes upholding the principles and objectives of the NQF, ensuring access, quality, redress and development for all learners, through and integrated national framework of learning achievements	92 593	81 164
Transport Education and Training Authority (TETA)	Provision of relevant, quality and accessible education, training and development in the transport sector	775 914	853 070
Wholesale and Retail Sector Education and Training Authority (W&RSETA)	Provision of relevant, quality and accessible education, training and development in the wholesale and retail sector	1 320 511	1 420 737

The Department received written assurance in terms of section 38(1)(j) certificates from all public entities that the entities implemented effective, efficient and transparent financial management and internal control systems during 2022/23.

With regard to the monitoring of expenditure of the public entities, including the NSF and SETAs, under the authority of the Minister, quarterly reports are obtained as legally required.

4.2 Transfer payments to all organisations other than Public Entities

The following table reflects the transfer payments made for the period 1 April 2022 to 31 March 2023:

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the Department comply with section 38(1)(j) of the PFMA	Amount transferred 2022/23
				R'000
UNIVERSITIES				
Cape Peninsula University of Technology	Higher Education Institution	Subsidy	Yes	1 426 053
Central University of Technology, Free State	Higher Education Institution	Subsidy	Yes	909 932
Durban University of Technology	Higher Education Institution	Subsidy	Yes	1 602 116
Mangosuthu University of Technology	Higher Education Institution	Subsidy	Yes	630 023
Nelson Mandela University	Higher Education Institution	Subsidy	Yes	1 595 579
North-West University	Higher Education Institution	Subsidy	Yes	2 549 469
Rhodes University	Higher Education Institution	Subsidy	Yes	622 177
Tshwane University of Technology	Higher Education Institution	Subsidy	Yes	2 906 052
University of Cape Town	Higher Education Institution	Subsidy	Yes	1 951 553
University of Fort Hare	Higher Education Institution	Subsidy	Yes	912 029
University of Free State	Higher Education Institution	Subsidy	Yes	1 961 626

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the Department comply with section 38(1)(j) of the PFMA	Amount transferred 2022/23
				R'000
University of Johannesburg	Higher Education Institution	Subsidy	Yes	2 631 091
University of KwaZulu-Natal	Higher Education Institution	Subsidy	Yes	2 951 925
University of Mpumalanga	Higher Education Institution	Subsidy	Yes	963 210
Sefako Makgatho Health Sciences University	Higher Education Institution	Subsidy	Yes	1 134 656
Sol Plaatje University	Higher Education Institution	Subsidy	Yes	730 421
University of Limpopo	Higher Education Institution	Subsidy	Yes	1 244 954
University of Pretoria	Higher Education Institution	Subsidy	Yes	3 354 071
University of South Africa	Higher Education Institution	Subsidy	Yes	5 276 257
University of Stellenbosch	Higher Education Institution	Subsidy	Yes	2 283 446
University of Venda	Higher Education Institution	Subsidy	Yes	1 106 746
University of Western Cape	Higher Education Institution	Subsidy	Yes	1 577 864
Witwatersrand University	Higher Education Institution	Subsidy	Yes	2 685 708
University of Zululand	Higher Education Institution	Subsidy	Yes	956 577
Vaal University of Technology	Higher Education Institution	Subsidy	Yes	943 203
Walter Sisulu University	Higher Education Institution	Subsidy	Yes	1 446 074
Higher Health	Other Educational Institution	Earmarked Funds for HEAIDS project	Yes	20 604
National Institute for Humanities and Social Sciences	Other Educational Institution	Subsidy	Yes	39 709
TVET COLLEGES				
Buffalo City College	TVET College	Subsidy	Yes	64 602
East Cape Midlands College	TVET College	Subsidy	Yes	64 968
Ikhala College	TVET College	Subsidy	Yes	98 043
Ingwe College	TVET College	Subsidy	Yes	70 482
King Hintsa College	TVET College	Subsidy	Yes	42 459
King Sabata College	TVET College	Subsidy	Yes	78 100
Lovedale College	TVET College	Subsidy	Yes	56 696
Port Elizabeth College	TVET College	Subsidy	Yes	49 820
Flavius Mareka College	TVET College	Subsidy	Yes	44 235
Gold Fields College	TVET College	Subsidy	Yes	47 367
Maluti College	TVET College	Subsidy	Yes	85 127
Motheo College	TVET College	Subsidy	Yes	91 319
Central Johannesburg College	TVET College	Subsidy	Yes	147 394
Ekhurhuleni East College	TVET College	Subsidy	Yes	148 870
Ekhurhuleni West College	TVET College	Subsidy	Yes	196 095
Sedibeng College	TVET College	Subsidy	Yes	163 738
South-West College	TVET College	Subsidy	Yes	316 076
Tshwane North College	TVET College	Subsidy	Yes	127 246
Tshwane South College	TVET College	Subsidy	Yes	85 383
Western College	TVET College	Subsidy	Yes	126 221
Coastal College	TVET College	Subsidy	Yes	206 832
Elangeni College	TVET College	Subsidy	Yes	110 472

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the Department comply with section 38(1)(j) of the PFMA	Amount transferred 2022/23
				R'000
Esayidi College	TVET College	Subsidy	Yes	142 825
Majuba College	TVET College	Subsidy	Yes	342 483
Mnambithi College	TVET College	Subsidy	Yes	67 881
Mthashana College	TVET College	Subsidy	Yes	139 500
Thekwini College	TVET College	Subsidy	Yes	56 584
Umfolozi College	TVET College	Subsidy	Yes	171 935
Umgungundlovu College	TVET College	Subsidy	Yes	89 900
Capricorn College	TVET College	Subsidy	Yes	183 179
Lephalale College	TVET College	Subsidy	Yes	19 781
Letaba College	TVET College	Subsidy	Yes	89 269
Mopani College	TVET College	Subsidy	Yes	88 769
Sekhukhune College	TVET College	Subsidy	Yes	57 643
Vhembe College	TVET College	Subsidy	Yes	106 354
Waterberg College	TVET College	Subsidy	Yes	62 095
Ehlanzeni College	TVET College	Subsidy	Yes	137 514
Gert Sibande College	TVET College	Subsidy	Yes	337 705
Nkangala College	TVET College	Subsidy	Yes	155 572
Rural College	TVET College	Subsidy	Yes	52 714
Urban College	TVET College	Subsidy	Yes	74 399
Orbit College	TVET College	Subsidy	Yes	77 545
Taletso College	TVET College	Subsidy	Yes	100 471
Vuselela College	TVET College	Subsidy	Yes	108 537
Boland College	TVET College	Subsidy	Yes	53 427
Cape Town College	TVET College	Subsidy	Yes	66 041
False Bay College	TVET College	Subsidy	Yes	70 278
Northlink College	TVET College	Subsidy	Yes	101 994
South Cape College	TVET College	Subsidy	Yes	27 016
West Coast College	TVET College	Subsidy	Yes	87 962
COMMUNITY EDUCATION AND TRAINING COLLEGES				
Eastern Cape CET College	CET College	Subsidy	Yes	24 009
Free State CET College	CET College	Subsidy	Yes	16 690
Gauteng CET College	CET College	Subsidy	Yes	54 759
KwaZulu-Natal CET College	CET College	Subsidy	Yes	43 205
Limpopo CET College	CET College	Subsidy	Yes	19 944
Mpumalanga CET College	CET College	Subsidy	Yes	18 145
Northern Cape CET College	CET College	Subsidy	Yes	9 397
North-West CET College	CET College	Subsidy	Yes	13 676
Western Cape CET College	CET College	Subsidy	Yes	15 326
FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS				
Commonwealth of Learning	International organisation	Membership Contribution	No	3 250

R98 385.260 million (89.7%) of the total allocation of R109 737.633 million, excluding direct charges, has been allocated to transfers and subsidies on the Department's Vote. Direct charges amount to R20 808.850 million.

Transfer payments from Voted funds were effected in respect of subsidies to 50 TVET colleges, subsidies to 26 universities and universities of technology, as well as public entities (the NSFAS, SAQA, CHE and the QCTO), international organisations (the Commonwealth of Learning and India-Brazil-South Africa Trilateral Commission), non-profit institutions (Universities South Africa for the Higher Education HIV/Aids Programme (HEAIDS) project and National Institute for Humanities and Social Sciences), the Education, Training and Development Practices SETA and the Public Services SETA.

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

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

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

Amounts allocated to Higher Education Subsidies, the NSFAS, the HEAIDS Programme and the TVET college subsidies were earmarked during the 2022/23 financial year. All these amounts were utilised for the purposes originally intended.

5. CONDITIONAL GRANTS

5.1. Conditional Grants and Earmarked Funds Paid

None.

5.2. Conditional Grants and Earmarked Funds Received

None.



The Honourable Deputy Minister, Mr B Manamela, MP

6. DONOR FUNDS

6.1 Donor Funds Received

The Department did not receive in-cash donations from foreign donors during the 2022/23 financial year. Total donations held in the Reconstruction and Development Programme (RDP) for 2022/23 amounts to R100.791 million. Expenditure of R11.371 million was incurred against funds held in the RDP Fund. The balance of the funds available to the Department in the RDP fund as at 31 March 2023, was R89.420 million.

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

The tables below detail donor funds received for the period 1 April 2022 to 31 March 2023.

Donor Fund: Teaching and Learning Development Sector Reform Contract (TLDSRC)

Name of donor	European Union
Name of the Project	Audit of TVET Infrastructure Project (No Reports from Programme Managers)
Full amount of the funding	R30 000 000
Period of the commitment	2014 to 2022
Purpose of the funding	The project is aimed at achieving three major outcomes; 1) to verify and value of infrastructure assets, establish a comprehensive and integrated assets management system (including developing assets registers); 2) train officials of the Department, regional, and TVET colleges to manage the asset system; and 3) prepare asset management plans in compliance with law.
Expected outputs	1. Centralise and update the TVET Assets Register hosted by the TVET Infrastructure Management Information System (TIMIS) 2. Barcoding in each TVET college office with key information being recorded such as the name of the college, ownership, the name of the building, the name of the office or office number and purpose of the office. 3. Establishing a TIMIS capable of producing reports regarding the TVET Asset Register and maintenance plan (providing corrective and preventative maintenance). 4. A physical condition assessment report with site layout (Sketches), accompanied by photographic evidence. 5. An assets maintenance plan per campus, per college and per office. 6. Required reports generated and submitted to the Department in soft and hard copies which include a photo report and maintenance component list. 7. Infrastructure management skills to enable the Department, TVET and regional personnel to update the Assets Register, conduct condition assessments to develop a maintenance plan and transfer data to TIMIS
Actual outputs achieved	The work done by the service provider was not handed over to the Department as it was incomplete. Work was in progress in six of nine provinces in the country when the COVID-19 pandemic lockdown started and subsequent to that the service provider Nextec Advisory Combined SystemsX initiated the process of voluntary winding-up their operations and are currently undergoing liquidation. The terms of reference stipulated that a province should be fully completed before the service provider could raise an invoice(s), eleven colleges (22%) were audited in different provinces and no invoices were raised as the work was not fully completed. The Terms of Reference to appoint a new service provider was hereafter approved.

Amount received in current period (R'000)	22 000 (This is the estimated tender amount, as the Department will outsource a new service provider to replace Nextec Advisory Combined SystemsX) and an additional 3 million will be used to support services from Archibus during and beyond the Audit process, once the system is fully implemented across the TVET Sector.
Amount spent by the Department (R'000)	2 440 (Training of staff, purchase of software license(Archibus) and support services provided by Archibus during the infrastructure audit process which was practised by Nextec Advisory Combined SystemsX.
Reasons for the funds unspent	The Service Provider that was appointed to execute the contract terms of reference and deliverables Nextec Advisory has unfortunately entered into a Creditors' Voluntary Winding-Up process as per section 351 of the Companies Act. The Service Provider went into liquidation before being in a position to raise an official invoice(s) for work completed per province completed they were in multiple provinces concurrently.
Monitoring mechanism by the donor	1. Project steering committees. 2. Review of reports. 3. Mid-term and summative evaluation processes.

Donor Fund: Teaching and Learning Development Sector Reform Contract (TLDSRC)

Name of donor	European Union
Name of the Project	CET Teaching and Learning Capacity Project
Full amount of the funding	R19 979 622
Period of the commitment	2019 to 2021
Purpose of the funding	To develop appropriate assessment systems, guideline documents and provide capacity building for assessment at CET colleges and the identified CLCs.
Expected outputs	• To contribute towards strengthening learning and teaching through building assessment and examination capacity at CET colleges, impacting 265 000 students annually in the CET system. • Through these assessment interventions, the acquisition of a qualification at Level 4 of the NQF is made possible and recognised as opening up educational opportunities for individual South Africans in further and higher education as well as enhancing the likelihood of employability.
Actual outputs achieved	• Bids were evaluated by the BEC for the tender in developing assessment resources for GETCA and National Senior Certificate for Adults subjects on 8 November 2021. • SITA user requirement specifications (URS) for the development of a web-based student placement system for CET colleges was signed by CET on 9 December 2021 and submitted to SITA for processing. • A project manager was appointed for the project spanning on employment of one year. • Finalisation of SITA user requirement specifications (URS) for the development of a web-based student placement system for CET colleges.
Amount received in current period (R'000)	159
Amount spent by the Department (R'000)	159
Reasons for the funds unspent	• Delays in the project implementation processes • Delays in the appointment processes
Monitoring mechanism by the donor	• Project Steering Committee meetings; and • Progress Report reviews

Donor Fund: Teaching and Learning Development Sector Reform Contract (TLDSRC)

Name of donor	European Union
Name of the Project	TLDSRC Management and Coordination
Full amount of the funding	R5 000 000
Period of the commitment	2015 to 2022
Purpose of the funding	• The Directorate: Development Support is responsible for the Management and Coordination function. It also provides Secretariat Services which manages Project Steering Committee meetings for all sub-programmes within the main programme. • The Directorate: Development Support has been allocated a budget of R5 million to provide Programme management, coordination and support for the duration of the intervention, spanning the 2015/16 to the 2021/22 financial years.
Expected outputs	• Providing the secretariat functions for the Programme Monitoring Committee that will be set up to oversee the implementation of the Programme. • Compiling all Programme progress reports for reporting to the Departmental management and to external partners (National Treasury and donor). • Coordination, monitoring and evaluation in relation to conducting summative evaluation. • Maintaining a Risk Register for the Programme. • Communication and advocacy regarding the Programme. • Compiling tranche application requests.
Actual outputs achieved	• Semester reports for semester 2 of the financial year 2021/22 presented to the TLDSRC Project Steering Committee meeting on 26 May 2022. • Semester reports for semester 1 of financial year 2021/22 were approved and submitted to National Treasury on 10 January 2022. • TLDSRC workplans for 2021/22 financial year were approved by the Chief Financial Officer and submitted to National Treasury for draw-down request purposes. • An Evaluation Design Framework of the TLDSRC summative evaluation was approved and shared with stakeholders. • Draft minutes of the 10 February 2022 TLDSRC PSC meeting was circulated to the PSC members for comments and the minutes will be adopted in the next PSC meeting. • Coordinating programming of the unallocated funds of the TLDSRC programme and the Business plans while submission are submitted at National Treasury but still waiting for formal response from National Treasury. • A Communication and Visibility Plan and Ministerial submission crafted and approved to allow project managers to implement C&V activities with their allocated budgets. The Planning Committee of the TLDSRC close-out event consisting of management and coordination personnel, project managers, donor, the Directorate: Communications and the Directorate: Global Partnerships established and planning of the close out event is progressing smoothly.
Amount received in current period (R'000)	223
Amount spent by the Department (R'000)	223
Reasons for the funds unspent	Delays in the monitoring processes due to COVID-19 challenges.
Monitoring mechanism by the donor	• Project Steering Committee meetings; • Review of progress reports; and • Summative evaluation processes.

Donor Fund: Teaching and Learning Development Sector Reform Contract (TLDSRC)

Name of donor	European Union
Project Name	National Artisan Moderation Body Automated Artisan Trade Test System (ATTS)
Full amount of the funding	R48 530 000
Period of the commitment	2018 to 2021
Purpose of the funding	• The primary reason for setting up this project is to establish an Artisan Trade Test System (ATTS). It is an information technology support system by which NAMB will be able to effectively and efficiently use, in order to discharge its statutory mandate expressly provided for in the <i>Skills Development Amendment Act 2008</i>, section 26A (1) – (2). • Arising from these statutory provisions the NAMB sub-components (Quality Assurance System Development, Artisan Trade Test System Development and Accreditation, Moderation and Performance Management) using the ATTS will be able to: • Monitor the performance of accredited artisan trade test centres; • Moderate artisan trade tests; • Develop, maintain, and apply a national data-bank of instruments for assessment and moderation of the artisan trade test; • Develop and maintain a national data- base of registered artisan trade assessors and moderators; • Record artisan achievements; • Determine appeals against assessment decisions; • Recommend the certification of artisans to the QCTO; and • Perform any other prescribed function.
Expected outputs	• The creation of a live automated and secure artisan trade testing system which will support NAMB sub-components to perform their statutory functions in terms of the Act is the primary outcome of the project. • The creation and ultimate implementation of the ATTS involves eight phases as indicated above. These are system creation phases which are separately presented for the purpose of convenience and project management. • However, at the completion of the ATTS, it must be an effective and efficient system and its capacity and capability measured in terms of being able to meet these minimum standards: - Receive, process, store and when required, release information; - Be easily accessed by all accredited trade test centres; - Sustain heavy information traffic and load without crashing; - Process and provide all required information in terms of the statutory function assigned to NAMB; and - Safely store and protect all national artisans trade test related information. • The continuous technical maintenance of the ATTS will ensure that its effective, efficient and economic mode of operation is sustained within these minimum standards. • In similarity to the NAMB function, the ATTS within the operational translation of the minimum standards set above.
Actual outputs achieved	• Review of the BSS and Project Charter before system design process. SITA has promised that they will revise the timeframes to be in line with the current pace. The revised Project Charter also took some time before it was signed off by the relevant executives from both SITA and the Department. • Review of the BSS and Project Charter prior to system design process.

	• The Project Charter had inaccuracies that were overlooked by both SITA and NAMB. GITO made the Department aware of these mistakes that could have monetary and implementation implications. The Project Charter had to be re-written and re-submitted to senior management for final approval. The final approval was received on 22 January 2019. • Project Charter Specifications have been completed as well as the System Specifications Documentation effected. These were within the budget for the 2018/9 financial year.
Amount received in current period (R'000)	-
Amount spent by the Department (R'000)	-
Reasons for the funds unspent	The delay which was encountered during the signing of both the Business Service Specification (BSS) and Project Charter.
Monitoring mechanism by the donor	• Project Steering Committee meetings; and • Review of progress reports.

Donor Fund: Teaching and Learning Development Sector Reform Contract (TLDSRC)

Name of donor	European Union
Name of the Project	NQF Environment: Amendments to the NQF Act, 2008 and Recognition of Prior Learning Coordination Policy (2016)
Full amount of the funding	R1 056 000
Period of the commitment	2019 to 2022
Purpose of the funding	To provide proposals, options and recommendations for amendments to the NQF Act and the RPL Coordination Policy. The project aims to initiate processes to align the NQF Act and the RPL Coordination Policy to the broader education and training as well as legislative and policy environment and to address duplication, inconsistencies and gaps.
Expected outputs	• NQF Act is revised; and • NQF-related policies are developed or reviewed and monitored.
Actual outputs achieved	Component A Presented the NQF Amendment Bill at the Chief Executive Officers (CEOs) meeting on 19 November 2021. Amendments were made to the NQF Act, 2008, RPL Coordination (2016) and Articulation Policies for the PSET System of South Africa (2017). The project was effected successfully during the 2022/23 financial year. Component B • Consolidated recommendations and proposed amendments to the RPL Coordination Policy from the consultative process. • Developed a Report and amendments to the RPL Coordination Policies for approval by the Director-General. • The Department approved the transfer of funds to SAQA (The submission inviting SAQA to participate in the NQF Enabling Environment Project as well as the review of the Articulation and RPL Coordination Policies approved by the Director-General on 30 March 2022).

	Component C - Presented the Model for programme articulation of TVET college programmes into university programmes at the Chief Executive Officer Committee meeting on 19 November 2021. - Developed a Baseline Report for Articulation between TVET colleges and universities for approval by the Director-General. - The Department approved the transfer of funds to SAQA (The Director-General approved the submission inviting SAQA to participate in the NQF Enabling Environment Project as well as the review of the Articulation and RPL Coordination Policies on 30 March 2022).
Amount received in current period (R'000)	1 054
Amount spent by the Department (R'000)	1 054
Reasons for the funds unspent	No expenditure has been incurred to date due to the delayed commencement of the project, project changes in scope and savings on the consultative workshops that were taking place online.
Monitoring mechanism by the donor	- Project Steering Committee meetings; and - Review of progress reports.

Donor Fund: Teaching and Learning Development Sector Reform Contract (TLDSRC)

Name of donor	European Union
Name of the Project	Capacity Building of TVET College Lecturers through Open Learning
Full amount of the funding	R30 000 000
Period of the commitment	2014 to 2022
Purpose of the funding	The Capacity Building of TVET college lecturers through the Open Learning Programme will support the development of the Department's Open Learning system, which is intended to substantially increase access to quality PSET opportunities once fully developed. The immediate goal of this sub-programme will be to enable support for TVET and Community college lecturer development through well designed, supported and delivered open learning opportunities available through the open learning system. This sub-programme is described in part 2 of the business plan.
Expected outputs	- Develop two programmes for TVET college lecturers that are available on the NOLS; and - Develop the capacity of the system to enable and train TVET college lecturers in teaching and learning using effective Open Learning modalities and pedagogies.
Actual outputs achieved	- Eight modules were completed and moderated by SAIDE and uploaded to the NOLS. - NASCA: A full set of learning materials, assembled and packaged for uploading on the NOLS (those are in a form of courses for each subject). Colleagues from the CET directorate have registered for the courses and are quality assuring the content. - The Colloquium laptop competition draw took place in the second week of February 2022 and a newflash was sent out on 25 March 2022 to announce the winners. - The Director-General approved the Digital Content Development Strategy that will be implemented through the Open Learning Directorate in consultation with the TVET Branch; and - The Capacity Building strategy that will be implemented with the training of 250 TVET college lecturers. Microsoft has come onboard to assist with the training.

	• Case Studies on Open Learning Project: 'Cool Project' books were completed. The project has come to an end and working on the launch of the books, commenced and comprise of: • 16 booklets (16 case studies per set) • 80 books (of 408 pages)
Amount received in current period (R'000)	5 257
Amount spent by the Department (R'000)	5 257
Reasons for the funds unspent	Delays in the project implementation processes.
Monitoring mechanism by the donor	Project steering committees and a review of reports. Mid-Term and summative evaluation.

Donor Fund: Teaching and Learning Development Sector Reform Contract (TLDSRC)

Name of donor	European Union
Name of the Project	Teaching and Learning Development Capacity Improvement Programme (TLDCIP)
Full amount of the funding	R200 000 000
Period of the commitment	2014-2020
Purpose of the funding	The purpose of the TLDCIP is aimed at supporting universities capacity to offer quality teaching and learning in teacher and lecturer education programmes to strengthen the following sectors: • Early Childhood Development; • Pre-schooling and Schooling; • TVET; and • Adult and CET
Expected outputs	Finalisation and implementation of: • The Teacher Education for Early Childhood Care and Education Project; • The Primary Teacher Education Project; • The Teacher Education for Inclusive Teaching Project; • The College Lecturer Education Project; and • The University Teaching and Research Enhancement Project. The universities supported by the TLDCIP will produce the following outputs: • Quality teaching and learning materials and other resources; • Curriculum frameworks; • Knowledge and Practice standards; • Innovative work integrated materials and modalities; • Professional qualifications; • Research and articles to advance knowledge to professionalise the sectors; and • Black and or women graduates that are supported to complete their post-graduate studies.

Actual outputs achieved	• Mathematics and Languages materials development and assessment strategies, curricula and teaching resources, research and publication of knowledge. • Research on the implementation of the assessment frameworks and prototype tasks to broaden the assessment of mathematical thinking in a course for mathematical content in a participating university, is ongoing. Results from this implementation cycle were presented at the Southern African Association for Research in Mathematics, Science and Technology Education conferences in 2020 and 2021. • The Higher Certificate and Advanced Diploma in ACET were accredited by CHE and registered with SAQA. They were offered for the first time in 2020. • Research project investigating the TVET landscape towards enhancing quality PSET opportunities in South Africa. The research report has been completed and submitted. A book based on the research report is in print. • A comprehensive research programme was developed to support staff in conducting research in Early Childhood Education. • The Minister has approved steering committee members, the draft Terms of Reference of the Steering Committee (as endorsed) and the IEIP revised Operation Plan. • The Minimum Requirements for Qualifications on Educators in Early Childhood Development was gazetted in 2017 and programmes developed to professionalise the sector. Thirty-nine students have been supported to undertake PhD and Masters studies, and research reports have been submitted. • Three centres were established to strengthen special and inclusive needs education: Centre for Visual Studies; Centre for Deaf Studies; the Centre for Neuro-developmental Learning Needs. Research reports and publications were completed and a range of professional qualifications were developed and are being offered. Teaching and learning materials and resources are available. Sixty-five students have been supported to undertake Master's and Doctoral studies. • Four professional programmes have been developed; nine universities have received accreditation to offer the TVET programmes and five universities have been accredited to offer ACET programmes. Research reports are available, curriculum frameworks have been developed and inform materials development and curricula as well as work integrated principles and processes. Articles have been developed and 65 students supported to undertake Master's and PhD studies. • The TLDCIP alter facts in the form of reports, thesis, articles, conference presentations, video, online courses, learning material and toolkits, etc. are being uploaded onto the NOLS as soon as it has been checked for adherence to the Communication and Visibility protocols of the European Union.
Amount received in current period (R'000)	2 109
Amount spent by the Department (R'000)	2 109
Reasons for the funds unspent	Delays in the project implementation processes due to COVID-19.
Monitoring mechanism by the donor	• Project Steering Committee meetings and review of progress reports • Mid-Term and summative evaluation

Donor Fund: Teaching and Learning Development Sector Reform Contract (TLDSRC)

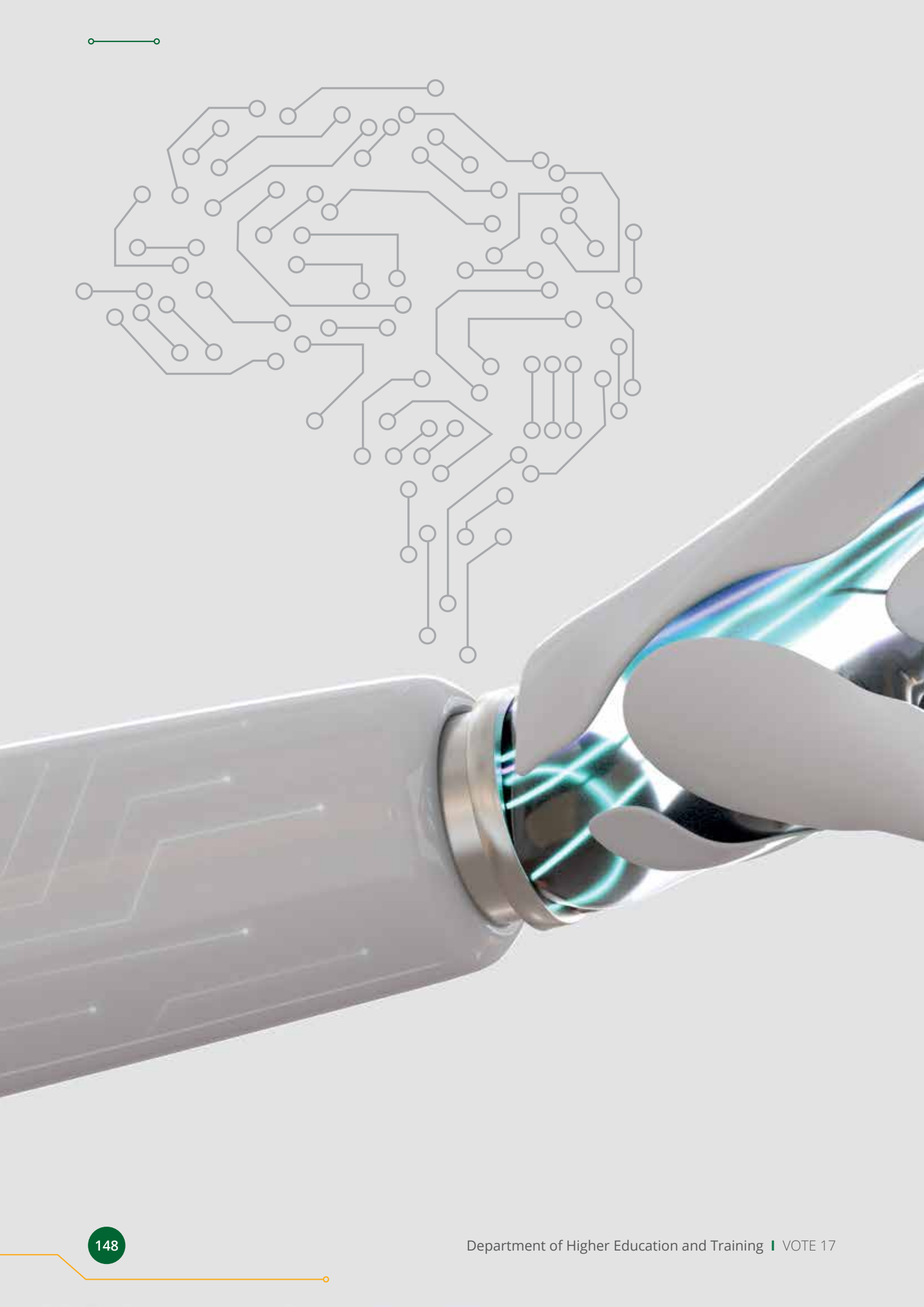
Name of donor	European Union
Name of the Project	Technical and Vocational Education and Training Management Information System Project (TVETMIS)
Full amount of the funding	R12 000 000
Period of the commitment	2019-2021
Purpose of the funding	The primary objective of TVETMIS project is to consolidate the TVETMIS at Departmental and colleges levels. TVETMIS will be organisationally well defined with accepted roles and responsibilities, as well as technically and functionally operational requirements at any time in providing the datasets and information required at all levels.
Expected outputs	Outputs of the project are as follows: • TVETMIS effectively and timely monitored, supported and corrective measures taken when and where required; • A set of Standard Operations Procedure (SoP) documents supporting the management of TVETMIS within the Department; • A set of SoP documents supporting the management of TVETMIS and of data within TVET colleges; • TVETMIS technically functional and supported by an updated development path and compliant with applicable security protocols; • TVETMIS functionally operational supported by vendor systems for data capturing, extraction and validation and Departmental systems for validation, verification and declaration; • Business Intelligence and reporting tools selected and tested, dashboards designed and confirmed internally by the Department and colleges; • The Departmental TVETMIS structure defined, roles and responsibilities accepted including an effective Helpdesk facility; • College TVETMIS structure defined, roles, responsibilities and processes accepted and implemented as required to support data management and TVETMIS submissions; and • TVETMIS Project technically managed to support agreed project outcomes.
Actual outputs achieved	• An inception report was developed and approved in February 2021. • TVETMIS Forum and Project Management Team structures are operational to support Outcome 1 on the responsive TVETMIS governance and management structures. These are operational and ongoing. • Four SOPs that were developed in 2019 (linked to outcome 2) were reviewed for the Department to reach consensus on the structure to be adopted for all SOPs. • Consultation documents on the needs analysis for Regional Managers and Data Managers were developed for inputs and inputs for the development of the TVETMIS portal and the TVETMIS System Support have been provided. • TVETMIS organogram that specify key TVETMIS duties and tasks required to be undertaken by the Department to ensure a seamless performance of TVETMIS has been completed. • A TVETMIS Audit Report (linked to outcome 5) was developed and recommendations were discussed in August 2021. • The TVETMIS Support System Design Specifications have been approved and the recommend software was presented by Adapt IT. • Four SOP charts for TVET colleges were developed and discussed with selected data managers at a workshop held on 17 November 2021. • The second demo of the TVETMIS User Information System was presented by Adapt IT based on the data shared by the Department.

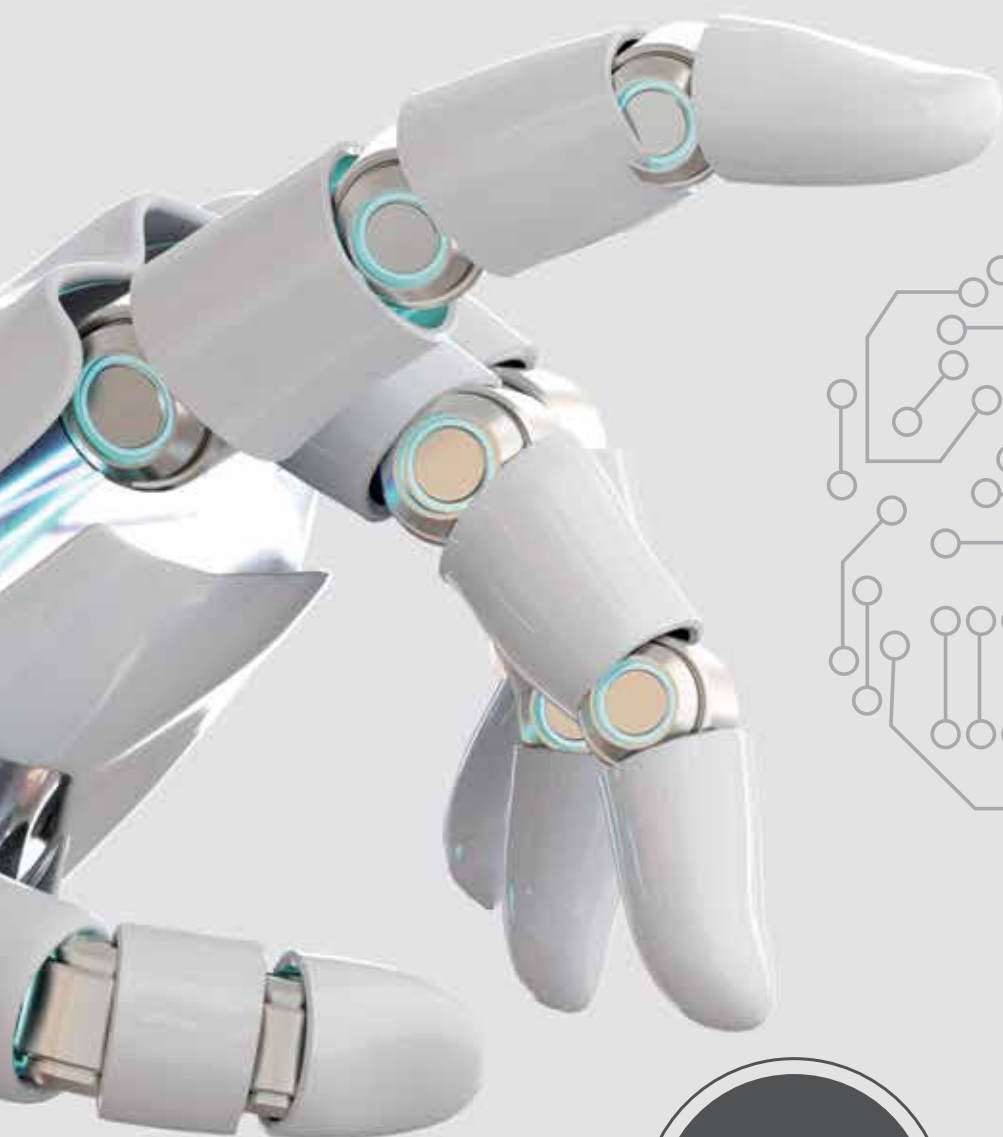
	During 2022/23: • SOPs for TVET college data managers and the Departments were finalised and uploaded on the TVETMIS portal. • Change management workshops were conducted. • A final report for the project was handed over to the Department during July 2022. • TVETMIS support system modules were finalised and uploaded on the TVETMIS portal.
Amount received in current period (R'000)	2 568
Amount spent by the Department (R'000)	2 568
Reasons for the funds unspent	Delays in the project implementation processes
Monitoring mechanism by the donor	Project Steering Committee meetings and review of progress reports Mid-Term and summative evaluation

7. CAPITAL INVESTMENTS

7.1. Capital Investment, Maintenance and Asset Management Plan

None.





PART C

GOVERNANCE

1. INTRODUCTION

The Department has set in place appropriate governance structures accordingly aimed at ensuring requisite legislative compliance in concert with the effective, efficient and economic utilisation of all resources at its disposal. Relevant governance documents in this regard include policies and procedures among others, in support of ensuring that the Department with probity, effectively and efficiently delivers its Mandate within the required Regulatory Framework.

Appropriate controls, Delegations of Authority and segregation of duties augment requisite implementation processes of the Department as outlined in- and directed by relevant policies and procedures. The Department communicates its governance documents to incumbents on a regular basis, while the Executive Management Committee meets on a regular basis to discuss critical areas of strategic, performance, administrative and financial-related importance. The Minister intermittently convenes meetings with the Executive Management Committee to discuss strategic policy interventions, as well as the status of broader Departmental performance.

The Department has implemented a plethora of control measures with a view to assist with the identification and prevention of irregular and fraudulent activities in the Department and although it may not always be in a position to prevent such activities aimed at defrauding the Department, the existing controls are geared towards expeditiously identifying cases and instituting relevant corrective actions in resolving such matters. Where appropriate, the Department has also endorsed additional controls in an attempt to further curtail recurring, undesirable activities.

The collective functions across the six programmes of the Department have been aligned to the approved budget and in turn expenditure monitoring is conducted on a regular basis and monthly cash-flow reports submitted to the Minister and National Treasury in terms of Section 40 of the PFMA. Accordingly, key governance areas in tandem with the functions of the Audit Committee and the Internal Audit Unit are also discussed in more detail in this part of the Annual Report.

2. RISK MANAGEMENT AND THE MINIMISATION OF RISK

The Department has successfully established a Directorate with dedicated focus directed towards the effective management of risk, inculcating improved ethics and integrity, as well as the prevention of corrupt and fraudulent activities across all functional/operational levels of the Department.

The Department has endorsed an appropriate Risk Management Policy and Implementation Strategy which have successfully been implemented, intermittently monitored and are continuously communicated to Departmental incumbents.

In order to further cultivate and bolster a risk culture and risk ownership across the Department, the Sub-Directorate: Risk Management in determining risk appetite and tolerance, regularly conducts risk assessments throughout all branches of the Department and in addition identify new and emerging risks.

Going forward and as part of its continued efforts in inculcating an improved risk culture and counterpart ownership of risk, the Department has diversified this approach by utilising a variety of consultative methodologies which among other, include the hosting of workshops, focus group discussions, Communities of Practice sessions, Master Classes, Surveys, as well as designated training sessions and interviews with risk owners. These identified risks are then recorded in both the individual Risk Registers of the branches and the Risk Register of the Department, respectively.

The Department has established a functional Risk Management Committee duly constituted in terms of the Public Sector Risk Management Framework 2010, comprising Branch representatives tasked with advising

management and the Accounting Officer on implementation of the desired and appropriate risk management system and focussing on ascertaining risk appetite (ownership of risk), risk tolerance, including risk monitoring and the mitigation of risk functions.

The scope of risk assessment has also been broadened to include maintaining fraud risk registers and determining ethical risk, both activities which are now standing agenda items for discussion during Risk Management and Audit Committee meetings.

Over recent years, the Department has seen steady progress in the management of risks evolving from a maturity level of initial to an advanced level and which has been bolstered by the Sub-Directorate: Risk Management's efforts in ensuring the implementation of effective risk management practices and supporting risk-based decision-making. Significant progress has also been apparent in relation to the areas of risk ownership, tolerance, monitoring and mitigation accordingly realised with the support and involvement of branches and their respective Branch Coordinators.

3. MINIMISING FRAUD RISK, CORRUPTION AND OTHER MALEFICENCE

The Department has revised and approved both the Fraud Prevention and Whistleblowing Policies, respectively, which are aligned with current developments around the dangers faced by whistle-blowers in the country and the requirements outlined by the *Protected Disclosures Act of 2000, (Act No. 26 of 2000)*. Under guidance of the fore-mentioned policies, a variety of mechanisms that include among other, documentary analysis and other forms of engagement with the relevant Accounting Officer, fraud risk assessments are conducted annually by the Sub-Directorate and identified fraud risks incorporated as part of the Departmental Fraud Risk Register. Together with other preventative measures comprising of awareness campaigns, as well as continuous efforts aimed at expanding reporting channels for whistle-blowers in bringing fraudulent activities to light, the fore-mentioned Fraud Risk Register forms an integral element of the Departmental Fraud Prevention Plan.

The Department accordingly harnesses a number of reporting channels such as its call centre hotline and a dedicated fraud email hotline to bolster efforts in identifying fraudulent activity. These channels are utilised by officials and other whistle-blowers in reporting alleged or suspicious actions that may constitute corruption and fraud. The Department also intermittently receives reports regarding suspicious activities via external channels, such as the Presidential and the National Anti-Corruption Hotlines. The process of procuring an independent hotline is currently underway in a further effort to ensure that the identity of whistle-blowers and the confidentiality of reports they submit are assured.

The Sub-Directorate: Anti-Corruption and Fraud over previous years has also established and cultivated good relations and strong cooperation with other public entities such as the Public Service Commission (PSC), the National Prosecuting Authority's Asset Forfeiture Unit, as well as the Office of the Deputy President. The strengthening of cooperation with these public entities is geared towards enabling easy access to data regarding and contained in cases reported by the public, as well as those registered by way of the Presidential Hotline.

In accordance with relevant legislation that include the *Protected Disclosures Act of 2000, (Act No. 26 of 2000)* and the *Prevention and Combating of Corrupt Activities Act of 2004, (Act No. 12 of 2004)*, the Sub-Directorate: Anti-Corruption and Fraud Prevention has concluded an analysis of the data obtained via these internal and external channels and the final report pertaining to the fore-mentioned analysis was submitted to the Accounting Officer in obtaining a mandate.

At the advent of the 2019/20 financial year and in line with the Department's zero-tolerance stance towards the incidence of corruption and fraud, the Sub-Directorate has been strengthening internal capacity to effectively conduct preliminary investigations required for supporting further investigations conducted in

terms of the partnerships established by the Directorate as well as internally, by the Labour Relations Unit and externally by law enforcement agencies.

Externally, through collaboration with the fore-mentioned law enforcement agencies comprising of the Hawks, as well as the National Prosecuting Authority and its Asset Forfeiture Unit, the Sub-Directorate: Anti-Corruption and Fraud Prevention has been able to open and register several criminal cases against implicated officials of the Department with the South Africa Police Services.

Internally and in response to relevant pieces of legislations that include the *Labour Relations Act of 1995, (Act No. 66 of 1995)*, the *Proceeds of Crime Act of 1996, (Act No. 76 of 1996)* and the *Public Finance Management Act of 1999, (Act No. 1 of 1999)*, as well realising the objective of internalising consequence management and strengthening weak internal controls across the Department, improved collaboration between the Sub-Directorate: Anti-Corruption and Fraud Prevention and relevant Departmental stakeholders, which include the Human Resource Management and Administration, Finance and Labour Relations directorates, has since been cultivated and expanded.

As a result of these improved relationships, the Department has been able to subject a number of officials duly implicated in fraudulent and corrupt activities as well as other maleficence to requisite disciplinary processes. In addition and with a view to further bolster these disciplinary processes, improved and more efficient corroborative functions cultivated between the Sub-Directorate: Anti-Corruption and Fraud Prevention and the Finance Directorate have translated into the development of a Debt Recovery Plan, which has seen officials implicated in acts of corruption being compelled in signing acknowledgement of debt forms and repaying amounts unduly received.

4. ETHICS AND INTEGRITY MANAGEMENT AND THE MINIMISATION OF CONFLICT OF INTEREST

Members of the Senior Management Service, including other identified categories of employees in terms of relevant Public Service Regulations, 2016 (PSR, 2016), Chapter 2, Part 2 and the 2021 Directive as issued by the Minister of DPSA, are compelled to disclose their financial Interests on an annual basis by way of the designated DPSA, e-Disclosure System.

The Department via its Sub-Directorate: Ethics and Integrity Management, strictly manages and monitors employees who wish to perform other remunerative work alongside their Departmental functions with a view to ensure compliance with the requirements related to engaging in Remunerative Work Outside Employment or Outside the Public Service as contemplated in section 8 of the Act, as well as the Guide on Managing other Remunerative Work in the Public Service, 2020. Among the measures aimed at ensuring compliance is obtaining prior written permission from the relevant Executive Authority or the Accounting Officer to engage in such activities and the use of State resources, property or facilities, inclusive of the time that such employees or public servants are contracted to work for the State.

The fore-mentioned Directorate also ensures the implementation of consequence management against those employees who are found to have failed to comply with the requirements outlined by Regulation 13(c) of the Public Service Regulations, 2016, and Section 8 of the Public Administration Management Act, including extensions to prohibitions in relation to Special Advisors.

In line with its value proposition related to the PSET System and in tandem with providing strategic leadership and policy direction, while also responding to the findings in relation the lack of accountability and consequence management interventions apparent at Chapter 9 and 10 institutions, the Department at the advent of 2021/22 developed an all-inclusive accountability framework facilitating a seamless process in implementing consequence management measures across the Department and its subservient institutions, starting with college principals at CET and TVET colleges, respectively.

The Department, in close cooperation with the Ethics, Integrity and Disciplinary as well as Technical Assistance Unit of the Department of Public Service and Administration, has been working towards ensuring that those officials found to have failed in complying with the requirements of Regulation 13(c) of the Public Service Regulations, 2016, and Section 8 of the Public Administration Management Act, are accordingly subjected to the requisite disciplinary processes.

As part of also imbedding the culture of ethics and integrity across the Department, the Sub-Directorate: Ethics and Integrity has invested considerable time and effort into ensuring the elevation of awareness among staff members pertaining to relevant requirements articulated in different regulations and legislations while continuously emphasising the relevance and importance of ongoing and effective compliance management processes.

5. CODE OF CONDUCT

In terms of Section 16A (1) and (2), 16B of the Public Service Act, 1994, the Department through the Ethics and Integrity Sub-Directorate must ensure that non-compliance is dealt with decisively.

Regulation 21(2)(c) of the Public Service Regulations (PSR), 2016 further provides when an employee, subsequent to consultation referred to in sub-regulation (2)(b), fails to take the appropriate steps in addressing the conflict of interest, the Head of Department must take appropriate disciplinary action against such an employee.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The South African Occupational Health and Safety Act is unequivocal on the importance of ensuring health and safety compliance measures within the workplace. The Act requires that organisations have a valid Health and Safety Compliance Certificate, accordingly substantiating that the Departmental workspace is legally compliant with the requisite Occupational Health and Safety Act requirements. The document also serves as proof that the Department has satisfied all relevant legal standards required by law in creating and maintaining a sanitary and safe working environment for staff.

The Department accordingly is in possession of such a valid Health and Safety compliance certificate and the document also confirms that the buildings occupied by staff are structurally sound and found to pose no material risk or potential future risk to the safety and well-being of occupants, while also meeting all relevant compliance standards.

This compliance certificate is valid for one year only, requiring subsequent annual assessments in ascertaining and substantiating that no potential risks are apparent or have accordingly been identified. In addition, the compliance certificate also confirms that the automatic fire detection and fire evacuation system has been serviced and is fully operational in accordance with the governing SABS, 1039 fire detection code.

The servicing of the primary power diesel generator (back-up generator), during the period under review was found to be fully operational and working properly. Requisite servicing and/or inspection checks were also carried out at six-month intervals during the period under review.

The annual servicing of fire equipment and sprinklers accordingly comprising of 73 extinguishers, 55 hose reels and 57 hydrants was also successfully conducted and concluded in accordance with the applicable SABS and SAQCC specifications.

The periodic inspection, testing and servicing of lifts was undertaken at monthly intervals and subsequent reports that the latter were properly operational and in line with the prescripts as outlined in terms of the relevant SANS, 1545-1 and lift, escalator and passenger conveyor regulations.



The servicing of air conditioners have also been conducted during the year so as to ensure that each were clean and devoid of any harmful bacteria that may impact the health of staff.

Several areas of concern were accordingly raised during meetings with the landlord. The latter committed to attend to these issues by 1 July 2023. Matters requiring duly requiring interventions by the landlord relate to the following actions:

- The provision and installation of a sufficient number of exit signage at relevant areas staircase exit/entry points;
- Fire/escape doors properly sealed and closed off; and
- The provision and installation of an evacuation chair.

The unavailability of information boards to keep staff informed so that they adhere to health and safety practices; Health and Safety representatives training; induction training for new employees; development of Health and Safety Policy; and Health and Safety Committee meetings were also required and addressed during the period under review.

The respective buildings occupied by Departmental staff during the period under review, were effectively serviced by way of implementation of requisite waste management, hygiene and day-to-day maintenance services, the latter which was monitored and assured by means of daily and occasional, random as well as unannounced inspections.

The provision of protective clothing to employees whose duties compel the wearing of such garments was also effectively rendered on a continuous basis during the 2022/23 reporting cycle.

7. PORTFOLIO COMMITTEES

The Constitution of the Republic of South Africa stipulates that Parliament has the power to conduct oversight of all Organs of State which is performed by way of its Parliamentary Committees. Parliamentary Committees are established as instruments of the National Assembly and National Council of Provinces in terms of the Constitution of the Republic of South Africa to facilitate oversight and monitoring of Government institutions. These committees are the engine rooms of Parliament's oversight and legislative work which scrutinise legislation, oversee government action, and interact with the public. One of the most important aspects of the oversight function is the assessment and review of annual reports of Organs of State by committees, and reports of the Auditor-General South Africa (AGSA). Details are provided below in terms of oversight activities of various committees.

Portfolio Committee on Higher Education and Training

The Portfolio Committee on Higher Education and Training comprises members of the National Assembly. In exercising its constitutional mandate of oversight in relation to the Department, the Portfolio Committee on Higher Education and Training convened a number of meetings focussing on the following areas of intervention:

- Strategic Plan 2020 to 2025, Annual Performance Plan (APP) 2023/24 and Budget;
- NSF on responses to the questions by the Committee on its Strategic Plan 2020 to 2025 and APP 2023/24;
- Fourth quarter 2021/22, first quarter, second and third quarter 2022/23 performance information reports;
- Review of the NSF by the Ministerial Task Team, the forensic report into the NSF and progress in the implementation of the audit action plan of the NSF;
- Readiness for the 2023 academic year;

- Briefing on the Ministerial Task Team and Student Funding; and
- Report on consequence management at NSF and NSFAS.

Select Committee on Education and Recreation

The Select Committee on Education and Recreation comprises members of the National Council of Provinces. The Committee convened a number of meetings focusing on the following in exercising its oversight role:

- 2022/23 APP; and
- 2021/22 Annual Report.

8. STANDING COMMITTEE ON PUBLIC ACCOUNTS (SCOPA)

None.

9. SCOPA RESOLUTIONS

None.

10. PRIOR MODIFICATIONS TO AUDIT REPORTS

None.

11. INTERNAL CONTROL UNIT

The Internal Control Unit staff compliment comprises a Deputy and Assistant Director alongside three State Accountant posts. The work performed during the year under review consisted of desktop inspections of payroll management processes for CET and TVET colleges as well as the Head Office, inspections and cash counts in the cashier offices at Head Office and Indlela, respectively and inspections of payment batches in relation to the Departmental Travel Account. In addition, the Unit also assisted with the checking and verification of inputs forming part of the Interim and Annual Financial Statements of the Department.

12. INTERNAL AUDIT AND AUDIT COMMITTEES

Key activities and objectives of Internal Audit

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

The Internal Audit Function operates with skilled personnel and functions as required in terms of relevant Treasury Regulations and the PFMA. A risk-based Audit Plan was developed for the year and approved by the Audit Committee. During the year under review, internal audit engagements were performed in accordance with the Audit Plan. Due to a lack of staff and specialised skills in executing the work pertaining to the Audit Plan, the Department has continued to utilise consultants in providing co-sourcing functions in support of the audits.

Key activities and objectives of the Audit Committee

The objective of the Audit Committee is aimed at assisting the Accounting Officer in fulfilling oversight responsibilities regarding financial reporting processes, the system of internal control and management of risks, the audit process and monitoring of compliance in accordance with relevant laws and regulations governing these processes.

The main activities of the Unit comprise of:

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

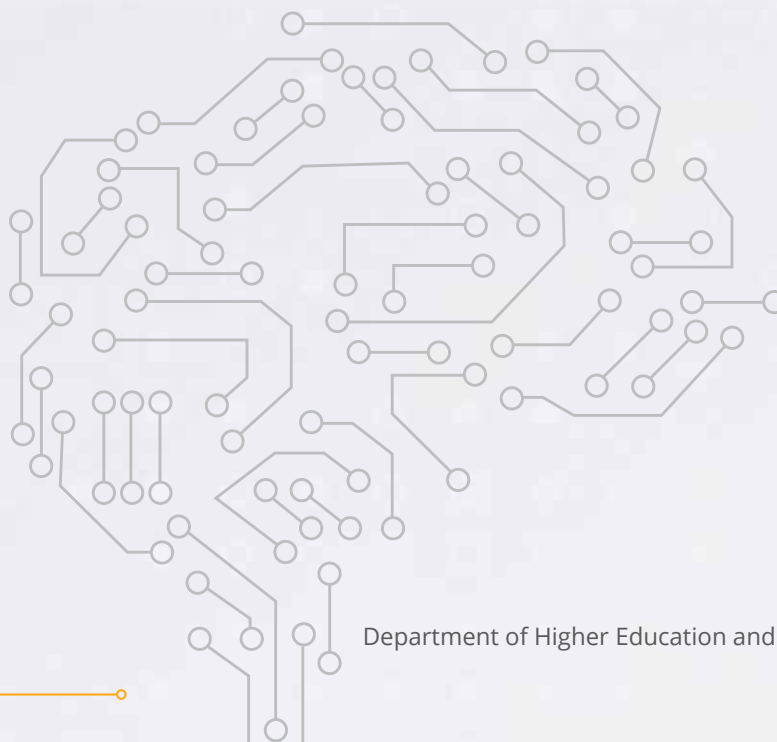
The Audit Committee is fully constituted and functions effectively as required by the requisite Treasury Regulations and the PFMA. The Audit Committee during the period under review, convened four meetings.

The table below provides relevant information pertaining to the fore-mentioned Audit Committee meetings:

Name	Qualifications	Internal / External Member	Date Appointed	Date Resigned	No of meetings attended
Dr L Konar (Chairperson)	D Com, CA(SA); CRMA	External	1 April 2021		4
Mr T Boltman	CIA, CGAP, CCSA, Postgraduate Diploma in Internal Audit	External	1 October 2022		2
Mr M Mokgobinyane	Sciences; B Com Hons (Accounting); CTA, CA (SA); MPhil in Accounting	External	1 April 2021		4
Ms Middleton	B Com Hons (Informatics), MBA, CIA	External	1 April 2021		4

13. AUDIT COMMITTEE REPORT

Refer to the details accordingly provided in **Part F**.



14. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following Table has been completed in accordance with compliance and requisite B-BBEE requirements stipulated in terms of the *B-BBEE Act, 2003 (Act 53 of 2003)* and as determined by the Department of Trade, Industry and Competition.

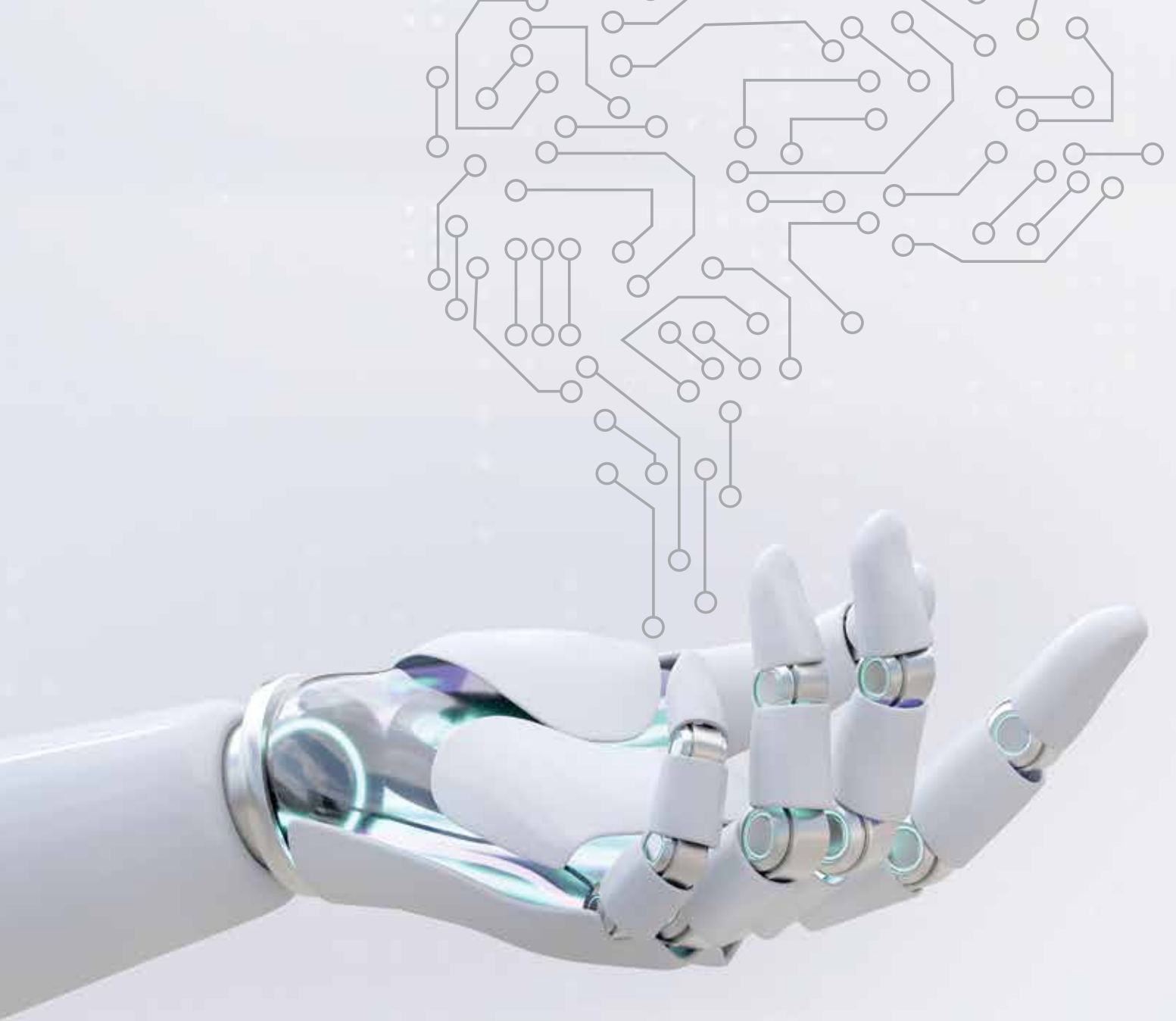
Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 to 8) with regards to the following:		
Criteria	Response Yes / No	Discussion
Determining qualification criteria for issuing licences, concessions or other authorisations in respect of economic activity in terms of any law?	N/A	The Department does not issue licences, concessions or any other authorisations in respect of economic activity as these, where applicable, reside with its respective entities
Developing and implementing a Preferential Procurement Policy?	Yes	- As of 15 February 2023, the Department applied the Preferential Procurement Regulations 2017 (PPR) of the <i>Preferential Procurement Policy Framework Act, 2000 (PPPFA)</i>. To this end, the supply chain management policy provided for among others, the identification of a preference points system, pre-qualification criteria, objective criteria, etc. in enabling comparative evaluation of tenders. - Therefore, tenders that required functional criteria as a precursor, had to be evaluated on these criteria as a gauging mechanism to further evaluation on pricing and B-BBEE points. Tenders not meeting the minimum cut-off points for functionality were subsequently disqualified and the remaining qualifying tenders were advanced for pricing and B-BBEE points evaluation in determining the highest points tender for appointment. - Tenders with a requirement for local production and content as designated sectors, were reported to the Department of Trade, Industry and Competition, as legislated. - In view of a Constitutional Court judgment, the PPR 2017 was invalidated and National Treasury was given a reprieve to 15 February 2023, as the deadline to substantially amend the contents of the PPR, 2017. - National Treasury during October 2022, introduced PPR 2022 to replace PPR 2017. The replacement necessitated the Department to align and amend its Supply Chain Management Policy to introduce procurement specific goals, rather than B-BBEE as a criteria only. - The supply chain management policy took effect on 16 February 2023 and provided for the following specific procurement goals: - Business owned by black persons; - Business owned by women; - Business owned by youth; - Business owned by SMMEs; - Business owned persons living with disabilities; - Capacity building for effective participation; and - The development of rural areas. - The procurement focus for the ensuing year will be entered on meeting the first five specified goals. These goals may be amended per financial year though.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 to 8) with regards to the following:

Criteria	Response Yes / No	Discussion
Determining qualification criteria for the sale of state-owned enterprises?	N/A	The entities of the Department are fully autonomous and their sale is not applicable
Developing criteria for entering into partnerships with the private sector?	N/A	Public-private partnership are conducted in accordance with the relevant Treasury Regulation 16 as well as applicable Supply Chain Management Policy.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	N/A	The Department does not award incentives, grants or investment schemes as these, where applicable, reside with its entities.



The Director General, Dr SNP Sishi addressing the Hydrogen Economy Workshop participants



PART D

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The information contained in this part of the Annual Report has been prescribed by the Minister of the Public Service and Administration for all departments across the Public Service.

2. OVERVIEW OF HUMAN RESOURCES

The Status of Human Resources in the Department

The Human Resources Directorate was compelled to contend with various challenges during the period under review resulting from and since the phasing-out of COVID-19 pandemic guidelines, regulations and restrictions. It has nonetheless managed to achieve most of its targets as outlined in the Departmental APP. Significant progress has been apparent in relation to performance management, human resource planning, organisational development, change management, labour relations and employee health and wellness functions. In addition major challenges were experienced by the Human Resource Management and Administration Directorate in relation to recruitment and selection processes, as well as conditions of service and pension administration activities for the period under review and these functions were concluded over a protracted period of time.

Human Resource Priorities for the Year under Review and their Impact

- The conclusion of a skills audit;
- Decentralising Human Resource and PERSAL functions to TVET colleges;
- Developing a Medium-Term Expenditure Framework (MTEF) aligned to a Human Resource Plan;
- Concluding matching and placement activities in relation to the interim Organisational Structure;
- Standardising the benefits for CET academic staff;
- Developing an articulate Service Delivery Improvement Plan;
- Developing a Service Delivery Model; and
- Completing disciplinary cases within 180 days.

Workforce planning and Key Strategies to Attract and Recruit a Skilled and Capable Workforce

The Human Resource Plan (HRP) has been utilised as a tool to plan for the workforce required by the Department. The number of posts proposed in terms of the HRP were included as part of the Interim Organisational Structure for the Head Office, regional offices as well as TVET and CET colleges. A project plan aimed at the filling of vacancies was developed and strategies adopted to attract and recruit a skilled and capable workforce. Among these strategies, has been ensuring the appointment of adept selection panels, the development of easy-to-read, intelligible and articulate job requirements, while ensuring consistency regarding the implementation of the Recruitment and Selection Policy.

Employee Performance Management

The application and implementation of employee performance management processes has consistently been implemented with success over the past years. Performance Agreements have been linked to the Departmental APP and the Operational Plans of Branches. The Personal Development Plan was disseminated to and shared with the Training Development Directorate and utilised as the designated Workplace Skills Plan.

Grievance, Dispute and Misconduct Management

The Department recognises that colleges have not been addressing instances related to abscondment consistently and appropriate guidelines were accordingly developed and provided to all colleges in an effort to ensure uniformity in attending to and processing such matters. The Department acknowledges that it is required to finalise misconduct cases within 90 days and in order to ensure that the target is achieved, the Department has bolstered its internal capacity by training Initiators, as well as Investigating and the Presiding Officers and a Circular containing a list of trained officials was provided to Branch Heads, regions and colleges.

Achievements and Challenges faced by the Department, as well as Future Human Resource Plans/ Goals

- A finalised SDIP and SDM;
- A finalised Culture Survey;
- Completion of the first Phase of the Skills Audit;
- Completion of the Change Management Framework;
- Workshops intermittently facilitated on the implementation of the TVET PPN;
- A Finalised HRP;
- Employees interred at salary levels one to twelve matched and placed on the Interim Organisational Structure;
- Disciplinary cases finalised within 180 days; and
- Performance incentives paid within the requisite timelines.

Key Priorities for Human Resources in the Department are as follows

- The standardisation of benefits for CET academic staff;
- The implementation of HRP priorities;
- The implementation of the CET and TVET, PPN structures;
- A further review of the Organisational Structure;
- The filling of vacancies within 120 days;
- The development of a Performance Management and Development System for lecturers;
- The development of appropriate Business Process Mapping and Service Standards;
- The development of a new Employment Equity Plan;
- Decentralisation Human Resources and PERSAL functions to colleges;
- A comprehensive review of delegations; and
- The finalisation of disciplinary cases within 180 days.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

The following tables summarises the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

- Amount spent on personnel
- Amount spent on salaries, overtime, homeowner's allowances and medical aid.

Table 3.1.1: Personnel Expenditure by Programme for the Period 1 April 2022 and 31 March 2023

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Professional and Special Services (R'000)	Training expenditure (R'000)	Personnel cost as a % of total expenditure	Average personnel cost per employee (R'000)	Number of employees 31 March 2023
1	452 077	225 363	2 984	3 863	49.9	414	544
2	4 683 454	101 361	856	71	2.2	614	165
3	88 818 589	58 191	-	-	0.1	737	79
4	12 282 533	7 031 507	2 391	37 535	57.2	411	17 105
5	406 030	133 317	-	-	32.8	246	543
6	2 632 034	2 404 900	-	-	91.4	211	11 409
Sub total	109 274 717	9 954 639	6 231	41 469	9.1	334	29 845
Statutory	20 808 850	-	-	-	-	-	-
Total	130 083 567	9 954 639	6 231	41 469	7.7	334	29 845

Programme 4 excludes an amount for Examiners and Moderators = R297.181 million.

Table 3.1.2: Personnel costs by salary band for the period 1 April 2022 and 31 March 2023

Salary band	Personnel expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	345 285	3.5	45
Skilled (Levels 3-5)	1 190 365	12.0	156
Highly skilled production (Levels 6-8)	5 917 831	59.4	513
Highly skilled supervision (Levels 9-12)	2 271 567	22.8	818
Senior Management (Levels 13-16)	229 591	2.3	1 551
Total	9 954 639	100.0	334



The following tables provide a summary per programme (Table 3.1.3) and salary bands (Table 3.1.4), of expenditure incurred as a result of salaries, overtime, home-owner's allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

Table 3.1.3: Salaries, Overtime, Home-Owners Allowance and Medical Aid by programme for the period 1 April 2022 and 31 March 2023

Pro-gramme	Salaries			Overtime		Home Owner's Allowance		Medical Assistance	
	Personnel costs (R'000)	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical assistance as a % of personnel cost
1	225 363	149 000	66.1	9 555	4.2	6 774	3.0	12 250	5.4
2	101 361	70 825	69.9	12	-	1 222	1.2	2 257	2.2
3	58 191	39 998	68.7	3	-	759	1.3	1 253	2.2
4	7 031 507	4 932 477	67.3	4 763	0.1	265 498	3.6	455 951	6.2
5	133 317	90 613	68.0	852	0.6	3 931	2.9	7 833	5.9
6	2 404 900	1 626 343	67.6	-	-	159 040	6.6	132 987	5.5
Total	9 954 639	6 909 256	67.4	15 185	0.1	437 224	4.3	612 531	6.0

Table 3.1.4: Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2022 and 31 March 2023

Salary band	Salaries			Overtime		Home-Owner's Allowance		Medical Assistance	
	Personnel costs (R'000)	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical assistance as a % of personnel cost
Lower skilled (Levels 1-2)	345 285	213 944	62.0	705	0.2	35 474	10.3	37 333	10.8
Skilled (Levels 3-5)	1 190 365	766 121	64.4	1 612	0.1	85 050	7.1	120 566	10.1
Highly skilled production (Levels 6-8)	5 917 831	4 120 808	69.6	9 296	0.2	259 050	4.4	359 094	6.1
Highly skilled supervision (Levels 9-12)	2 271 567	1 630 967	71.8	3 572	0.2	56 686	2.5	94 089	4.1
Senior Management (Levels 13-16)	229 591	177 416	77.3	-	-	964	0.4	1 449	0.6
Total	9 954 639	6 909 256	69.4	15 185	0.2	437 224	4.4	612 531	6.2

3.2 Employment and Vacancies

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

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- Programme
- Salary band
- Critical occupations (see definition in notes below).

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 3.2.1: Employment and vacancies by programme as on 31 March 2023

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	693	547	21.20	103
Community Education and Training	13 141	11 410	13.20	133
Planning, Policy and Strategy	219	165	24.70	36
Skills Development	668	543	18.70	102
Technical and Vocational Education and Training	19 637	17 101	12.90	105
University Education	120	79	34.20	7
Total	34 478	29 845	13.40	486

Table 3.2.2: Employment and vacancies by salary band as on 31 March 2023

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Lower skilled (1-2)	1 741	1 498	14.00	2
Skilled (3-5)	5 220	3 405	34.80	20
Highly skilled production (6-8)	12 955	10 944	15.50	46
Highly skilled supervision (9-12)	3 016	2 540	15.80	3
Senior management (13-16)	230	142	38.30	1
Other (CET Part time Lectures)	11 134	11 134	-	381
Other (Contracts)	182	182	-	33
Total	34 478	29 845	13.40	486



Table 3.2.3: Employment and vacancies by critical occupations as on 31 March 2023

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related: Permanent	1 793	1 322	26.3	6
All artisans in the building metal machinery: Permanent	1	-	100.0	-
Archivists curators and related professionals: Permanent	1	1	-	-
Artisan project and related: Permanent	2	1	50.0	-
Basic Training: Permanent	17	16	5.9	-
Binding and related workers: Permanent	2	1	50.0	-
Building and other property caretakers: Permanent	164	101	38.4	-
Bus and heavy vehicle drivers: Permanent	5	4	20.0	-
Cashiers tellers and related clerks: Permanent	7	7	-	-
Cleaners in offices workshops hospitals: Permanent	2 155	1 952	9.4	8
Client information clerks: Permanent	69	46	33.3	-
Communication and information related: Permanent	27	23	14.8	-
Computer programmers: Permanent	3	3	-	-
Computer system designers and analysts: Permanent	2	2	-	-
Dental practitioners: Permanent	1	1	-	-
Economists: Permanent	1	1	-	-
Farm hands and labourers: Permanent	2	1	50.0	-
Finance and economic related: Permanent	36	34	5.6	-
Financial and related professionals: Permanent	147	106	27.9	-
Financial clerks and credit controllers: Permanent	353	210	40.5	-
Food services and aids and waiters: Permanent	38	33	13.2	2
General legal administration and related professionals: Permanent	10	5	50.0	-
Head of Department: Permanent	3	3	-	-
Household and laundry workers: Permanent	26	26	-	-
Household food: Permanent	93	60	35.5	-
Housekeepers and related workers: Permanent	8	6	25.0	-
Human resources and organisation development: Permanent	57	51	10.5	-

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Human resources clerks: Permanent	303	267	11.9	-
Human resources related	124	96	22.6	-
Information technology related: Permanent	90	53	41.1	-
Inspectors of apprentices works and vehicles: Permanent	1	1	-	-
Legal related: Permanent	3	2	33.3	-
Librarians and related professionals: Permanent	7	7	-	-
Library mail and related clerks: Permanent	42	34	19.0	1
Light vehicle drivers: Permanent	39	39	-	-
Logistical support personnel: Permanent	11	11	-	-
Material recoding and transport clerks: Permanent	99	93	6.1	-
Mathematicians and related professionals: Permanent	1	1	-	-
Messengers: Permanent	96	79	17.7	-
Motor vehicle drivers: Permanent	18	16	11.1	-
National technical examiners: Permanent	25	20	20.0	-
Natural science related: Permanent	1	1	0.0	-
Occupational therapy: Permanent	2	2	0.0	-
Operational planning: Permanent	1	1	0.0	-
Other administration and related clerks: Permanent	3 647	3 277	10.1	384
Other administrative policy and related officers: Permanent	52	50	3.8	-
Other information technology personnel: Permanent	8	8	-	2
Other Occupations: Permanent	13 508	10 575	21.7	75
Other Occupations: Temporary	10 721	10 721	-	4
Pharmacologists and related professionals: Permanent	1	1	-	-
Printing and related machine: Permanent	1	1	-	-
Professional nurse: Permanent	1	1	-	-
Psychologists occupational counsellors: Permanent	1	1	-	-
Rank: Education Specialists: Permanent	2	-	100.0	-
Rank: Lecture: Permanent	25	-	100.0	-
Risk management and security services: Permanent	5	5	-	-
Secretaries: Permanent	278	233	16.2	-
Security guards: Permanent	63	57	9.5	-

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Security officers: Permanent	24	16	33.3	1
Senior managers: Permanent	218	129	40.8	3
Social work and related professionals: Permanent	2	1	50.0	-
Statisticians and related professionals: Permanent	1	1	-	-
Trade labourers: Permanent	25	21	16.0	-
Trade related: Permanent	6	6	-	-
Trade /industry advisers and other related profession: Permanent	3	2	33.3	-
Total	34 478	29 845	13.4	486

3.3 Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of Senior Management Service posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 3.3.1: SMS post information as on 31 March 2023

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	-	-
Salary Level 16	1	1	100	-	-
Salary Level 15	7	7	100	-	-
Salary Level 14	44	26	59	18	41
Salary Level 13	201	111	55	90	45
Total	254	146	57	108	43

Table 3.3.2: SMS post information as on 30 September 2022

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	-	-
Salary Level 16	1	1	100	-	-
Salary Level 15	7	6	86	1	14
Salary Level 14	44	23	52	21	48
Salary Level 13	201	110	55	91	45
Total	254	141	56	113	44

Table 3.3.3: Advertising and filling of SMS posts for the period 1 April 2022 and 31 March 2023

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Salary Level 15	1	-	1
Salary Level 14	5	-	4
Salary Level 13	33	-	3
Total	39	-	8

Table 3.3.4: Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2022 and 31 March 2023

Reasons for vacancies not advertised within six months

The Department advertised the SMS positions within six months after the approval was granted by the Executive Authority.

Reasons for vacancies not filled within twelve months

The Department advertised 243 positions during the above-mentioned period and due to high volumes the Department innovated an online Z83 form application form to avoid physical contact.

It should be mentioned that the Department does not have an e-Recruitment system to deal with response handling process (advertising and receiving of applications).

Table 3.3.5: Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2022 and 31 March 2023

Reasons for vacancies not advertised within six months

Vacancies could not be advertised because of matching and placement on the interim approved organisational structure.

Reasons for vacancies not filled within six months

Posts were not filled within 6 months because of back log caused by the COVID-19 restrictions and protocols in the past financial year.

3.4 Job Evaluation

None



3.5 Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the Department. The following tables provide a summary of turnover rates by salary band and critical occupations.

Table 3.5.1: Annual turnover rates by salary band for the period 1 April 2022 and 31 March 2023

Salary band	Number of employees at beginning of period-1 April 2022	Appointments into the Department	Transfers into the Department	Transfers out of the Department	Terminations out of the Department	Turnover rate
Lower skilled (Levels 1-2)	1 355	258	-	1	58	4.3
Skilled (Levels 3-5)	3 376	335	3	5	149	4.4
Highly skilled production (Levels 6-8)	10 484	1 023	16	16	441	4.2
Highly skilled supervision (Levels 9-12)	2 494	71	12	7	200	8.0
Senior Management Service Bands A (Level 13)	107	2	3	-	3	2.8
Senior Management Service Bands B (Level 14)	23	3	2	-	6	26.1
Senior Management Service Bands C (Level 15)	7	1	-	-	1	14.3
Senior Management Service Bands D (Level 16)	1	-	-	-	-	-
Other (CET Part-time)	11 069	537	-	-	395	3.6
Other (Contracts)	191	23	-	-	21	11.0
Total	29 107	2 253	36	29	1 274	4.4

Table 3.5.2: Annual turn-over rates by critical occupation for the period 1 April 2022 and 31 March 2023

Critical occupation	Number of employees at beginning of period-1 April 2022	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Administrative related: Permanent	1 087	163	64	5.9
Archivists curators and related professionals: Permanent	1	-	-	-
Artisan project and related superintendents: Permanent	1	-	-	-
Basic training: Permanent	14	2	-	-
Binding and related workers: Permanent	2	-	1	50.0
Building and other property caretakers: Permanent	35	65	4	11.4
Bus and heavy vehicle drivers: Permanent	4	-	-	-
Cashiers, tellers and related clerks: Permanent	10	-	2	20.0
Cleaners in offices workshops hospitals: Permanent	1 904	194	104	5.5
Client information clerks (Switchboard reception information clerks): Permanent	16	26	-	-
Communication and information related: Permanent	10	6	-	-
Computer programmers: Permanent	4	-	1	25.0
Computer system designers and analysts: Permanent	2	-	-	-
Crime investigators: Permanent	1	-	-	-
Dental practitioners: Permanent	1	-	-	-
Economists: Permanent	1	-	-	-
Farm hands and labourers: Permanent	1	-	-	-
Finance and economics related: Permanent	33	5	-	-
Financial and related professionals: Permanent	71	14	8	11.3
Financial clerks and credit controllers: Permanent	203	30	11	5.4
Food services aids and waiters: Permanent	37	-	3	8.1
General legal administration and related professionals: Permanent	5	-	-	-
Head of department/chief executive officer: Permanent	4	-	1	25.0
Household and laundry workers: Permanent	27	-	1	3.7
Household food and laundry services related: Permanent	41	14	1	2.4
Housekeepers laundry and related workers: Permanent	6	1	1	16.7
Human resources and organisational development and related professionals: Permanent	47	5	2	4.3
Human resources clerks: Permanent	254	24	7	2.8
Human resources related: Permanent	67	17	3	4.5
Information technology related: Permanent	21	18	1	4.8
Inspectors of apprentices works and vehicles: Permanent	1	-	-	-

Critical occupation	Number of employees at beginning of period-1 April 2022	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Legal related: Permanent	2	1	1	50.0
Librarians and related professionals: Permanent	7	-	-	-
Library mail and related Clerks: Permanent	30	4	-	-
Light vehicle drivers: Permanent	41	-	2	4.9
Logistical support personnel: Permanent	13	-	-	-
Material recording and transport clerks: Permanent	106	4	5	4.7
Mathematicians and related professionals: Permanent	2	-	1	50.0
Messengers and porters and deliverers: Permanent	62	13	4	6.5
Motor vehicle drivers: Permanent	15	-	-	-
National technical Examiners: Permanent	20	-	-	-
Natural sciences and related: Permanent	1	-	-	-
Occupational therapy: Permanent	1	1	-	-
Operational planning: Permanent	1	-	-	-
Other administrative and related clerks and organisers: Permanent	3 416	267	202	5.9
Other administrative policy and related officers: Permanent	48	1	2	4.2
Other information technology personnel: Permanent	7	1	-	-
Other occupations: Permanent	10 365	847	495	4.8
Other occupations: Temporary	10 596	478	315	3.0
Pharmacologists pathologists and related professionals: Permanent	1	-	-	-
Printing and related machine operators: Permanent	1	-	-	-
Professional nurse: Permanent	1	-	-	-
Psychologists and vocational counsellors: Permanent	1	-	-	-
Risk management and security services: Permanent	6	-	1	16.7
Secretaries and other keyboard operating clerks: Permanent	221	29	10	4.5
Security guards: Permanent	52	6	1	1.9
Security officers: Permanent	13	6	1	7.7
Senior managers: Permanent	134	11	17	12.7
Social work and related professionals: Permanent	1	-	-	-
Statisticians and related professionals: Permanent	1	-	-	-
Trade labourers: Permanent	23	-	2	8.7
Trade related: Permanent	6	-	-	-
Trade/industry advisers and other related professions: Permanent	2	-	-	-
TOTAL	29 107	2 253	1 274	4.4

The table below identifies the major reasons why staff left the Department.

Table 3.5.3: Reasons why staff left the Department for the period 1 April 2022 and 31 March 2023

Termination Type	Number	% of Total Resignations
Death	121	9.1
Resignation	551	41.4
Expiry of contract	126	9.5
Dismissal – operational changes	2	0.2
Dismissal – misconduct	65	4.8
Dismissal – inefficiency	-	-
Discharged due to ill-health	20	1.5
Retirement	417	31.3
Transfer to other Public Service Departments	29	2.2
Total	1 331	100.0
% of total employment	4.45%	

3.6 Employment Equity

Table 3.6.1: Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2023

Occupational category	MALE				FEMALE				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionals	6 668	387	121	277	12 826	531	144	555	21 509
Technicians and associate professionals	461	58	9	34	554	193	11	64	1 384
Labourers and related workers	968	102	3	10	1 190	114	1	11	2 399
Plant and machine operators and assemblers	36	8	-	1	7	8	-	-	60
Service shop and market sales workers	101	23	-	3	29	5	-	-	161
Clerks	1 241	49	21	32	2 510	146	42	123	4 164
Senior officials and managers	69	5	2	4	39	6	3	4	132
Craft and related trade workers	20	-	1	5	3	-	-	-	29
Unknown	3	-	-	-	4	-	-	-	7
Total	9 567	632	157	366	17 162	1 003	201	757	29 845
Employees with disabilities	17	4	0	7	21	3	1	6	59



Table 3.6.2: Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2023

Occupational Bands	MALE				FEMALE				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management: Permanent	3	-	-	-	4	1	-	-	8
Senior Management: Permanent	69	4	1	6	40	5	4	5	134
Professionally qualified and experienced specialists and mid-management: Permanent	1 009	120	45	123	894	115	29	205	2 540
Skilled technical and academically qualified workers, junior management, supervisors, foremen: Permanent	4 372	264	95	198	4 995	417	138	465	10 944
Semi-skilled and discretionary decision making: Permanent	1 104	122	12	24	1 803	261	22	57	3 405
Unskilled and defined decision making: Permanent	592	71	1	4	757	72	-	1	1 498
Contract	69	-	-	1	110	1	-	1	182
Other permanent and temporary	2 349	51	3	10	8 559	131	8	23	11 134
Total	9 567	632	157	366	17 162	1 003	201	757	29 845

Table 3.6.3: Recruitment for the period 1 April 2022 to 31 March 2023

Occupational Bands	MALE				FEMALE				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management: Permanent	-	-	-	-	-	1	-	-	1
Senior Management: Permanent	4	-	-	-	1	-	-	-	5
Professionally qualified and experienced specialists and mid-management: Permanent	28	3	-	-	37	2	-	1	71
Skilled technical and academically qualified workers, junior management, supervisors, foremen: Permanent	446	14	1	6	503	32	4	17	1 023
Semi-skilled and discretionary decision making: Permanent	119	12	-	-	181	23	-	-	335
Unskilled and defined decision making: Permanent	111	23	-	-	117	7	-	-	258
Other: Permanent and temporary	139	12	-	-	359	23	1	3	537
Contract	12	-	-	-	10	1	-	-	23
Total	859	64	1	6	1 208	89	5	21	2 253
Employees with disabilities	1	-	-	-	2	-	-	-	3

Table 3.6.4: Promotions for the period 1 April 2022 to 31 March 2023

Occupational Bands	MALE				FEMALE				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management: Permanent	49	4	-	2	26	2	4	4	91
Professionally qualified and experienced specialists and mid-management: Permanent	830	107	37	105	736	102	26	183	2 126
Skilled technical and academically qualified workers, junior management, supervisors, foremen: Permanent	3 337	190	84	154	3 875	289	120	383	8 432
Semi-skilled and discretionary decision making: Permanent	832	72	9	19	1 385	166	19	40	2 542
Unskilled and defined decision making: Permanent	335	17	-	3	490	33	-	-	878
Other: Permanent and temporary	14	-	-	-	47	1	-	-	62
Contract	54	-	-	1	98	1	-	2	156
Total	5 451	390	130	284	6 657	594	169	612	14 287
Employees with disabilities	11	4	-	5	9	1	1	6	37

Table 3.6.5: Terminations for the period 1 April 2022 and 31 March 2023

Occupational Bands	MALE				FEMALE				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management: Permanent	1	-	-	-	-	-	-	-	1
Senior Management: Permanent	3	1	-	1	1	-	-	3	9
Professionally qualified and experienced specialists and mid-management: Permanent	73	14	6	17	49	5	3	33	200
Skilled technical and academically qualified workers, junior management, supervisors, foremen: Permanent	190	21	4	16	130	30	9	41	441
Semi-skilled and discretionary decision making: Permanent	61	7	-	2	72	4	1	2	149
Unskilled and defined decision making: Permanent	29	5	-	-	21	3	-	-	58
Contract	127	5	2	3	263	11	2	3	416
Total	484	53	12	39	536	53	15	82	1 274
Employees with disabilities	3	1	-	-	1	1	-	1	7

Table 3.6.6: Disciplinary action for the period 1 April 2022 and 31 March 2023

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Absence or repeated absence from work without a valid reason or permission	4	-	-	-	1	-	-	-	5
Abandoning the workplace without authorisation	-	-	-	-	-	1	-	-	1
Assault, attempt or threatens to assault, another employee or person while on duty	1	2	-	-	3	1	-	-	7
Abuse of state vehicle	1	-	-	-	-	-	-	-	1
Bringing the name of the college into disrepute	1	-	-	-	-	-	-	-	1
Conducting himself / herself in an improper, disgraceful, and unacceptable manner	2	2	1	-	-	-	-	-	5
Contravention of leave policy	1	-	-	1	-	-	-	-	2
Dereliction of duties	3	1	-	-	2	-	-	-	6
Dishonesty	9	-	-	-	1	1	-	-	11
Display disrespect towards others in the workplace or demonstrates abuse or insolent behaviour	-	1	-	-	-	-	-	-	1
Fails to carry out a lawful order or routine instruction without just or reasonable cause	2	-	-	-	-	-	-	-	2
Falsification of records or any other documentation	1	-	-	-	-	-	-	-	1
Fails to comply with, or contravenes an Act, regulation or legal obligation	2	1	-	-	-	1	1	-	5
Fraudulent signing the campus register whilst not at work	-	-	-	-	4	-	-	-	4
Gross dishonesty	3	-	-	-	-	-	-	-	3
Gross insubordination	1	-	-	-	2	1	-	-	4
Gross misrepresentation	-	-	-	-	-	1	-	-	1
Gross negligence	4	-	-	-	4	1	-	-	9
Gross misconduct	-	-	-	-	2	-	-	-	2
Incitement of students	5	-	-	-	-	-	-	-	5
Intimidation	-	-	-	-	2	-	-	-	2
Insubordination	5	-	-	-	3	-	-	-	8
Loss of college property	1	-	-	-	-	-	-	1	2
Maladministration	2	-	-	-	-	-	-	-	2

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Malicious damage to property / misuse of property	2	-	-	-	-	-	-	-	2
Misuse of the State property	2	-	-	-	-	-	-	-	2
Negligence	1	-	-	1	1	1	-	-	4
Prejudice the administration of the institution	2	-	-	-	1	-	-	2	5
Poor or inadequate performance for reasons other than incapacity	1	-	-	-	-	-	-	-	1
Poor time keeping	3	-	-	-	-	-	-	-	3
Racism	-	-	-	-	-	1	-	1	2
Reckless driving	1	1	-	-	-	-	-	-	2
Sexual harassment	11	-	2	-	-	-	-	-	13
Theft, bribery, fraud, corruption or any combination thereof	19	-	-	-	7	1	-	-	27
While on duty, is under the influence of intoxicating, illegal, unauthorized, habit-forming and/ or stupefying drug, including alcohol	4	-	-	-	-	1	-	-	5
Without permission possesses or wrongfully uses the property of the State, another employees and/or a visitor	2	-	-	1	-	-	-	-	3
Total	96	8	3	3	33	11	1	4	159



Departmental staff members celebrating Africa Day

3.7 Signing of Performance Agreements by SMS Members

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

Table 3.7.1: Signing of performance agreements by SMS members as on 31 May 2023

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	100
Salary Level 15	7	7	7	100
Salary Level 14	19	19	19	100
Salary Level 13	100	100	100	100
Total	127	127	127	100

Table 3.7.2: Reasons for not having concluded performance agreements for all SMS members as on 31 March 2023

Reasons
N/A

Table 3.7.3: Disciplinary steps taken against SMS members for not having concluded performance agreements as on 31 March 2023

Reasons
N/A

3.8 Performance Rewards

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

Table 3.8.1: Performance rewards by race, gender and disability for the period 1 April 2022 to 31 March 2023

None

Table 3.8.2: Performance rewards by salary band for personnel below Senior Management Service for the period 1 April 2022 to 31 March 2023

None

Table 3.8.3: Performance rewards by critical occupation for the period 1 April 2022 to 31 March 2023

None

Table 3.8.4: Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2022 to 31 March 2023

None

3.9 Foreign Workers

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

Table 3.9.1: Foreign workers by salary band for the period 1 April 2022 and 31 March 2023

Salary band	1 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	2	0.3	2	0.3	-	-
Highly skilled production (Levels 6-8)	61	10.2	57	9.6	(4)	400.0
Highly skilled supervision (Levels 9-12)	1	0.2	1	0.2	-	-
Senior Management (Levels 13-16)	1	0.2	1	0.2	-	-
Other Abet Educators	532	89.1	535	89.8	3	(300.0)
Total	597	100.0	596	100.0	(1)	100.0

Table 3.9.2: Foreign workers by major occupation for the period 1 April 2022 and 31 March 2023

Major occupation	01 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
Administrative office workers	-	-	-	-	-	-
Elementary occupations	-	-	-	-	-	-
Information technology personnel	-	-	-	-	-	-
Other occupations	595	99.7	594	99.7	(1)	100
Professionals and managers	2	0.3	2	0.3	-	-
Total	597	100.0	596	100.0	(1)	100

3.10 Leave utilisation

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

Table 3.10.1: Sick leave for the period 1 January 2022 to 31 December 2022

Salary band	Total days	% Days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Total number of days with medical certification	Average days per employee	Estimated Cost (R'000)
Contract (Levels 1-2)	73	76.7	14	0.1	56	5	40
Contract (Levels 13-16)	23	87.0	4	-	20	6	103
Contract (Levels 3-5)	304	74.3	36	0.3	226	8	258
Contract (Levels 6-8)	386	62.4	66	0.5	241	6	516
Contract (Levels 9-12)	221	85.1	26	0.2	188	9	619
Contract Other	928	55.8	227	1.7	518	4	345

Salary band	Total days	% Days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Total number of days with medical certification	Average days per employee	Estimated Cost (R'000)
Highly skilled production (Levels 6-8)	57 901	79.6	7 636	55.7	46 088	8	88 622
Highly skilled supervision (Levels 9-12)	14 040	83.0	1 783	13.0	11 657	8	35 933
Lower skilled (Levels 1-2)	8 919	86.4	989	7.2	7 707	9	5 316
Other	1 115	78.2	218	1.6	872	5	971
Senior Management (Levels 13-16)	490	80.6	67	0.5	395	7	2 162
Skilled (Levels 3-5)	22 282	82.7	2 644	19.3	18 437	8	20 376
Total	106 682	81.0	13 710	100.0	86 405	8	155 261

Table 3.10.2: Disability leave (temporary and permanent) for the period 1 January 2022 to 31 December 2022

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Highly skilled production (Levels 6-8)	5 161	100.0	102	56.7	51	8 252
Highly skilled supervision (Levels 9-12)	1 433	100.0	31	17.2	46	3 577
Lower skilled (Levels 1-2)	1 237	100.0	17	9.4	73	743
Other	266	100.0	5	2.8	53	304
Senior Management (Levels 13-16)	214	100.0	1	0.6	214	929
Skilled (Levels 3-5)	1 143	100.0	24	13.3	48	1 044
Total	9 454	100.0	180	100.0	53	14 849

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 3.10.3: Annual Leave for the period 1 January 2022 to 31 December 2022

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Contract (Levels 1-2)	167	16	10
Contract (Levels 13-16)	152	9	17
Contract (Levels 3-5)	839	43	20
Contract (Levels 6-8)	1 758	95	19
Contract (Levels 9-12)	752	43	17
Contract Other	6 581	464	14
Highly skilled production (Levels 6-8)	54 261	2 339	23
Highly skilled supervision (Levels 9-12)	28 449	1 280	22
Lower skilled (Levels 1-2)	31 531	1 477	21

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Other	43	3	14
Senior management (Levels 13-16)	2 971	143	21
Skilled (Levels 3-5)	80 636	3 484	23
Total	208 140	9 396	22

Table 3.10.4: Capped leave for the period 1 January 2022 to 31 December 2022

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2023
Highly skilled production (Levels 6-8)	32	11	3	56
Highly skilled supervision (Levels 9-12)	168	21	8	46
Lower skilled (Levels 1-2)	-	-	-	11
Other	-	-	-	56
Senior management (Levels 13-16)	1	1	1	51
Skilled (Levels 3-5)	29	5	6	53
Total	230	38	6	51

The following table summarise payments made to employees because of leave that was not taken.

Table 3.10.5: Leave pay-outs for the period 1 April 2022 and 31 March 2023

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-out for 2021 leave due to non-utilisation of leave for the previous cycle,	-	-	-
Capped leave pay-outs on termination of service	7 707	74	104
Current leave pay-out on termination of service: Resignation	2 253	88	26
Current leave pay-out on termination of service: Contract Expiry	54	1	54
Annual Gratuity Death/Retirement/Medical Retirement	4 227	129	33
Total	14 241	292	49

3.11 HIV/AIDS and Health Promotion Programmes

Table 3.11.1: Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	Key steps taken to reduce the risk
Young people (such as interns) Female employees with financial challenges (especially lower-level employees who are breadwinners)	• HIV/Aids awareness campaigns. • HCT campaigns • Condom distribution

Table 3.11.2: Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Mr SE Chamane
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		1 X Deputy-Director 2 X Assistant Directors 1 X Practitioner 1 X Sport Promotion officer 1 X Senior Administrative clerk Annual budget R399 000
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		The unit offers the following services daily: • Intervention in Incapacity due to ill health • Injury on duty through implementation of Compensation for Occupational Injuries and Diseases Act • Safety Health Environment Risk and Quality Management • Psychosocial wellness (trauma, stress management, workplace support, relationships, family challenges) • Financial wellness • Physical wellness • Organisational wellness e.g. workplace bullying • Substance abuse • First aid • HIV/AIDS and TB • Labour Related matters Management of Wellness centre • The centre assist with sporadic injuries and keep record • Provide debriefing sessions • Provide care for pregnant women • Provide care in management of chronic illnesses • Provide life skills to officials at request
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		X	No committee established

Question	Yes	No	Details, if yes
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		• HIV/AIDS, STI and TB management policy • Leave policy • Policy on PILIR and ill health retirement • Recruitment policies • Job/Access policy
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		• HIV/AIDS, STI and TB management policy
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		HCT Campaign uptake for 2022/2023 was 82 Those tested for HIV =51 Tested positive =4 Tested Negative=47 Positivity rate of 8%
8. Has the Department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.	x		Internal audit reports informed by internal EHWP reports

3.12 Labour Relations

Table 3.12.1: Collective agreements for the period 1 April 2022 and 31 March 2023

Subject matter
None

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

Table 3.12.2: Misconduct and disciplinary hearings finalised for the period 1 April 2022 and 31 March 2023

Outcomes of disciplinary hearings	Number	% of total
Written warning	1	0.9
Final written warning	25	20.8
Suspended without pay	19	15.8
Demotion	1	0.9
Dismissal	43	35.8
Not guilty	10	8.3
Case withdrawn	21	17.5
Total	120	100.0

Table 3.12.3: Types of misconduct addressed at disciplinary hearings for the period 1 April 2022 and 31 March 2023

Type of misconduct	Number	% of total
Absence or repeated absence from work without a valid reason or permission	5	3.2
Abandoning the workplace without authorisation	1	0.6
Assault, attempt or threatens to assault, another employee or person while on duty	7	4.4
Abuse of state vehicle	1	0.6
Bringing the name of the college into disrepute	1	0.6
Conducting himself / herself in an improper, disgraceful, and unacceptable manner	4	2.5
Contravention of leave policy	2	1.3
Dereliction of duties	6	3.8
Dishonesty	11	6.9
Display disrespect towards others in the workplace or demonstrates abuse or insolent behaviour	1	0.6
Fails to carry out a lawful order or routine instruction without just or reasonable cause	2	1.3
Falsification of records or any other documentation	1	0.6
Fails to comply with, or contravenes an Act, regulation or legal obligation	5	3.2
Fraudulent signing the campus register whilst not at work	4	2.5
Gross dishonesty	3	1.9
Gross insubordination	4	2.5
Gross misrepresentation	1	0.6
Gross negligence	9	5.7
Gross misconduct	2	1.3
Incitement of students	5	3.2
Intimidation	2	1.3
Insubordination	8	5.1
Loss of college property	2	1.3
Maladministration	2	1.3
Malicious damage to property / misuse of property	2	1.3
Misuse of the State property	2	1.3
Negligence	4	2.5
Prejudice the administration of the institution	5	3.2
Poor or inadequate performance for reasons other than incapacity	1	0.6
Poor time keeping	3	1.9
Racism	2	1.3
Reckless driving	2	1.3
Sexual harassment	13	8.1
Theft, bribery, fraud, corruption or any combination thereof	27	17.1
While on duty, is under the influence of intoxicating, illegal, unauthorised, habit-forming and/or stupefying drug, including alcohol	5	3.2
Without permission possesses or wrongfully uses the property of the State, another employees and/or a visitor	3	1.9
Total	158	100.0

Table 3.12.4: Grievances logged for the period 1 April 2022 and 31 March 2023

Grievances	Number	% of total
Number of grievances resolved	226	72
Number of grievances not resolved	89	28
Total number of grievances lodged	315	100

Table 3.12.5: Disputes logged with councils for the period 1 April 2022 and 31 March 2023

Disputes	Number	% of total
Number of disputes upheld	6	7.98
Number of disputes dismissed	30	39.9
Number of disputes lodged	133	47.88

Table 3.12.6: Strike actions for the period 1 April 2022 and 31 March 2023

None

Table 3.12.7: Precautionary suspensions for the period 1 April 2022 and 31 March 2023

Number of people suspended	30
Number of people whose suspension exceeded 30 days	28
Average number of days suspended	188
Cost of suspension(R'000)	6 607

3.13 Skills Development

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

Table 3.13.1: Training needs identified for the period 1 April 2022 and 31 March 2023

Occupational category	Number of employees as at 1 April 2022	Training needs identified at start of the reporting period			
		Learnerships	Skills Programmes and other short courses	Other forms of training	Total
Managers	101	-	58	-	58
Professionals	353	-	166	-	166
Technicians and Assistant Professionals	121	-	70	-	70
Clerical Support Workers	390	-	198	-	198
Security Officers and Support Services	45	-	47	-	47
Trade Workers	75	-	18	-	18
Drivers and Messengers	90	-	10	-	10
Elementary Occupations	12	-	11	-	11
Total	1 187	-	578	-	578



Table 3.13.2: Training provided for the period 1 April 2022 and 31 March 2023

Occupational category	Gender	Number of employees as at 1 April 2022	Training needs provided at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	45	-	7	-	7
	Male	56	-	5	-	5
Professionals	Female	203	-	9	-	9
	Male	150	-	7	-	7
Technicians and associate professionals	Female	80	-	12	-	12
	Male	41	-	2	-	2
Clerks	Female	252	-	154	-	154
	Male	138	-	103	-	103
Service and sales workers	Female	13	-	-	-	-
	Male	32	-	3	-	3
Craft and related trades workers	Female	19	-	2	-	2
	Male	56	-	10	-	10
Elementary occupations	Female	54	-	-	-	-
	Male	48	-	10	-	10
Sub Total	Female	666	-	184	-	184
	Male	521	-	140	-	140
Total		1 187	-	324	-	324

3.14 Injury on Duty

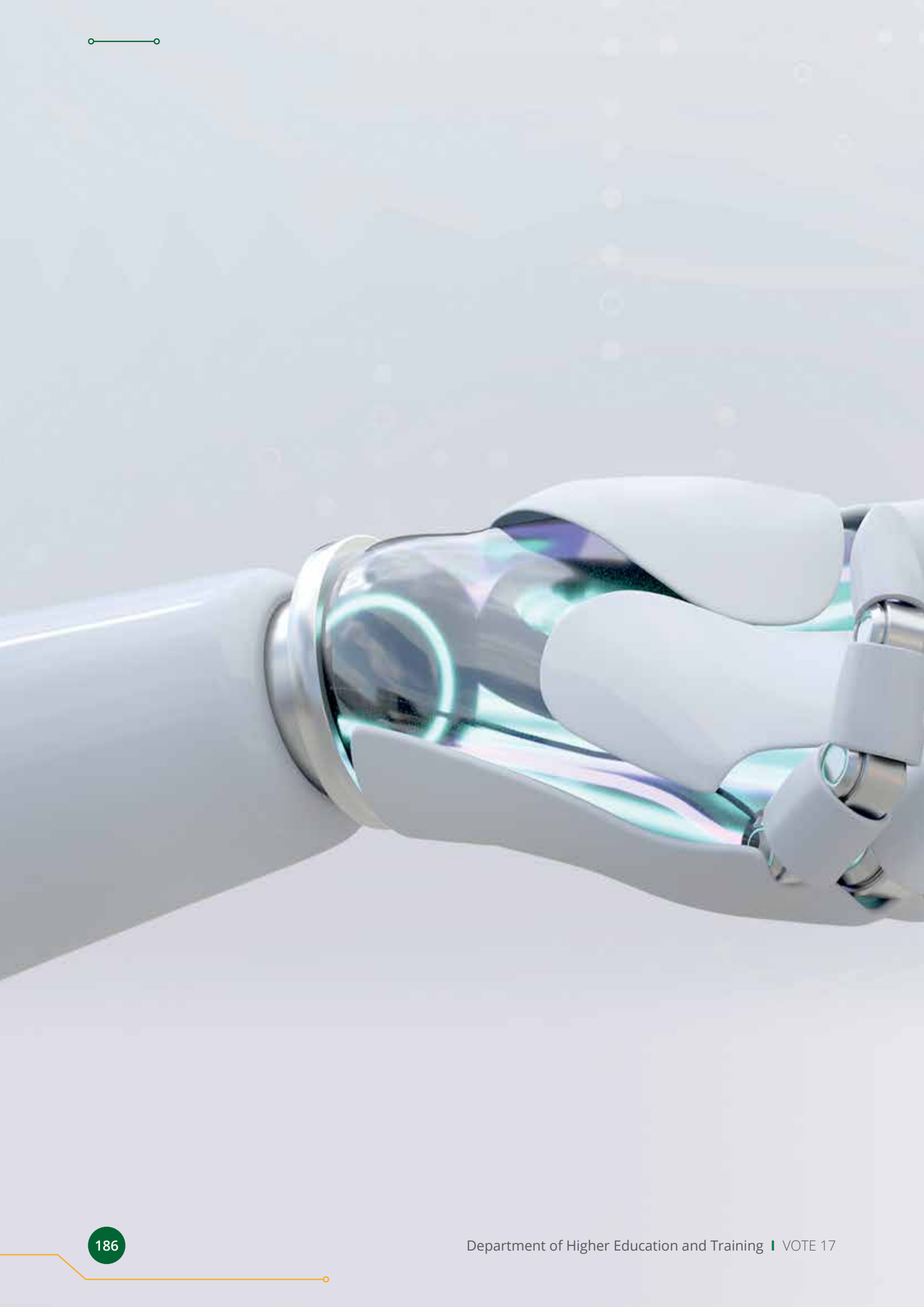
None

3.15 Utilisation of Consultants

None

3.16 Severance Packages

No severance packages were issued during the period under review.





PART E

PFMA COMPLIANCE REPORT

1. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2022/23	2021/22
	R'000	R'000
Opening balance	6 972	148 913
Add: Irregular expenditure confirmed	-	2 448
Less: Irregular expenditure condoned	(956)	(5)
Less: Irregular expenditure not condoned and removed	(4 951)	(144 384)
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	1 065	6 972

Investigations into irregular expenditure cases of the previous financial years to the amount of R137.910 million have been concluded and approval was obtained to remove this expenditure during the 2021/22 financial year. Irregular expenditure relating to the 2022/23 financial year in the main is the result of irregular expenditure that continued during the 2021/22 financial year.

Reconciling notes

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure that was under assessment in 2022/23	1 065	-
Irregular expenditure that relates to prior years	-	4 524
Irregular expenditure for the current year	-	2 448
Total	1 065	6 972

b) Details of the current and previous year's irregular expenditure (under assessment, determination and investigation)

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure under assessment	1 065	4 524
Irregular expenditure subject to determination	-	2 448
Irregular expenditure under investigation	-	-
Total	1 065	6 972

c) Details of the current and previous year's irregular expenditure subsequently condoned

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure condoned	956	5
Total	956	5

National Treasury condoned the irregular expenditure for Supply Chain Management processes not accordingly followed during the 2021/22 and for correct procurement procedures not followed in the 2022/23 financial years.

d) Details of the current and previous year's irregular expenditure subsequently removed - (not condoned)

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure NOT condoned and removed	4 951	144 384
Total	4 951	144 384

Irregular expenditure for 2021/22 not condoned and removed relates to correct procurement procedures not followed and appointments not made in line with relevant Public Service Regulations. In both instances, National Treasury did not condone the irregular expenditure. Approval was obtained from the Accounting Officer to remove the irregular expenditure, as all necessary steps had been followed in removing the irregular expenditure.

Irregular expenditure for 2022/23 not condoned and removed relates to Supply Chain Management processes not followed and appointments not made in line with the State Attorneys Act. National Treasury accordingly did not condone the irregular expenditure. Approval was obtained from the Accounting Officer to remove the irregular expenditure, as all necessary steps were followed in removing the irregular expenditure.

e) Details of the current and previous year's irregular expenditure subsequently recovered

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure recovered	-	-
Total	-	-

f) Details of the current and previous year's irregular expenditure written off (irrecoverable)

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure written off	-	-
Total	-	-

Additional disclosure relating to Inter-Institutional Arrangements**g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)**

Description
None
Total

h) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)

Description	2022/23	2021/22
	R'000	R'000
None	-	-
Total	-	-

i) Details of the current and previous year's disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
None

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2022/23	2021/22
	R'000	R'000
Opening balance	-	-
Add: Fruitless and wasteful expenditure confirmed	89	-
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Closing balance	89	-

Fruitless and wasteful expenditure was incurred during previous financial years but only identified during the 2022/23 financial year which relate to financial misconduct in relation to the procurement of cleaning services to the amount of R58 845.00 and fraudulent salary payments effected to an amount of R30 000.00

Reconciling notes

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2022/23	-	-
Fruitless and wasteful expenditure that relates to 2016/17 and identified in 2022/23	30	-
Fruitless and wasteful expenditure that relates to 2020/21 and identified in 2022/23	59	-
Fruitless and wasteful expenditure for the current year	-	-
Total	89	-

b) Details of the current and previous year's fruitless and wasteful expenditure (under assessment, determination and investigation)

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	59	-
Fruitless and wasteful expenditure under investigation	30	-
Total	89	-

The investigation of fraudulent salary payments (R30 000.00) was concluded and the Legal Services Chief Directorate was instructed to institute actions against the officials who were responsible for the fruitless and wasteful expenditure. The fruitless and wasteful expenditure related to the procurement of cleaning services (R58 845.00) is currently under determination.

c) Details of the current and previous year's fruitless and wasteful expenditure recovered

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure recovered	-	-
Total	-	-

d) Details of the current and previous year's fruitless and wasteful expenditure not recovered and written off

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure written off	-	-
Total	-	-

e) Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
Not applicable
Total

1.3. Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

Description	2022/23	2021/22
	R'000	R'000
Opening balance	-	-
Add: unauthorised expenditure confirmed	-	-
Less: unauthorised expenditure approved with funding	-	-
Less: unauthorised expenditure approved without funding	-	-
Less: unauthorised expenditure recoverable	-	-
Less: unauthorised not recovered and written off	-	-
Closing balance	-	-

Reconciling notes

Description	2022/23	2021/22
	R'000	R'000
Unauthorised expenditure that was under assessment in 2022/23	-	-
Unauthorised expenditure that relates to 2021/22 and identified in 2022/23	-	-
Unauthorised expenditure for the current year	-	-
Total	-	-

b) Details of the current and previous year's unauthorised expenditure (under assessment, determination and investigation)

Description	2022/23	2021/22
	R'000	R'000
Unauthorised expenditure under assessment	-	-
Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
Total	-	-

1.4. Additional disclosures relating to material losses in terms of PFMA section 40(3)(b)(i) &(iii))

a) Details of current and previous year material losses as a result of criminal conduct

Material losses as a result of criminal conduct	2022/23	2021/22
	R'000	R'000
Theft	-	-
Other material losses	-	-
Less: Recovered	-	-
Less: Not recovered and written off	-	-
Total	-	-

b) Details of other material losses

Nature of other material losses	2022/23	2021/22
	R'000	R'000
Not applicable	-	-
Total	-	-

c) Other material losses recovered

Nature of losses	2022/23	2021/22
	R'000	R'000
Not applicable	-	-
Total	-	-

d) Other material losses written off

Nature of losses	2022/23	2021/22
	R'000	R'000
Debts written off:		
Salary overpayment debt	1 204	104
Salary tax debt	116	524
Other	18	10
Total	1 338	638

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	72 805	1 350 197
Invoices paid within 30 days or agreed period	72 786	1 343 012
Invoices paid after 30 days or agreed period	19	7 185
Invoices older than 30 days or agreed period (<i>unpaid and without dispute</i>)	-	-
Invoices older than 30 days or agreed period (<i>unpaid and in dispute</i>)	-	-

The main reasons for payments not made within 30 days were the result of unforeseen circumstances over which the Department had no control (14 invoices) such as the office closure due to power cuts and mailed invoices omitted from printing due to congested email batches accordingly received. Circumstances over which the Department had control (5 invoices) but subsequently delayed were the result of miscommunication in relation to orders delivered and processed by the relevant official, the deployment of senior managers to examination centres coupled with the congested monitoring schedule of the November/December examinations and administrative delays due to purchase order related challenges.

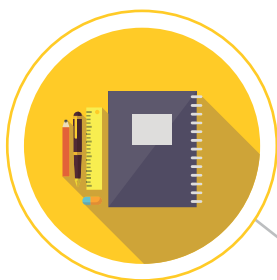
3. SUPPLY CHAIN MANAGEMENT

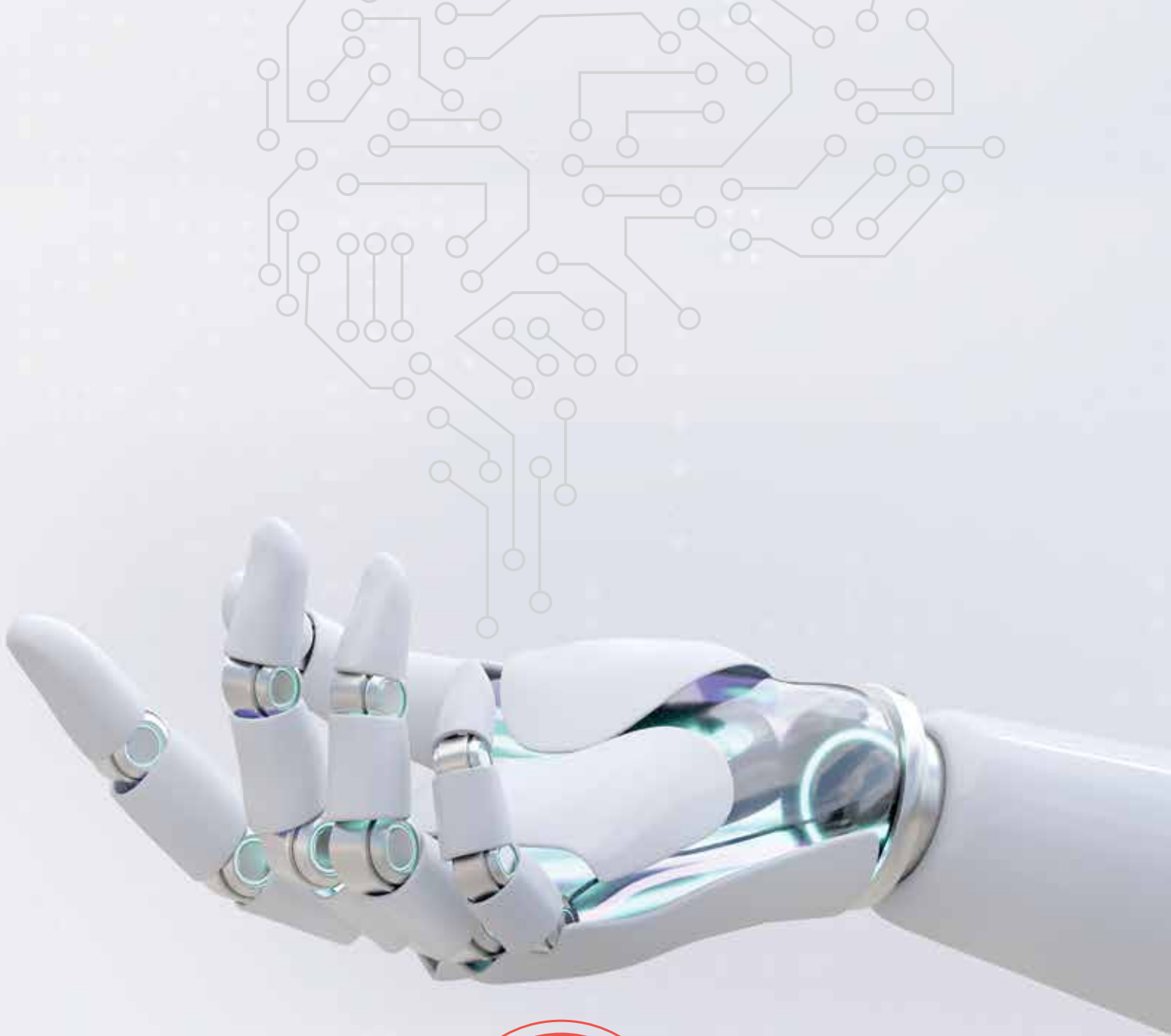
3.1. Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Software licences for financial management system	SIS Global Services (Pty) Ltd	Single Source	RFQ02588/2022	63
Microsoft licences	First Technology National (Pty) Ltd	Multiple Source	RFQ02596/2022	32 973
Finalisation of organisational review project	Lekoko Consulting (Pty) Ltd	Singe Source	N/A	1 482
Request for quotation for renewal of emulation Attachmate software maintenance and support licences	State Information Technology Agency	Single Source	RFQ02239/2022	685
Unified enterprise support for one year	Microsoft SA	Sole Supplier	RFQ02723/2022	2 250
Lebelela Performance Management System licence for FY2022/23	Institute for performance management system	Sole Supplier	RFQ02879/2022	301
Hardcat Asset Management Barcoding System	Taggit Asset Technologies	Sole Supplier	RFQ03199/2022	7
Limpopo Regional CASS Moderation for ABET Level 4 portfolio	Sun International Meropa	Single Source	RFQ027963/2022	821
Implementation of inputs/ comments from various stakeholders on the National Qualifications Framework Amendment Bill	Lebese Incorporated Attorneys	Single Source	N/A	350
Summative Evaluation for the Teaching and Learning Development Sector Reform Contract Programme (TLDSRC)	UWESO Consulting	Single Source	RFQ02618/2022	999
Software licences for financial management system	SIS Global Services (Pty) Ltd	Single Source	RFQ03852/2022	87
Request for quotation for renewal of emulation Attachmate software maintenance and support licences	State Information Technology Agency	Single Source	RFQ04149/2023	113
Implementation of inputs/ comments from various stakeholders on the Continuing Education and Training Amendment Bill, 2022	Cele ZN Attorney	Single Source	RFQ04333/2023	680
Procurement to grant permission to procure Business Intelligence Software suite licenses and technical support from Oracle Corporation SA (Pty) Ltd	Oracle Corporation (South Africa)	Single Source	RFQ04141/2023	235
Total				41 046

3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type xpansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Variation of scope and cost, and the recommencement of construction works at Sterkspruit Campus of Ikhala TVET College	Upahla Construction	Variation	DHET093	153 383	166 423	221 410
Total				153 383	166 423	221 410





PART F

FINANCIAL INFORMATION

NOTES TO THE ANNUAL FINANCIAL STATEMENTSfor the year ended 31 March 2023

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REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2023

Accounting officer's report to the executive authority and parliament of the republic of South Africa**1. General Review of the State of the Department's Financial Affairs**

The initial allocation excluding direct charges, made to the Department for the 2022/23 financial year and as included in the 2022 Estimates of National Expenditure has increased by 12% from **R97 784.005 million** during 2021/22 to **R109 514.883 million** during the 2022/23 financial year. This amount also included an amount of **R46 447.180 million** for Higher Education Institutions (HEIs) representing 42.4% of the Department's total budget for 2022/23, as compared to 46.6% allocated during the 2021/22 financial year. An amount of **R44 354.586 million** for the NSFAS comprises the second largest portion of the budget.

The Department's allocation increased to **R109 737.633 million** during the 2022/23, Second Adjusted Estimates, which is outlined as follows (in R'000):

Second Adjusted Estimates

• Compensation of Employees: Cost of Living Adjustment 222 750

Total Nett Increase 222 750

The total expenditure of the Department for the 2022/23 financial year, excluding direct charges, increased by 12.2% from **R97 415.010 million** during 2021/22 to **R109 274.717 million** during 2022/23. The amount of **R109 274.717 million** represents a spending rate of 99.6% (as compared with 99.5% during 2021/22).

The expenditure has been delineated as follows (in R'000):

	2021/22	2022/23	Increase/ (Decrease)
Compensation of Employees	9 183 130	10 251 820	1 068 690
Departmental Operations	471 500	541 658	70 158
Payments for Financial Assets (Losses)	638	1 338	700
Departmental Earmarked Funds	189 272	162 139	(27 133)
Subsidies to HEIs	43 047 445	46 352 812	3 305 367
NSFAS	38 675 173	45 794 967	7 119 794
Subsidies to Public Entities	410 317	408 128	(2 189)
Subsidies to TVET colleges	5 184 519	5 490 918	306 399
Subsidies to CET colleges	206 779	215 151	8 372
Other Transfers	46 237	55 786	9 549
Total expenditure	97 415 010	109 274 717	11 859 707

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2023

Underspending on the Vote for the 2022/23 financial year excluding direct charges, amounted to **R462.916 million** (as compared to **R473.995 million** during 2021/22) and was delineated as follows (in R'000):

	2021/22	2022/23
Compensation of Employees	450 356	399 397
Departmental Operations	20 661	55 109
Payments for Financial Assets (Losses)	2	(17)
Departmental Earmarked Funds	-	125
Subsidies to HEIs	1 868	4 053
Other Transfers	1 108	4 249
Total Underspending	473 995	462 916

An increase in the projected collection of skills development levies has also resulted in an increase of **R618.822 million** in the Adjusted Estimates for 2022/23. Based on the actual collection of levies, the total expenditure on direct charges during the 2022/23 financial year amounted to **R20 808.850 million** (as compared with **R19 011.610 million** during 2021/22) and was delineated as follows (in R'000):

	2021/22	2022/23
Sector Education and Training Authorities (SETAs)	15 209 288	16 647 080
The National Skills Fund	3 802 322	4 161 770
Total expenditure	19 011 610	20 808 850

IMPORTANT POLICY DECISIONS AND STRATEGIC ISSUES

During the 2022/23 reporting period, an interim Organisational Structure was reviewed and completed, a draft Public Colleges Administrative Measures document for academic staff at TVET and CET colleges was accordingly developed and adopted, the Departmental Communication Strategy for the 2023/24 financial year completed, a Blue Print on Minimum Norms and Standards for Safety and Security Measures at TVET colleges developed by the South African Police Services and duly endorsed, while a draft Employee Safety and Security Policy was developed incorporating employee protection guidelines. In addition, the planning and procurement process for the eventual relocation of the Departmental Head Office from the central business district of Tshwane to the CSIR located in Lynwood and envisioned as an interim accommodation solution, has also commenced and driven by a Departmental Task Team in cooperation with the Department of Public Works and Infrastructure.

Significant strategic matters dealt with by the Planning, Policy and Strategy Branch among other, include:

- The Gazetting of the revised Recognition of Prior Learning Coordination Policy on 30 March 2023 for public comment;
- The approval of a policy brief on Articulation between TVET and universities by the Minister;
- The development and publication of guidelines on the provision of Open Access Learning and Teaching Support Materials for Students in TVET colleges;
- The approval of a policy brief on e-Learning/Open Learning in PSET by the Director-General;
- The publication of a Report on PSET Statistics;

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2023

- The production of the third edition of the Department's Research Agenda (2023-2028) which informs planning processes across the Department, informs research stakeholders on the Department's research priorities, informs funders and development partners on which research areas require investment and also assists the Department in properly directing resource allocation towards research interventions;
- Approval of the revised Human Resource Development Strategy by the Human Resource Development Council;
- Simplification of the NQF Environment subsequent to a review of NQF-related legislation and policies and comprising:
 - The NQF Act, 2008 (Act No. 67 of 2008);
 - The RPL Coordination Policy (2016); and
 - The Articulation Policy for the PSET System of South Africa (2017).
- Workshopping and sharing different social inclusion policies with TVET and CET colleges in the Limpopo, North-West and Mpumalanga provinces;
- Publishing guidelines for Career Development Tools for South Africa, alongside creating a new category of education and developmental career questionnaires and tools; and
- The initiation of a Life-long Career Management Framework, aimed at developing knowledge, competencies and values that are embedded in the curricula from spanning basic education to higher education. These knowledge, competencies and values are intended to prepare citizens for employability in an ever-changing work environment, in a pro-active and systematic manner.

Furthermore, the Department has collaborated with the South African National Commission for UNESCO and the Department of Basic Education regarding the hosting of national consultative meetings with relevant stakeholders across the sector aimed at developing a National Statement of Commitment pertaining to the Transforming Education Summit. The Department also participated in a hybrid Southern African Development Community (SADC) joint meeting of Ministers responsible for Education and Training, Science, Technology and Innovation hosted in Malawi during June 2022. The meeting was tasked with reviewed progress on the implementation of the Education and Training, Science, Technology and Innovation Programmes within the context of the revised SADC Regional Indicative Strategic Development Plan (2015 to 2020); the SADC Industrialisation Strategy (2015 to 2063) as well as other relevant continental and international policy frameworks.

With regard to the Department of Higher Education Bursary Scheme (DHET Bursary Scheme), the 2023 academic represents the sixth year during which implementation of the fully subsidised funding for students had been realised. As of the 2022 academic year, the NSFAS applied the household income threshold of R350 000 per household, to all students having applied for financial aid in relation to the 2022 academic year and beyond. The AGSA and NSFAS have also agreed that updated 2021/22 Financial Statements be submitted by 31 March 2023 and the Auditor-General's report signed off by 30 June 2023. The NSFAS Board recommended several changes to the 2023, NSFAS Funding Policy, taking into consideration the differences between TVET college and university student bursary packages, as well as the 2022 Board position papers and processes aimed at reducing the risk related to the abuse of NSFAS funds. The NSFAS has proposed significant policy changes which include the centralisation of payments for student accommodation and accreditation, capping accommodation costs at R45 000 and implementing direct payments to students during the 2023 academic year. In addition, the NSFAS has proposed funding the tuition fees of students who are enrolled in occupational qualifications, as well as the payment of a living

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2023

allowance for TVET college students capped at R6 000 per annum and paid monthly based on the academic term. During consultations between the Minister and key stakeholders, the final 2023 NSFAS Eligibility Criteria and Conditions for Financial Aid, also referred to as the '2023 Student Funding Policy' was developed and finalised by December 2022.

The NSFAS furthermore indicated that the entity has experienced significant changes during recent years following on the implementation of the bursary scheme during 2018 while no corresponding changes were apparent or effected in relation to the administration budget. Subsequent to engagements with the NSFAS and consultations with National Treasury, the Department reprioritised an amount of R65 million from its 2021/22 budget and directed the funds towards enhancing the core business of NSFAS. A further R54 million was reprioritised during 2022/23 for final implementation of the Integrated Workflow System.

A Report by the CHE titled 'The Remuneration of University Vice-Chancellors and Senior Managers in South Africa' as well as an Advisory authored by the CHE were submitted to the Department and presented to Cabinet during August 2022.

The Department implements a Research Outputs Policy to subsidise research conducted by academics at universities and 'encourage research productivity by rewarding quality research outputs'. While the policy has had a positive impact and the quantity of research outputs are improving, the production of some questionable research publication outputs during recent years have been apparent. As a result, several research output claims have accordingly been withdrawn. The Department is committed to developing a research publications quality framework geared towards clearly guiding the sector in this matter. A funding proposal for the roll-out of a three-year programme has also been developed and approval of requisite funding facilitated by way of the University Capacity Development Grant was granted during March 2023. The National Research Foundation, Academy of Science South Africa, Centre for Research in Evaluation Science and Technology and the Southern Africa Research and Innovation Management Association will be included as partners in relation to the implementation cycle of the project.

Funding approval for the implementation plan related to the Language Policy Framework which lays a foundation and provides support to all South African universities in accelerating their language development initiatives through the University Capacity Development Grant, was granted during March 2023. The implementation plan provides a four-year roadmap to all 26 public universities in how best to fast-track their respective language interventions.

During the 2022/23 financial year, an amount of **R1 386.381 million** was reprioritised from university budget allocations to deal with the shortfall apparent for the funding of students by NSFAS during the 2022 academic year. These funds were reprioritised from various university projects, such as earmarked grants for New Universities: Capital funds, the earmarked grant for University Capacity Development, an earmarked grant for Foundation Provision, the earmarked grant for the SBDP, the earmarked grant for Clinical Training of Health Professionals, an earmarked grant for Veterinary Sciences as well as the earmarked grant for the Sector Planning, Monitoring, Evaluation and Support Programme.

Considerable progress has been made by institutions in terms of placing graduates in terms of the Presidential Employment Stimulus Programme. As part of monitoring the progress regarding the implementation of the programme by universities, the Department continues to engage all institutions currently participating in the programme with a view, among others, to identify the challenges these universities have encountered during implementation and assist regarding challenges, where possible.

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for the year ended 31 March 2023

Following the process seeking public comments, the phase-out of the N1-N3 Programmes was finalised. These Programmes will gradually and systematically be replaced by responsive occupational qualifications, which will become the mainstay of TVET college offerings over time in better responding to the skills requirements apparent for both the economy and labour market.

The development and implementation of the Maturity Model for TVET colleges represents a major strategic milestone and comprises a capability model aimed at driving improvement of quality across sectoral and college provisioning and services. The model was piloted at the Boland, East-Cape Midlands, Ehlanzeni, Elangeni, Motheo, Vhembe and West Coast TVET colleges (a total of seven colleges). The development and piloting phases were coordinated in collaboration with and support provided by the British Council through their VET Toolbox initiative.

A three-year enrolment plan with differentiation in programmes has also been developed and implemented. A Council Member Remuneration policy has accordingly been finalised and a TVET College Governance Self-Assessment tool subsequently developed and approved.

The Minister, subsequent to consultation with the National Skills Authority (NSA), the National Economic Development and Labour Council and other skills development stakeholders, approved the implementation of a Skills Strategy which bolster the goals of the Economic Reconstruction and Recovery Plan.

The NSA, in accordance with its mandate as encapsulated by Section 5 of the Skills Development Act, 97 of 1998 the NSA provided, among others, directives and advice to the Minister, pertaining to SETA Grant Regulations and NSA Investigations Regulations.

The National Apprenticeship and Artisan Development Strategy, 2030, was approved and published during June 2022. Funding for the National Artisan and ARPL programme was also adjusted to **R206 290** for contracted learners in terms of the Generic National Artisan Workplace Data, Apprenticeship-ARPL Grant funding Administration System Policy. This policy now includes ARPL funding to an amount of **R30 000** for employed and **R55 000** for unemployed candidates.

In relation to the 2022 MTEF, the CET sector has committed to developing the following policies and initiatives:

- The implementation of the advocacy strategy in support of CET colleges in meeting their enrolment targets by entering more youth into CET opportunities;
- The accreditation of CLCs so as to open up opportunities for further study by individuals who could not meet the requirements for entry into TVET colleges and other institutions of further learning;
- The development of entrepreneurship and skills programmes, such as digital and other skills programmes, in ensuring the development of a diverse range of programmes in providing skills for sustainable entrepreneurship;
- Further capacity-building of lecturers in ensuring the provision of quality programmes and increasing success at CET colleges;
- The implementation of monitoring and evaluation instruments to enable the Department in effectively performing its oversight role and ensuring efficiency at CET colleges;
- The development of a sustainable funding model for the CET colleges sector;
- Continued capacity building of student leadership, centre managers and councils with the aim of improving the quality of CET provisioning in general; and

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2023

- The Pilot of the CET concept at all 54 centres with the purpose of building a system which is responsive to community needs.

SIGNIFICANT EVENTS THAT HAVE TAKEN PLACE AND MAJOR PROJECTS UNDERTAKEN OR COMPLETED DURING THE YEAR UNDER REVIEW

Significant projects and activities concluded by the Corporate Services Branch during the year under review have comprised the completion and communication of three successful multi-lateral meetings with stakeholders, the successful launch of nine TVET college and one Eastern Cape CET college Labour Relation Fora, effective representation of the Department during twelve ELRC-TVETBU, GPSSBC-FETCBU and the GPSSBC-DBC (Departmental Bargaining Chamber) sessions, the successful oversight of three formal strike actions, the attainment of complete representation during 17 Interpretation and Application Disputes, the capacitation of lower-level officials regarding labour-related matters, the initiation and conclusion of SMS member security vetting processes, as well as those for staff employed in critical areas, successful corporate communication support rendered during the World Skills, South Africa and World Skills, International events, as well as ensuring that all security officers had completed a Patrol Training Course provided by SASSETA, the resolution of queries submitted at designated entry points within Corporate Services, assistance provided in support of the NPSSE tournament hosted at Bloemfontein which was aimed towards improving a balance between work and life, while keeping employees physically and mentally active, the referral of staff for psychosocial assistance and intervention, and the bulk infrastructure installation at the Salvokop Government precinct development, which comprises a key strategic objective for the Department regarding the construction of a new Head Office building on the precinct.

Further Corporate Services Branch activities apparent during the period under review include conducting roadshows on the benefit-payments verification procedures as part of the Standardisation of Benefits across the CET college sector, the appointment of a private security service provider to augment the resident security personnel staff complement, as well as conducting security assessments aimed at assuring the safety of College Principals and SETA, Chief Executive Officers who have received death threats, the hand-over of the Northern Cape Regional Office by the Department of Public Works. Security assessments were also conducted on behalf of the Principals of Mopani (Phalaborwa), eThekweni and Umfolozi TVET colleges, the Assistant Director, HRM: Coastal College, the Deputy Principal Corporate Services: Coastal College, the Campus Manager: King Hintsa TVET College, the Chief Executive Officers of the SERVICES SETA and W&RSETA, the Chief Operations Officer: W&RSETA, the Acting Principal of the Esayidi TVET College, as well as the Principal Finance Officers: Umfolozi TVET College and the University of Venda.

During the financial year, the Department hosted a Women's Day conference, a Men's seminar/dialogue, as well as National Careers Week events across all provinces and an introductory policy dialogue seminar on the Life-long Career Management Framework. The Department also hosted the commemoration of '16 Days of No Violence Against Women and Children' combined with the commemoration of World Aids Day. The ratification of the Global Convention on Qualifications pertaining to Higher Education (Global Convention) was processed through the SPCHD cluster, the Cabinet Committee and Parliament. The implementation of the Revised Convention on the Recognition of Studies and Certificates, Diplomas, Degrees, and other Academic Qualifications in Higher Education in African States (Addis Convention) was reported on during December 2022. The Department also convened its first PSET Research Webinar on 'Graduate Employability' during November 2022 and which aims to interrogate the research findings on 'Graduate Employability' and identify strategies and interventions geared towards improving the employability of graduates. A workshop on a Country-Wide Master's Skills Plan to deliberate on the draft Master Skills Plan structure was convened

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2023

during July 2022. A technical workshop to reflect on and assess the methodologies utilised for developing the National Occupations in High Demand and the Critical Skills List was finalised during February 2023. The Department also hosted a PSET System-Wide Mid-Term Performance Review and Planning Workshop during November 2022 with the aim to review the mid-term performance of the PSET system and plan for the 2023 MTEF.

Major projects undertaken or completed during the period under review in the Planning, Policy and Strategy Branch include the following activities and interventions:

- Conducting capacity building initiatives pertaining to Open learning/eLearning across all nine provinces catering for 401 TVET lecturers and regional officials in partnership with Microsoft;
- Training 24 Master Trainers in the North-West and Western Cape provinces on Artificial Intelligence (AI) which took place in partnership with Intel;
- Training of 433 TVET lecturers in Information Processing pertaining to proposed changes to the curriculum;
- Registering 18 855 users on the NOLS who had access to the following courses and content made available on the platform:
 - NASCA materials;
 - The National Occupational Certificate: Career Development Practitioner;
 - The National Occupational Certificate: Electricians;
 - The Higher Health Course;
 - Sixteen Case Studies on Open Learning published in a journal;
 - Eight modules of the Advanced Diploma for TVET College Lecturers completed;
 - Resource materials for Remote Teaching and Learning of Lecturers;
 - Courses developed for Centres of specialisation: Plumbing, Pipefitting, Carpentry, Boiler making, Bricklaying and Electrician courses;
 - Research documents and guidelines for NCV;
 - Resources for TVET and Report 191;
 - English and Mathematics NCV including online textbooks;
 - Question papers from 2018 to current for Report 191 and NCV;
 - The Introductory Moodle course;
 - The Intel AI for citizens course;
 - Microsoft training documents;
 - The Copyright and learning design online course; and
 - All COS content documents developed by GIZ for Engineering.
- Reviewing the RPL as well as Coordination and Articulation Policies;
- Ratification of the Global Convention;
- Reviewing the NQF Amendment Act;

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2023

- Implementing the Addis Convention;
- The CDS project provides leadership and the coordination of career development services across all spheres of Government, while also providing career information, advice and counselling services to new entrants into the PSET sector. The CDS project is implemented by means of approved funding transfers derived from the NSF Capacity Building programme to the CDS project, but this funding source has been difficult to confirm;
- The Employability for Education (E4E) project (E4E programme) is funded by the European Union and accordingly implemented by the departments of Higher Education and Training, Basic Education and Employment and Labour, respectively;
- Twelve research projects comprising of the Urban-Rural Classification of TVET colleges, the Analysis of Programme and Qualification Mix Responsiveness to the World of Work, Curriculum Relevance and Responsiveness, Employer Perceptions of TVET College Graduates and Curricula, Student Sentiment Analysis of TVET colleges, the Student Satisfaction Survey, an Evaluation of TVET College Accommodation, the Rural/urban Classification of TVET colleges, a Mid-Term Evaluation of TVET Centres of Specialisation, the Development of Theory of Change, a Mid-Term Evaluation of the Programme, as well as Grading of TVET College Salary Posts have also been completed during the period under review;
- Finalising and distributing the eleventh edition of the DHET Research Bulletin; and
- Approving the updated Implementation Plan for the SS-ERRP.

Phase one of the feasibility studies for the establishment of new Public Higher Education Institutions in Ekurhuleni and Hammanskraal were concluded during the period under review.

On the international front, support was provided to the Minister and Deputy Minister for visits to the Republic of Senegal with a view to attend a consultative and planning meeting of the Pan-Afrika Post-graduate University for Policy Studies in Africa, as well as to participate in the Annual Conference of Ministers within the Education sphere at the Education World Forum held in London, to participate in the tenth Pan-Commonwealth Forum on Open Learning in Canada and to participate at the World-Skills Competition Special Edition hosted in France, Germany and Switzerland, respectively. Several online meetings to implement and honour the country's international obligations and commitments made to multi-lateral organisations such as SADC, UNESCO, BRICS, G20 and African Union were convened and concluded. The Department also collaborated with the South African National Commission for UNESCO and the Department of Basic Education in hosting national consultative meetings with relevant stakeholders across the sector and with the purpose to develop a National Statement of Commitment for the Transforming Education Summit and attended the latter event convene in the United States. The Department participated in South Africa-Uganda Joint Commission virtual meeting during July 2022, whereby it was agreed to expedite the Agreement within the field of higher education and training. The Department also participated in the ninth session of the South Africa-Saudi Joint Economic Commission that was hosted during October 2022 in Pretoria, and whereby it was agreed to fast-track the implementation of a MoU by the finalisation and signing of an Executive Programme within the field of higher education. The Department also attended the Senior Officials Meeting and the Inaugural Session of South Africa-Burundi Joint Commission for Cooperation in the Republic of Burundi.

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A draft Policy for the Recognition of South African Higher Education Institutional Types was published for public comments during August 2022. The purpose of the draft Policy is aimed at providing criteria for the determination and recognition of Higher Education Institutional Types as contemplated by the Act and read in tandem with the terms of Section 3(1)(c) of the Higher Education Act. The publication of the draft policy was followed by several submissions which signified the extent of public interest and the need for extensive review of the draft policy.

The SBDP was previously known as the HDI-DG, which was established during 2013 by the Minister. The purpose of the Programme is focussed on addressing the inequalities that have impacted the development and sustainability of the eight Historically Disadvantaged Institutions and contribute to their further development as universities of impact and choice within a diversified system. It also aims to ensure that these universities are socially embedded and responsive, while being valued and highly regarded both nationally as well as those communities from which their students are drawn, while producing both graduates and spearheading new knowledge creation making an impactful contribution to the socio-economic development in local, national, regional and international contexts. The Department officially launched the SBDP during July 2022 and simultaneously honoured the contributions made by the first Minister of Education in a democratic South Africa, Professor Sibusiso Bengu.

A workshop was convened with heads of security services at universities who agreed to collectively work towards and develop a standardised security policy framework for the sector and share information regarding developments within the sector. It was agreed that improved lighting systems would be provided at identified universities over the short-term and quarterly meetings would be scheduled aimed at monitoring progress and decisions accordingly taken and implemented. Inputs were provided by the National Task Team in response to actions proposed by the Minister. In addition, the preliminary report on security challenges at universities was also discussed.

During September 2022, the Minister engaged with all relevant stakeholders in Giyani to garner their support for the Department's efforts to establish the Giyani Education Campus. Additional funding was also made available to conclude the relevant feasibility study.

A workshop was convened with university Heads of Operations and the CSIR with a view to determine how universities are responding to the nation-wide energy crises and what solutions are available to better support them. The CSIR provided advice regarding possible solutions and approaches to mitigate the impact of power cuts. The Department will continue monitoring how effectively universities are able to deal with the consequences of loadshedding.

With regards to guidelines for student funding in terms of DHET Bursary Scheme for students at public universities, the MTT continued with its activities in terms of the workplan guiding the process and geared towards providing a final report to the Minister during April 2022 and comprising the following activities:

- Comprehensive Options Modelling, including TVET policy modelling, to assess its long-term implications;
- Understanding qualification pathways for student funding and exploring scarce and critical skills funding models;
- Mapping and reviewing all student funding in the post-school system;
- Developing recommendations on student funding thresholds and methodologies for adjusting thresholds in the future; and

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- Exploring alternative funding options and sources for the funding of the 'missing middle' and Post-graduate students.

The report of the MTT was submitted to the Minister during July 2022 and presented to Cabinet during September 2022. The report prioritises the development of new and sustainable mechanisms for the funding of all students falling outside the application parameters of the current NSFAS policy. These mechanisms are accordingly aimed at including both youth and adults defined as the 'missing middle' for accessing funding, as well as the improvement of post-graduate certificates, degrees, and diplomas. Based on the request from Cabinet to consult on the recommendations of the MTT and provide a comparative international review before returning the report and policy to Cabinet, an internal comparative study on student funding with African and international peer countries was conducted. In this regard the Minister facilitated several stakeholder engagements aimed at providing a platform for effective consultation on the draft policy and elicit responses in relation to all 18 recommendations made in the MTT report. Recommendations flowing on these engagements and proposals made by all stakeholders will be tabled before Cabinet by September 2023.

Key recommendations made by the MTT proposed that as part of the long-term development of a new and comprehensive student funding policy, Government explore the establishment of a loan scheme in supporting missing middle students to easier access higher education and training institutions. In the immediate term Government, through partnerships, should address apparent funding gaps, particularly those pertaining to the missing middle student cohort and access to post-graduate funding. While consultations were underway, the Department developed a plan to proceed with the work of the MTT. The Department, in consultation with National Treasury and the banking sector are currently exploring the possibility of a government guarantee for bank loans focussed towards assisting 'missing middle' students. Further in-depth discussions are planned with the banks, which will explore the possibilities and feasibility of issuing a government guarantee. The Department has also engaged actuarial consultants aimed at garnering their support for this process. It is anticipated that once the more detailed modelling and actuarial work in conjunction with discussions undertaken with banks have been concluded, the Department will submit a comprehensive proposal to National Treasury and the Minister of Finance, in determining whether a government guarantee can indeed be provided.

The Department also coordinated the 2023 to 2025 mid-term review of the 2020 to 2025 enrolment planning cycle. This mid-term review process included bilateral discussions facilitated between the Department and each university in arriving at agreed-on funded headcount and full-time equivalent student totals for each university pertaining to the academic period up to 2025, and the 2027/28 financial period. A workshop was convened during April 2022 including participation by all stakeholders within higher education and focussed on maximised deliberations on the higher education enrolment planning process and guidelines for the review of institutional targets. Presentations made during the workshop placed emphasis on the following processes and objectives, comprising the 2020 to 2025 enrolment planning overview with specific focus on the 2020 achievement of the approved Ministerial targets; the production of Masters and Doctoral graduates; the implementation of demand-led skills initiatives; economic reconstruction and recovery interventions; giving effect to the Skills Strategy Implementation Plan; planning processes within the context of disruption; crises and change management; National Senior Certificate results and future projections; the overview of the national preliminary enrolment planning full-time equivalent and teaching input units and a reflection on enrolment planning practices, as well as a case study of the University of the Western Cape.

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Implementation of the UCDP continued during the year under review. The programme is aimed at supporting and strengthening institutional governance at universities, while also focussing on the functions of Councils and institutional fora. During 2022/23 a variety of student, staff and curricula development initiatives within the UCDP were also implemented at all 26 state universities.

A successful Strategic Industry Partnership Summit was convened to facilitate and strengthen partnerships between colleges and employers and aimed at increasing work integrated opportunities for students as well as improving the work readiness competencies of TVET graduates. This in turn, is expected to positively impact the youth employment agenda implemented across Government.

An Entrepreneurship Workshop was also hosted to strengthen and reinforce a culture of enterprise in support of the establishment of Entrepreneurship Hubs in colleges. This represents a key intervention to directed towards augmenting youth employment initiatives by way of self-employment opportunities.

The TVET Branch introduced the maturity model to the TVET sector and partners by means of several capacity building session and with a view to brief and train TVET Branch directorates and Regional Offices regarding the model.

The Department continued with the roll-out of Centres of Specialisation at TVET colleges which comprises a programme that seeks to pioneer the transformation of the TVET college system by making each more relevant and responsive to industry and labour demand needs, while at the same time increasing their capacity to deliver high-level quality occupational programmes. These Centres of Specialisation were increased from 26 to 34 Centres at located 20 colleges, of which sixteen have maintain 33 Trade Test centres. The programme has successfully trained over 2 000 apprentices and concluded a graduation ceremony for the first 360 apprentices who qualified during 2022. This was the first National Artisans graduation ceremony of its kind facilitated in the TVET sector.

During the period under review, the Department continued implementing the MoU signed as part of the United Nations Development Programme and funded by the Government of Japan, by way of the Japanese International Cooperation Agency with the aim of enhancing vocational training in line with private sector needs through the TVET project to focus on the up-skilling of youth and women on skills relevant to the automotive industry. Additional support for the project was secured from Toyota, South Africa places emphasis on establishing the New Toyota School of Manufacturing in collaboration with the Coastal KZN TVET College. The New Toyota School is a specialised facility that has provided 64 youths from the college with Manufacturing and Automotive Skills since its inception.

The National Examination and Assessments (NEA) body has ensured compliance regarding the conduct of public TVET college examination centres during national examinations and assessments by all 50 colleges and since the commencement of its activities eliminated the certification backlog by the end of 31 March 2023. In addition, NEA is in process of reviewing the exiting processes in tandem with the implementation Strategy pertaining to the IT examination services system, including ongoing analysis regarding the performance of students at colleges in an effort to improve throughput rates in terms of public TVET college examination center conduct during national examinations and assessment cycles. NEA has also appointed more external monitors to assist with assessing all examination cycles, as well as the facilitation of acting appointments at Director, Deputy and Assistant Director levels to strengthen the Chief Directorate with appropriately qualified staff for improved service delivery and ensuring a state of readiness across the six regions in preparation for scheduled examinations. In addition, a report to the quality assurance body, Umalusi was completed in relation to preparations for the approval of results.

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In terms of the eradication of certification backlogs, a Project Team including representation by colleges was established to monitor progress in addressing the certification backlog and provide monthly reports to the Portfolio Committee. In terms of the implementation of the IT examination services system, the proposed appointment of a Project Manager at Director Level in effectively managing the Information Technology project on a full-time basis, is currently being considered.

Quarterly capacity building programmes for Council members and senior managers were also convened which aimed to coordinate and address the following processes and matters; a strategic management and governance workshop on strategic planning and governance; the finalisation of a TVET colleges Risk Register, implementation of measurement and management guidelines and processes at TVET colleges; identification of Finance and Audit-related challenges and opportunities; giving effect to the King IV Report on Corporate Governance; providing Departmental staff and TVET colleges management and governance support; hosting a National workshop on Planning for success during 2023 and beyond, as well as continued stakeholder engagement and coordinating Council induction sessions.

The NSA initiated a programme geared towards the strengthening of skills development governance at district municipalities as part of support envisioned by the District Development Model. This programme will furthermore be rolled out in five districts in four provinces, comprising the Zululand and Ugu Districts in KwaZulu-Natal, the ZF Mngcwamu District in the Northern Cape province, the OR Tambo District in the Eastern Cape province and the Waterberg District in Limpopo. The intention is to support the strengthening of requisite skills and capacity to enable the successful implementation of the Joined-Up Plans (One Plan) of districts and metropolitan areas within respective provinces.

The Second World Skills Africa Competition took place in Namibia, at Swakopmund from 28 March to 2 April 2022 during which South Africa won eight medals in 16 competition categories and comprising of five gold, two silvers and one bronze medal, making it one of the top performing countries having won medals. South Africa also participated during the World Skills, 2022 Special Edition which was hosted across fifteen countries and regions across Europe, the Americas and Asia from 30 September 2022 to 28 November 2022. The Competition could not be held in China as initially planned as a result of COVID-19 global health pandemic prevalent at the time. This presented several challenges regarding the planning and logistics attached to the event, as it was the first time that the World Skills Competition was to simultaneously be hosted across several countries and cities at the same time.

A National Artisan Development Conference was also convened in Durban during June 2022, so as to coincide with the National WSZA competitions in conjunction with artisan career advocacy initiatives.

Significant progress has also been apparent across the CET sector during the year under review. The Department developed the sustainable funding model for CET colleges, which included finalising an operational manual and the Standard Operating Procedures for these colleges. The funding model and relevant documents were approved during October 2022. A MTT tasked with developing a costing plan for the CET sector, was appointed by the Minister during December 2022.

The advocacy strategy developed to support and guide CET colleges in meeting their enrolment targets by attracting more young people for enrolment was also implemented during the 2022/23 financial year. The strategy was used to set in motion several advocacy campaigns to properly market colleges and their programmes offered to attract new and prospective students. The strategy focused on the following focal areas:

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- Corporate identity and branding materials;
- Media-print, social media, TV and radio spots;
- Recruitment drives;
- A Literacy Day and promotion of colleges during the CET advocacy month;
- Capacity building initiatives for centre managers; and
- Capacitation of Student Representative Councils as student ambassadors.

The Department in addition, supported colleges in advocating activities and events hosted by CET colleges.

During the period under review, the Department instituted a process for the accreditation of CLCs in collaboration with the QCTO. Two CLCs were duly accredited during the 2022/23 financial year. An additional seven new and accredited programmes were also introduced at CET colleges during the 2022/23 financial year. These programmes comprise of the following offering:

- A National Certificate: Information Technology: End User Computing NQF;
- The Computer and Digital Support Assistant, NQF 4;
- A National Certificate: Information Technology: End User Computing NQF;
- A National Certificate: New Venture Creation NQF 2;
- An Upholstery NQF 2;
- The Basic Arch Welding NQF 2; and
- Clothing Manufacturing Processes NQF 1.

CET College Principals and Deputy Principals were supported in compiling three-year master training plans and annual training plans for the training, development and capacity building of college staff (both lecturers and non-teaching staff). A total of 903 lecturers and 329 non-teaching staff have since benefitted from this training. The breakdown of the 903 lecturers trained is provided in the Table below:

Type of training	Number	Percentage (%)
Academic Support	138	15.3
Assessment and Examinations	37	4.1
Computer Literacy	20	2.2
Skills/occupational training	275	30.5
Training in underperforming learning areas	433	48.0
Total	903	100.0

The Department developed an IT-based student data management system for the purposes of responding to the negative audit outcomes identified by the Auditor-General, in addition to policy directives, as well as admission instruments which were standardised nationally. The object of the IT system was to remove embedded human error from transactions relating to the management of data while addressing issues related to quality assurance, storage, retrieval as well as transmission processes. The system was piloted and rolled-out at nine colleges during the 2022 academic year.

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A total of 135 college councils and management officials were inducted during September 2022. The induction sessions focused on the Higher Health Project in CET colleges, the CET Act as the primary legislation for CET colleges and its applicability, governance standards for CET College Councils and the evaluation of council performance, the MTSF and Planning Process, CET Skills Summit resolutions, the role of the Academic Board, the CET pilot project, the migration of examination functions to CET colleges, as well as the CET college policy, funding model and budgets for CET colleges. In addition to participating in the induction of College Council and management officials, an additional student leadership capacity building induction session was organised in collaboration with Higher Health which focused on aspects such as Sexual Reproductive Health, GBV, Mental Health, Alcohol and Drug Abuse, the COVID-19 pandemic, Disability, Discrimination, as well as Stigma, Human Rights and Monitoring and Reporting Tools.

Fifty-four pilot centres have been selected to pilot these new programmes, implement policies and contribute to new innovations apparent since 2019. During the 2022/23 financial year, the focus has been on the implementation of digital and short skills programmes as well as enhancing ICT capacity for administration and teaching and learning.

ICT laboratories are being established at eight of the nine colleges, and excluding the Western Cape College, through the support of the Wholesale and Retail Sector Education and Training Authority. The partnership with the DSI on the establishment of an Innovation hub at the Eastern Cape College has been completed. The Bofolo Community Learning college has established an innovation hub facilitated by support provided by the DCI's Technology Innovation Agency. The Department has also commenced with a project in collaboration with the ETDP, SETA and Cape Peninsula University of Technology to develop a digital learning platform for CET colleges. The features and functionalities of the platform include online support for learning across a variety of formats, such as the delivery of digital content, assessments, learning resources, interactive learning activities and the recording of achievements.

SPENDING TRENDS

The under-expenditure of **R462.916 million (R473.995 million** during 2021/22) on the Department's programmes, measured against the allocations after Virement, is indicated as follows, in R'000:

	2021/22		2022/23	
	Under-expenditure	Percentage	Under-expenditure	Percentage
1. Administration	37 811	8.04%	52 617	10.43%
2. Planning, Policy and Strategy	16 817	6.57%	12 397	0.26%
3. University Education	32 460	0.04%	15 896	0.02%
4. Technical and Vocational Education and Training	184 656	1.48%	365 300	2.89%
5. Skills Development	22 001	5.31%	5 372	1.31%
6. Community Education and Training	180 250	7.62%	11 334	0.43%
Total	473 995	0.48%	462 916	0.42%

However, the under-expenditure has not negatively impacted the Department's programmes and service delivery processes. Factors having contributed to the under-expenditure included unspent funds related to vacant posts in the Department, posts on the staff establishment of the Department that were not filled timeously and as projected, as well as concomitant underspending on administrative items. The restrictions placed on procurement earlier during the financial year, has contributed to the lower-than-projected spending. Furthermore, the implementation of the Post-Provisioning Norms for TVET college lecturers did

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not take place as projected. Unspent funds on Machinery and Equipment resulting from capital assets were not received as projected due to delays in procurement processes. A favourable Rand/Euro exchange rate was evident during the period, payments were made to the Commonwealth of Learning and the MoU that outlines the projects to be implemented through the IBSA MoU has lapsed during the period under review. In addition, cost containment measures were set in place in ensuring that the Department would not overspend on its budget.

Expenditure was monitored on a regular basis and the Minister received monthly reports on spending levels in line with the provisions of the PFMA. A reprioritisation of activities within the objectives of the Department was also instituted, as and when required.

The Notes to the Appropriation Statement provide additional information regarding under-expenditure of the Department.

Virement:

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

Shifted from	Shifted to	Amount R'000
P3: University Education	P1: Administration	5 435
P4: Technical and Vocational Education and Training	P1: Administration	7 265
P4: Technical and Vocational Education and Training	P5: Skills Development	4 427
P4: Technical and Vocational Education and Training	P6: Community Education and Training	65 698

The need for a virement to **Programme 1: Administration** was essentially substantiated by a need to finance excess expenditure on Office Accommodation, while the Virement to **Programme 5: Skills Development** was mainly required to fund a shortfall on Leave Gratuity Payments. In addition, the Virement to **Programme 6: Community Education and Training** was supported so as to fund a budget shortfall on Compensation of Employees for CET lecturers as a result of processing backdated benefits and salaries related to the standardisation process of CET lecturers. Funds that were shifted from Goods and Services were mainly realised in relation to a slower-than-expected operational expenditure across various programmes due to vacancies not filled as planned and the concomitant savings on operational budgets, the change to virtual meeting platforms as opposed to physical sessions coupled with monitoring and evaluation processes that were converted to desk-top analysis activities, where possible, as well as the cancellation of a stationery tender and the CET Branch not claiming for the inter-departmental examination services rendered in tandem with delays regarding the procurement of blank certificate paper for National Examinations and Assessment processes in **Programme 4: Technical and Vocational Education and Training**. Savings on Compensation of Employees was apparent mainly due to vacant posts on the Departmental Staff Establishment that could not be filled as planned and concomitant savings resulting therefrom, as well as the non-implementation of the Post-Provisioning Norms in Technical and Vocational Education and Training Colleges.

Treasury approvals on Transfer Payments were received for the following required actions:

- Shifting funds from Transfers and Subsidies: Higher Education Institutions: Academic Clinical Training Grant to Transfers and Subsidies: Higher Education Institutions: Other Grants: University of Free State (Reference number 9/4/5/4/13 dated 30 January 2023);
- Shifting funds from Transfers and Subsidies: Higher Education Institutions: Veterinary Sciences Grant

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to Transfers and Subsidies: Higher Education Institutions: Other Grants (Reference number 9/4/5/4/13 dated 2 February 2023);

- Shifting funds within Transfers and Subsidies: Higher Education Institutions: Other Grants: Sibusiso Bengu Development Grant to University of Fort Hare, University of Limpopo, University of Venda and Sefako Makgatho Health Sciences University (Reference number 9/4/5/4/13 dated 17 February 2023);
- Shifting from Compensation of Employees to Transfers and Subsidies: Households (Reference number 9/4/5/4/13 dated 24 March 2023);
- Shifting funds from retained funds for Transfers and Subsidies: Higher Education Institutions: Block, gap and other grant allocations: University Capacity Development Grant to Higher Education Institutions: Other Grants: UCDP (Reference number 9/4/5/4/13 dated 28 March 2023); and
- Shifting funds within Transfers and Subsidies: Higher Education Institutions: University Infrastructure and Efficiency Grant for implementation of infrastructure projects (Reference number 9/4/5/4/13 dated 27 March 2023).

The final virement effected by the Department was approved by the Accounting Officer in terms of Section 43 of the PFMA and thereafter reported to the Minister and National Treasury, as required.

2. SERVICES RENDERED BY THE DEPARTMENT**2.1 Services Rendered:**

The Department in the main, has been responsible for the development and support of a quality Higher and Vocational Education and Training sector, promoting access to higher and vocational education, as well as increasing access to skills development and training opportunities. Revenue collected was derived from services rendered in respect of TVET college examinations and certificates, the registration of private HEIs, as well as trade tests, including boarding and rental fees charged by INDLELA. The total revenue collected by the Department for the period under review amounted to **R4.303 million (R3.723 million during 2021/22)**. All revenue received has since been paid over to the NRF and is not retained by the Department.

2.2 The Tariff Policy:**National Technical Examinations:**

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

Examination fees (Fee Category)		Tariff in R
a)	Enrolment fees per subject/instructional offering	20.00
b)	Enrolment fees per instructional offering Report 191 (N4 to N6)	27.00
c)	Concessions, amanuenses and additional time-per-subject/instructional offerings	51.00
d)	Re-marking per subject/instructional offering	81.00
e)	Re-checking per subject/instructional offering	14.50
f)	Re-issue of changes to the amendment of statement results	19.00
g)	The National Senior Certificate (Technical), National Certificate (Vocational), National N3 and Subject Certificates	90.00
h)	Applications for re-issue of National Senior Certificates (Technical), The National Certificate (Vocational), National N3 Certificate and Subject Certificate	90.00
i)	Confirmation documents issued prior to the certificate (system-generated document)	15.00

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Examination fees (Fee Category)		Tariff in R
j)	Letters to embassies (work/study abroad)	20.00
k)	Teacher certificates	30.00
l)	Statements for teacher qualifications	15.00
m)	The transfer of examination entries	25.00
n)	Exemption for, or recognition of subjects passed with other examining bodies	50.00
o)	Postage:	
	Africa;	117.00
	Overseas (diplomatic bag); and	140.00
	Overseas via the Post Office.	200.00
p)	Verification of qualifications prior to 1992 for Government organisations	15.00
q)	Verification of qualifications prior to 1992 for Non-Government organisations	35.00
r)	Late entry or amendment penalties	21.00
s)	Syllabi (only applicable to examining bodies which supplied syllabusi to other examining bodies)	1.00

Private Technical and Vocational Education and Training (TVET) Colleges:

The tariffs for services rendered in respect of private TVET colleges are indicated as follows:

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

Private Higher Education Institutions:

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

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

Trade Test Tariffs:

The tariffs for services rendered in respect of Trade Test fees are indicated as follows:

Fee Category		Tariff in R
a)	Trade tests	500.00
b)	Artisan Recognition and Prior Learning	250.00
c)	Gap training (cost per day up to a maximum of 20 days)	125.00
d)	Accommodation (cost per day per person)	200.00

2.3 Free services:

None.

2.4 Inventories:

The inventories on hand at year-end amounted to **R642 453** as at 31 March 2023 (**R538 353** on 31 March 2022).

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3. CAPACITY CONSTRAINTS

The Department is currently experiencing various capacity constraints. Many of these challenges are linked to delays in the filling of funded, vacant positions across the Department. The key delivery branches (University Education, TVET, Skills Development and CET) have had difficulty in ensuring the delivery of all critical services. In addition, the limited administrative, base-line funding of the Department has placed a burden on the effective delivery of several services and the performance of critical tasks. In addition, several functions such as CDS and the NAMB programme also rely on NSF support. Key constraints apparent in the following areas, are accordingly provided as examples:

- Over and above the human resource constraints brought about by an inability to fill critical vacant posts apparent in all the Directorates of the Corporate Services Branch, the Branch has experienced capacity constraints in respect of Security Services due to unresolved Security personnel contracts which in turn has had a negative impact on effective security operations. This situation has also contributed to security breaches. Increased capacity in relation to the filling of Collective Bargaining vacancies will invariably result in Fora being more functional and thereby reducing grievances and complaints submitted to the Head Office for attention. The vacant position of a Chief Director for Human Resource Management and Development, Labour Relations since 2020 has significantly impacted the management of human resources in the Department. A decision to transfer the reporting lines of the Human Resource Management and Administration component has also affected the broader performance of the Branch and the subsequent blurring of accountability lines. The existing capacity of the Employee Health and Wellness directorate remains a major constraint and due to the limited budget allocated in rendering these functions also exacerbates the ability of staff to attend to these matters on time. The positions of Chief Director and Director: Corporate Communications have remained vacant since 2021 and impacts on the efficient management of the Chief Directorate functions. The unit is serviced by temporary staff (Interns) and is poorly supervised. Ineffective communication channels between TVET colleges and recipients of certificates accordingly issued and diplomas approved remains problematic. In most instances TVET colleges do not clearly outline the requisite procedures for the attainment of diplomas and no proper explanation for the non-printing of certificates as issued, alongside a lack of adequate frontline services provided to the Regional Offices further impede satisfactory performance. As an interim measure acting appointments were made and two Call Centre operators and one line supervisor were seconded to alleviate the fore-mentioned challenges. The position of the Director: Facilities Management has been vacant since 2018, in turn negatively influencing the desired management of the Directorate. The need to comply with operational requirements such as the effective management of transport services; the timeous provision of suitable office accommodation as well as clean and hygienic work environments in accordance with prescribes standards requires the provision of adequate staffing capacity to match the requisite responsibilities. Overtime work outside normal working hours is therefore required in augmenting the required functions in this regard. These factors have severely affected service delivery which is underlined by the issuing of repeat audit findings pertaining to the current management of transportation services, an inability to provide sufficient office accommodation and support services to other functionaries of the Department and its Regional Offices, as well as an ongoing inability to maintain acceptable hygiene standards.
- Insufficient capacity within the Planning, Policy and Strategy Branch has subsequently resulted in a lack of administrative and professional support and a reliance on junior staff to perform duties pegged at higher levels, in ensuring that functions are continuously performed. The incumbent interred in the post of Deputy Director: CDS, services the complete scope of the CDS project and as such, is compelled to

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rely on junior staff in taking CDS, PSET work forward. Posts for the CDS Project have not been filled due to the uncertain financial situation within the Department. The Management Information Systems Directorate also does not have sufficient capacity in dealing with the data quality issues for all PSET sub-sectors and this situation results in the Directorate being unable to coordinate, perform and provide the roles, functions and responsibilities of the HETIS Officer as stipulated in the PSET Information policy. Constraints apparent in relation to current capacity has also resulted in the Directorate being unable to fully support other branches in the Department in relation to effective and timeous data management processes geared towards improving the quality of data across the Department.

- Furthermore, a lack of efficient asset verification mechanisms for TVET colleges creates an environment of uncertainty pertaining to the true cost of assets being repaired/maintained or replaced at college level. This in turn affects the quality of estimates presented in annual maintenance plans submitted by these colleges and creates a situation wherein the Department is unable to depend fully on the estimates accordingly provided. In an effort to address this challenge, the Coega CDC has been appointed as the implementing agent responsible for TVET Infrastructure Condition Assessment. Colleges can now utilise the requisite services of these agents at the cost of the college.
- The University Education Branch has also experienced capacity constraints over the past few years which have continued during the 2022/23 reporting period. A major problem is evidenced by the slow process for advertising and filling of posts once interviews have been concluded. This situation was further aggravated during the final quarter of the financial year and following on the resignation of the remaining two of four Chief Directors and an additional two key Directors. The Chief Directorate: University Planning and Institutional Funding has remained vacant since July 2017 and is yet to be filled. The acting Chief Director retired at the end of December 2022. The Directorate: Academic Planning, Monitoring and Evaluation had also been struggling for some time and continues to perform its functions without a Director, albeit the post having been advertised during September 2020 and the shortlisting and interview processes still not having been conducted. The Director: HEMIS retired at the end of August 2020 and the Minister approved the incumbents retention of service after retirement until the end of February 2022. This post was advertised during May 2021 and the shortlisting process has not yet commenced. The SBDP has been without a Programme Manager since the 2021/22 reporting period and its functions have been overseen by the Director: Institutional Funding. The post of Deputy Director for the SBDP, as well as the post of Deputy Director for the Management of the Sector, Planning, Monitoring, Evaluation and Support Programme also became vacant during the second half of the financial year under review. The Chief Director: Teaching Learning and Research Development was vacated during February 2021 and must urgently be advertised and filled. An acting Chief Director was appointed, which in turn created a strain on the functions of the Directorate: University Capacity Development, and invariably resulting in this Director to decline a request for renewal of the acting position. Despite the establishment of the Directorate: Sector Research and Support on the Department's Organogram during 2019 and the posts subsequently being advertised during 2020 and 2021 respectively, only two appointments (a Deputy Director and Assistant Director) have been apparent. The newly appointed Deputy Director however, resigned from the Department during March 2023, while the Assistant Director assumed duty in April 2023 and remains the only official rendering services within the Directorate. This Directorate is required to assist the Branch and the sector pertaining to research for policy and transformation related projects within the higher education sector. Obviously, the protracted delay regarding the appointment of requisite incumbents in the Directorate has severely impacted its requisite deliverables. The majority of directorates remain completely understaffed. There are currently 33 funded vacancies apparent in relation to the staff establishment of the Branch and several sections that carry significant workloads and continue to function under enormous strain resulting in low staff morale and burnout. The situation is untenable.

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- Significant capacity constraints have been evident in the Technical and Vocational Education and Training branch and in particular the Programmes and Qualifications Chief Directorate which is responsible for providing support and guidance in relation to many projects currently implemented and funded by international partners across key strategic areas, such as student work placement and readiness activities, lecturer capacity building and scarce and critical skills training and effective output remains seriously constrained. A request has been made for the appointment of a Project Manager for the group of German Co-operation funded interventions as these projects are critical in developing colleges as effective and responsive training institutions. Capacity constraints have also intensified in terms of the Presidential Youth Employment Initiative in terms of which a commitment to place 10 000 TVET students in WIL training cycles during 2022/23 (and 20 000 in 2023/24) is seriously jeopardised. The requisite human resources to deal with the administrative complexity around data collection, verification and validation, have not adequately been provided for and as a result, has significantly constrained the work provided by the contingent of appointed officials. In an effort to address this challenge, efforts have been made to standardise and refine the data collection tool and reinforce the requirement for the availability of supporting documents in relation to each student placement as accordingly reported by the figures provided. Further efforts and additional human resource capacity remains essential in managing and reporting on efficiently on these student placements. The major capacity constraints experienced by the Directorate: Monitoring and Evaluation is centred around a lack of technical expertise and support in building a TVET data and information system linking and integrating all TVET databases and sources, as well as the creation of dashboards for ready access to information by Departmental users. The TVETMIS Portal in the interim has been created, but remains inactive as a result of these capacity constraints within the areas of development, technical support and maintenance. The TVET Colleges Management and Governance Support Directorate has been functioning despite posts for the appointment of two Deputy Directors, a Senior Administration Clerk and a Personal Assistant remaining vacant for more than two years. The Directorate is functioning with one Director, a recently recruited Senior Administration Clerk and three Interns. Although the post of the Deputy Director: Planning was advertised during 2021, the interview only took place in March 2023 and subsequent appointment of the successful candidate is still pending. It has been confirmed that the advertisement of the post for a Deputy Director: Councils and a Personal Assistant has been concluded and the shortlisting of suitable candidates has yet to commence. As the work performed by this section is crucial the Director in this section is currently carrying the entire workload. Within the Chief Directorate: National Examinations and Assessment the following posts remain vacant:
 - Within the Directorate: Item Development and Marking, a total of eleven;
 - Within the Directorate: Examination Management and Monitoring, a total of eight posts;
 - Within the Directorate: Resulting and Certification, a total of eleven posts; and
 - Within the Chief Directorate several officials have been transferred to render interim support until the fore-mentioned posts have been filled.
- With regards to the NSA, a total of eighteen approved funded positions on the approved organisational structure of the Department and for the NSA Secretariat, have been approved. Of these positions only fourteen vacancies have been filled permanently and four yet to be advertised and filled. With a view to strengthening capacity within the Secretariat, the previous Authority approved that additional staff be employed as project support staff (via the Fund Manager) on a contract basis and this process has since been successfully concluded. The fourteen filled permanently positions comprise of an Executive Officer, one Director, three Deputy Directors, and three Assistant Directors with the remainder of staff comprising

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of administration officers and clerks. It is critical that all vacant NSA Secretariat positions are filled urgently so as to enable the Secretariat in realising its mandate regarding the provision of administrative and technical support to the Authority and impactfully achieving its targets.

- With regards to Artisan Development, the Chief Directorate INDLELA/NAD is mandated with the core responsibility of coordinating national artisan development in terms of the NDP, 2030 which aims to produce a total of 30 000 qualified artisans per year by 2030. In effectively attaining this mandate, the Chief Directorate consists of four directorates of which only one is currently funded by means of Voted funds. This component comprises the Assessment and ARPL Directorate accordingly delivering ARPL and Trade Testing, as well as support services to the Chief Directorate. The other three Directorates are funded by the NSF in terms of a capacity support grant. The fore-mentioned situation has created huge consistency challenges particularly in relation to the recruitment and retention of suitably skilled staff.
- The CET Branch has been experiencing capacity constraints due to the organisational structure for CET colleges which has not as yet been approved and funded. The apparent situation has severely and negatively impacted on the broader performance of the Branch. However, a process was undertaken by the Department to engage CET colleges on identifying critical positions that could be filled. These positions however, could still not be filled by the end of the financial year and the process remains unchanged during the financial year, recruitment processes for some of the vacant senior and middle management positions were effected, but not all appointments have been finalised. With support provided by Human Resource and Administration, the Branch will endeavour to fill all funded and vacant positions on an urgent basis.

4. UTILISATION OF DONOR FUNDS

The Department did not receive in-cash donations from foreign donors during the 2022/23 financial year. The total for donations held in the RDP for 2022/23 amounts to **R100.791 million**. Expenditure of **R11.371 million** was incurred against funds held in the RDP Fund. The balance of the funds available to the Department by way of the RDP fund, as at 31 March 2023, comprised an amount of **R89.420 million**.

Donor funds were mainly utilised as follows:

The European Union:

- The Teaching and Learning Capacity Improvement Programme is a sector budget support programme implemented by way of support provided by the European Union. The focus of the Programme is aimed at strengthening teacher education at universities in four key areas, namely: early childhood education, school-teacher education, as well as inclusive education and TVET and CET college lecturer education.
- **The Teaching and Learning Development Sector Reform Contract (TLDSRC) - Capacity Building for TVET College Lecturers.** This project is sub-divided into three components, namely: CPD System Development, Digital Literacy and Occupational Trainer Qualifications for lecturers. During the period under review the Department commenced with the development of the seven remaining modules for this project.
- **The TLDSRC NQF Enabling Environment:** Amendments were made to the NQF Act, 2008, RPL Coordination Policy (2016) and Articulation Policy for the PSET System of South Africa (2017). The project was concluded successfully during the 2022/23 financial year.
- **TLDSRC, TVET Management Information Systems:** The following activities were undertaken during the financial year:

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- Standard Operating Procedures for TVET college data managers and the Department were finalised and uploaded on the TVETMIS portal;
 - Change management workshops were conducted;
 - A final report for the project was handed over to the Department during July 2022; and
 - TVETMIS support system modules were finalised and uploaded on the TVETMIS portal.
- **The TLDSRC, CET colleges project:** Funds were allocated for the development of assessment systems for both the NASCA and GETCA qualifications. A project manager was appointed for the project spanning an employment term of one year, commencing from January to December 2023. A tender was advertised for the development of assessment resources for the NASCA and GETCA. The tender outcomes will be communicated to the service providers in due course.
 - **The TLDSRC Teaching and Learning Development Capacity Improvement Project:** This project was extended to August 2023. The programme is currently closing out its activities and final tranches are being disbursed to the universities.

A total amount of **R11.371 million** was expended on this project during the 2022/23 financial year.

The SA-EU Dialogue Facility:

- This is a European Union funded policy dialogue project aimed at developing guidelines for career development tools. The project was approved for **€55 000** as an indirect disbursement to the Department. The European Union managed the funds for this project, while the Department coordinated and managed the project on its behalf. The project came to an end during December 2022. The estimated in-kind contribution for this project during the 2022/23 financial year is **R0.083 million**.

Technical Support provided by the German Government through the GIZ:

- GIZ sponsored the training of approximately 1 500 lecturing staff from all 50 TVET colleges in digital skills which commenced during January 2023. The estimated in-kind contribution for this project during the 2022/23 financial year is **R1.426 million**.

British Council/Newton Fund

- Some programmes within the UCDP are implemented in partnership with local and international partners, including the British Council/Newton Fund. The donor funds are paid directly into the implementation agency or university accounts for this area of work. The British Council sponsored the official launch of the USDP which is one of the core staff development programmes within the UCDP. A report on the official launch and the use of funds was finalised by the Department on behalf of the British Council. The total value of the in-kind contribution for this project during the 2022/23 financial year is **R0.2 million**.
- Support and guidance from the British Council was provided in relation to the appointment of consultants, including technical support and guidance on specific local requirements from both central and local experts, as well as logistical support relevant to aspects of the in-country activities. Activities undertaken during the period under review included a study visit to the South-Eastern Regional College in the United Kingdom by the Department and TVET college representatives, with the British Council and the South African technical consultant for best practices sharing maturity model aims to entrench a culture of continuous improvement and growth within colleges. The outcomes consist of entrenching a more focused approach to Departmental support for areas and colleges that are poorly performing; increasing

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college performance; and improved outcomes for TVET students. Expected outputs comprise of:

- A Departmentally approved maturity assessment framework and methodology;
- A maturity model and related assessment implementation guideline document;
- Capacitated national, regional and college staff, fully conversant in the importance and implementation of the maturity assessment processes alongside the model; and
- Seven improvement plans at pilot-site colleges, accordingly evaluated and moderated by national and regional Departmental officials.

The total value of the in-kind contribution for this project during the 2022/23 financial year is **R1.362 million**.

- The development of the maturity model (conceptualisation of maturity and related assessment framework and methodology) for TVET colleges was supported by the British Council as a delivery partner of the European Union funded VET Toolbox project undertaken during 2020 and 2021. The intervention was related to the first support area of the VET Toolbox namely an 'Evidence-based TVET planning and programming, labour market analysis' and a specific support request which included the facilitation and development of an institutional maturity model for TVET colleges and the associated assessment instrument in cooperation with TVET colleges and other relevant stakeholders from the public and private sector, developing an action plan to advocate the maturity model of TVET colleges, as well as an associated assessment to ensure that the broader evaluation process remains transparent, and including the timeline of the evaluation process, while supporting the evaluation of the first samples of the TVET college assessments and defining all measures apparent subsequent to the evaluation. The total value of the in-kind contribution for this project during the 2022/23 financial year is **R0.293 million**.

Sponsorship from the Safety and Security Sector Education and Training Authority (SASSETA):

- SASSETA sponsored the training of security personnel on behalf of the Department. The total value of the in-kind contribution for this project during the 2022/23 financial year is **R0.8 million**.

Sponsorship derived from the Education, Training and Development Practices Sector Education and Training Authority (ETDP SETA) and the MERSETA:

- The Department received a sponsorship from ETDP and MERSETA's for the establishment of 4IR centres of Excellence to equip each hub and capacitate lecturers and students on 4IR methodologies. Six 4IR Centres of Excellence funded through ETDP SETA and one 4IR Centre of Excellence funded by MERSETA were completed and launched during 2022. These centres were launched as follows:

No	Name of TVET College	Launch Date
1	Vhembe TVET College	11 August 2022
2	Ehlanzeni TVET College	6 October 2022
3	Vuselela TVET College	3 November 2022
4	Goldfields TVET College	10 November 2022
5	Lephalale TVET College	30 November 2022
6	Western TVET College	7 December 2022
7	Maluti TVET College	8 December 2022

More 4IR centres will be added over the next two to three years. The estimated value of the in-kind contribution for this project during the 2022/23 financial year is **R49 million**.

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- The Department also received a sponsorship from ETDP SETA to provide bursaries to approximately 250 professionally unqualified lecturers for study in attaining the Advanced Diploma TVT at universities offering the qualification. A total of 105 professionally unqualified lecturers have also subsequently registered to study the Advanced Diploma, TVT at universities offering the qualification. The estimated value of the in-kind contribution for this project during the 2022/23 financial year is **R2.4 million**; and
- The Department received a sponsorship from ETDP SETA to provide bursaries to 30 middle and senior managers in studying the PG Diploma TVET at the University of Pretoria. A total of 27 managers completed the programme successfully. The estimated value of the in-kind contribution for this project during the 2022/23 financial year is **R1.2 million**.

Sponsorship from the Construction Education and Training Authority (CETA):

- The partnership between the Department and the National African Federation for the Building Industry (NAFBI) funded by the CETA saw the successful training and industry exposure of 270 TVET college lecturers rendering teaching within construction-related fields. The lecturers were further exposed to industry networks by attending a NAFBI national conference and exhibition, where over 1 000 companies participated, exhibited their equipment and showcased their expertise. These lecturers also participated in various workshops. The estimated value of the in-kind contribution for this project during the 2022/23 financial year, is **R7 million**.

Sponsorship from the SASOL Foundation:

- The Department received a sponsorship from the SASOL Foundation for the training and work integrated learning/practical industry exposure of 150 lecturers sourced from the electrical, plumbing and welding fields. The estimated value of the in-kind contribution for this project during the 2022/23 financial year, is **R3.675 million**.
- The Department also received a sponsorship from the SASOL Foundation for the training and work integrated learning/practical industry exposure of 500 lecturers from 20 TVET colleges in digital skills/literacy. The estimated value of the in-kind contribution for this project during the 2022/23 financial year, is **R2.606 million**.

Sponsorship received from IT Masters:

- The Department received loan connectivity equipment from IT Masters to support the TVET Lecturer Capacity Building project. The total value of the in-kind contribution for this project during the 2022/23 financial year, is **R0.020 million**.

Sponsorship received from Microsoft:

- Microsoft sponsored two venues and trainers with a view to expanding TVET Lecturer Capacity Building. The total value of the in-kind contribution for this project during the 2022/23 financial year, is **R0.307 million**.

Sponsorship received from the German Government through the GIZ:

- GIZ sponsored the travel costs for officials attending the Impact Bonds Working Group Conference in London, United Kingdom during July 2022. The total value of the in-kind donation is **R0.045 million**.

Sponsorship received from the South African Wind Energy Association:

- The South African Wind Energy Association invited the Department to participate as part of a panel during their conference in Cape Town. All travel expenses for Departmental staff were covered by the

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event organisers. The focus of the discussion was centred on skills development across the wind energy industry. The total estimated value of this in-kind donation is **R0.004 million**.

Sponsorship received from Higher Health:

- The Department received a donation from Higher Health for the hosting of the inaugural meeting of the MTT. The total value of the in-kind donation is **R0.008 million**.

5. PUBLIC ENTITIES

Twenty-six Public Entities submitted their reports to the Minister of Higher Education and Training by the compliance due date of 31 March 2023, namely:

5.1 The Council on Higher Education:

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

An amount of **R74.486 million** was transferred to the CHE during the 2022/23 financial year.

During 2022/23 the following outcomes were coordinated, managed and overseen by the CHE:

- **Strategic Outcome 1:** CHE as the designated custodian of the HEQSF (a revitalised and fully implemented HEQSF).

Outcome Statement: To manage the development and implementation of the HEQSF policies, qualification standards and data in order to meet the goals of the NQF, National Plan for PSET and the NDP.

- **Strategic Outcome 2:** A comprehensive and coherent quality assurance system for the higher education sector.

Outcome Statement: To develop and implement a new Quality Assurance Framework for effective and efficient internal quality assurance and external quality assurance for the sector.

- **Strategic Outcome 3:** A reputable centre of intellectual discourse, knowledge generation and advice on higher education.

Outcome Statement: To revitalise and strengthen the research, monitoring, evaluation and advice capabilities of the CHE.

- **Strategic Outcome 4:** Effective governance, compliance and risk management.

Outcome Statement: To set the broad strategic direction, policy and tone for good governance, statutory compliance and risk management of the organisation supporting the discharge of core CHE functions.

- **Strategic Outcome 5:** A sustainable, responsive and dynamic organisation.

Outcome Statement: To design and implement an organisational architecture, business processes, capabilities and infrastructure to realise the strategy of the CHE.

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The realisation of these outcomes continued through four Implementation Programmes, namely, Management of the HEQSF and Quality Promotion; Quality Assurance; Research, Monitoring and Advice; and Corporate Efficiency.

5.2 The National Student Financial Aid Scheme:

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

An amount of **R45 794.967 million** was transferred to NSFAS during 2022/23.

Other sources of revenue constitute donor funds, money repayable on study loans and interest derived on investments.

As at 31 December 2022, NSFAS had confirmed funding for 806 954 headcount enrolments, consisting of 284 302 new and 522 652 continuing students registered at universities and TVET colleges.

To date, the NSFAS has received and processed 862 006 student registrations, consisting of 312 161 new and 549 845 continuing students registered at universities and TVET colleges. Students funded by the NSFAS for the bulk of the 2021 year are located under the DHET Bursary Scheme.

The NSFAS Board recommended several policy changes to the 2023 NSFAS Funding Policy, taking into consideration the differences between TVET college and university student bursary packages, 2022 Board position papers and processes to reduce the risk of NSFAS funds abuse. The 2023 NSFAS Funding Policy was approved by the Minister during December 2022. TVET college students studying occupational programmes can only be funded for the cost of tuition for the duration of the qualification.

The 2023 Eligibility Criteria allows NSFAS to centralise the accreditation of private student accommodation, its grading and determination of value and costs for the listed accommodation and allows NSFAS to enter lease negotiations on behalf of students and pay landlords directly. Universities that may want to continue with the current accommodation arrangements, must apply to the NSFAS to retain the *status-quo* and continue accrediting private accommodation to NSFAS, unless otherwise advised by the latter.

The Departmental Disability Fund also assisted a total of 1 798 students across 26 universities during the period under review. This comprised a total of 1 374 continuing students and 424 new students.

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5.3 The South African Qualifications Authority (SAQA):

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

The Department transferred an amount of **R81.164 million** to SAQA during the 2022/23 financial year.

During the year under review, SAQA dealt with the following processes:

- SAQA processed 780 qualifications in ensuring that they met with SAQA's Policy and Criteria for Registering Qualifications and Part-Qualifications on the NQF. Of these qualifications:
 - 294 were registered on the NQF;
 - 11 qualifications were amended;
 - 811 qualifications were re-registered;
 - 20 qualifications were transferred between Sub-Frameworks;
 - 137 qualifications were returned to the QCs, as they did not meet SAQA's criteria; and
 - 149 qualifications were de-registered.
- In line with the Ministerial Determination, No 1391 dated 24 December 2020, the registration end-date for all pre-2009 Occupational Qualifications Sub-Framework (OQSF) qualifications was extended to 30 June 2023, excluding HEQSF qualifications that were erroneously allocated to the OQSF;
- The registration end date for all HEQSF qualifications reaching their end-date on 30 June 2021 was extended to 30 June 2023 on the proviso that the CHE works towards reducing the proliferation of qualifications, especially among the 7 000 qualifications that had a registration end-date of 30 June 2021;
- The registration end-date for all pre-2009 qualifications, unit standards and non-aligned qualifications registered on the GFETQSF was extended to 30 June 2023;
- Accordingly recognised two professional bodies, while the recognition of two other professional bodies was withdrawn;
- SAQA collated information from the Department and the QCs and drafted the Report on the Implementation of the Articulation Policy, which it sent to the Minister;
- SAQA developed and submitted the Reports on the System of Collaboration and Implementation of the Ministerial Guidelines to the Minister;
- SAQA recorded information pertaining to 658 873 new learners, 719 140 qualification achievements and 43 464 new professional designation awards on the NLRD;
- SAQA verified 172 976 national and 10 709 foreign qualifications;
- SAQA facilitated a total 2 991 952 interactions with stakeholders through social media and the SAQA's website; and
- SAQA reviewed the Policy and Criteria for Recognising a Professional Body and Registering a Professional Designation for the Purposes of the NQF.

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5.4 The National Skills Fund:

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

The Department transferred an amount of **R4 161.770 million** from direct charges to the NSF during 2022/23 and an amount of **R100 million** from Voted funds for the performance model for demand-led skills training.

The NSF's funding focus and skills development portfolio is two-pronged: a significant allocation of the NSF's annual and medium-term budget is directed towards education and training initiatives such as bursaries and scholarships, learnership and skills programmes, as well as workplace-based learning; while NSF funding is also directed towards improving the PSET System, with a focus on capacity building, investing in skills infrastructure, research and innovation. The interventions funded by NSF are aligned to the MTSF Priority 3: Education, skills and health. The Department has set five goals to realise Priority 3, and these are aimed at: increasing access to PSET opportunities, improving success and efficiency, improving the quality of PSET provisioning, improving equity and transformation and improving the responsiveness of the PSET System within the world of work.

5.5 The Sector Education and Training Authorities (SETAs):

During 2022/23, there were 21 SETAs mandated by Chapter 3 of the Skills Development Act, 1998 to provide skills development across various economic sectors. Their main objectives are to implement sector skills plans aimed at developing the appropriate skills, develop and register learning programmes and distribute skills development levy funds. The SETAs meet the NSDS targets by means of a legislated service level agreement with the Department. All SETAs are expected to implement learning programmes in terms of their service level agreements. These annual agreements are determined by the NSDS five-year targets, which are calculated in annual terms.

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

The Department transferred an amount of **R16 647.080 million** from direct charges to SETAs during the 2022/23 financial year.

The overall performance of the SETAs across all outcomes during the year under review has been satisfactory. SETAs continue to ensure that commitments to the National Skills Accord are realised. These are:

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- To expand the level of training, using existing facilities more robustly;
- To make internship and placement opportunities available within workplaces;
- To set guidelines of ratios for trainees and artisans across all technical vocations in improving levels of training;
- To improve funding for training and the use of funds available for training and incentives for companies to train;
- To set annual targets for training in state-owned enterprises;
- To improve SETA governance and financial management, as well as stakeholder involvement;
- To align training to the New Growth Path and improve Sector Skills Plans; and
- To improve the role and performance of TVET colleges.

5.6 The Quality Council for Trades and Occupations:

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

The Department transferred an amount of **R28.506 million** to the QCTO during the 2022/23 financial year.

The major achievements of QCTO for the 2022/23 financial year are detailed as follows:

- The QCTO officially launched the OQSF Policy on 9 March 2023. The keynote address was delivered by the Deputy Minister of Higher Education, Science and Innovation. The revised OQSF is being branded as a 'game changer' as it ushers in a suite of Occupational Qualifications which will have parity of esteem with qualifications in the Higher Education Sector. The implementation of Occupational Qualifications, Part Qualifications and Skills Programmes serves as a catalyst for change in Skills Development across the country;
- The Third Council of the QCTO, approved its Vision 2027 strategy document on 10 March 2023. This five-year strategy document provides the blueprint for QCTO-SETA Service Level agreements to ensure that the QCTO fulfils its Quality Assurance mandate in terms of the NQF Act;
- The QCTO hosted the Work-Based Learning and Development Practitioner Pilot Programme Round Table Discussion. This initiative will assist in facilitating Work Integrated Learning;
- The Department funded the development and review of the Occupational Qualification Hairdresser and six skills programmes for implementation at public institutions during 2024. This project is significant as it will test the model of implementing Skills Programmes at TVET colleges which will result in the improvement in TVET delivery outcomes;
- Successfully completed the NSF funded Accreditation Project, with over 200 sites having been visited;
- The QCTO developed and implemented the Coded Welding Skills Programme in collaboration with Chemical Industries Education and Training Authority (CHIETA), with some sections covered via simulations.

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This provides a model for the use of simulated work environments to address the shortage of workspace opportunities during training;

- Ongoing QCTO participation in the Inter-Departmental Coordinating, as well as the Barrier Task Team Committees that focuses on the implementation of digital skills as identified in the Department Skills Strategy and in support of the South African Economic Reconstruction and Recovery Plan;
- The QCTO conducted advocacy workshops at all 50 TVET colleges and nine CET colleges which has resulted in an increased uptake of Occupational Qualifications and Skills Programmes offered by TVET and CET colleges public Skills Development Providers (SDPs);
- The QCTO, in collaboration with Engineering Council of South Africa (ECSA) and the Department, commenced with the development of a Framework for the Recognition/Accreditation of TVET College Qualifications, including Occupational Qualifications by Engineering Council of South Africa;
- The QCTO developed and approved more than 100 Skills Programmes that may be offered by SDPs such as CETs, TVETs and other institutions;
- The QCTO recommended more than 500 historically registered qualifications to SAQA for de-activation and subsequently contributing to the simplification of the NQF;
- The QCTO accredited over 1 600 SDPs to offer Occupational Certificates indicating a shift towards Occupational Qualifications;
- The QCTO accredited over 170 SDPs to offer Skills Programmes. These Skills Programmes contribute to workplace opportunities as well as further learning pathways;
- The QCTO issued over 2 400 certificates for Occupational Qualifications indicative of an increase in the uptake of Occupational Qualifications;
- The QCTO deployed Data Loss Prevention, Security Information and Event Management systems as per the approved QCTO Security Architecture;
- Full achievement of the Year 2, with 40% implementation of the approved capacity building strategy;
- Full achievement of the Year 1, with 40% implementation of the approved change management strategy;
- The QCTO expanded its use of Social Media Platforms by including a twitter media account; and
- 100% achievement was realised against the approved 40% Implementation Plan (Year 2) for the QCTO's Marketing and Communications Strategy.

6. OTHER ORGANISATIONS RECEIVING TRANSFER PAYMENTS FROM THE DEPARTMENT

6.1 Higher Education Institutions (HEIs):

Funds were transferred to support public HEIs and enable the latter in efficiently and effectively performing their core functions of lecturing and research. This is linked to the broader policy goals and objectives outlined in the National Plan for Higher Education, which are underpinned by the need to ensure the sustainability, affordability and responsiveness of the Higher Education system and enable it in contributing the social and economic development of South Africa.

A total amount of **R46 352.812 million** was transferred to HEIs during the 2022/23 financial year.

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2023

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

An amount of **R21.338 million** from Voted funds was transferred to the ETDP SETA for skills development within the TVET and CET college sectors.

6.3 TVET Colleges:

Funds were transferred to support TVET colleges and enable the latter in performing their core functions. A total amount of **R5 490.918 million** (including **R710.510 million** for the infrastructure project and **R220 million** for the student housing infrastructure project) was transferred to all 50 TVET colleges.

6.4 CET Colleges:

Transfers in supporting CET colleges enabling the latter to better perform their core functions comprised a total amount of **R215.151 million** for this purpose.

6.5 Other Transfers:

- **Commonwealth of Learning:**

An amount of **R3.250 million** was transferred to the Commonwealth of Learning, inclusive of the membership fee for South Africa.

- **Higher Health**

An amount of **R20.604 million** was transferred to Higher Health in relation to the Higher Education HIV/Aids programme.

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

An amount of **R123.972 million** was transferred to the Public Service Sector Education and Training Authority for Skills Development within the public sector.

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

An amount of **R39.709 million** was transferred to the National Institute for Humanities and Social Sciences with a view to advancing and coordinating scholarships, research and ethical practices within the fields of the Humanities and the Social Sciences at and through the existing public universities.

6.6 Conditional Grants to Provincial Education Departments

None.

7. PUBLIC-PRIVATE PARTNERSHIPS

None.

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2023

8. CORPORATE GOVERNANCE ARRANGEMENTS**8.1 The Department's Risk Assessment and Fraud Prevention Plan****8.1.1 The Establishment of the Directorate: Ethics, Integrity, Anti-Corruption, Fraud Prevention and Risk Management:**

The Department established a Directorate during 2022 which is now responsible for the management of ethics, integrity, anti-corruption, fraud prevention and risk management. Since its establishment and in addition to assisting the Department with effective management, the institutionalisation of effective management of risk, as well as using risk processes such as risk tolerance and risk appetite, the Directorate has also been hard at work inculcating the creation of a culture of risk ownership and risk-based decision-making across the Department.

8.1.2 Risk Management:

In accordance with the prescripts of PFMA, the Department has developed and implemented its own Risk Management Policy and subsequently a Risk Management Strategy to ensure technical support. Both the Risk Management Policy and Strategy were developed in terms of the Public Sector Risk Management Framework that provides important guiding principles for the implementation of measures which are clearly articulated and contribute to the effective and efficient management of risk throughout government.

Risk Management addresses issues of risk ownership, risk tolerance and risk appetite, in so far as tolerance and endorsement by Department are concerned. These are:

- The ownership of risk within branches in line with specific legislation that governs the work of each Branch; appropriate levels of risk have been established and continued to be monitored;
- The Risk Management Policy which ensures the effective management of risk in the Department also currently under review as required;
- The development and maintenance of a comprehensive Risk Register for the financial year, 2022/23;
- As part of the Department's ongoing efforts to implement a business continuity management system incrementally at the beginning of financial year 2021/22, the process for the development of the Business Continuity Plan, was initiated and it is currently under way. Once finalised, this will enable the Department to become agile and maintain resiliency by responding speedily to unforeseeable interruptions; and
- In line with the Department's vision aimed at strengthening governance, the Department's Risk Management Committee has been reconstituted and efforts to appoint an external Chairperson are currently underway.

8.1.3 Fraud and Corruption:

In line with the country's National Anti-Corruption Strategy, the Department's Zero-Tolerance stance towards incidents of corruption, fraud, unethical conduct and lack of integrity has intensified.

Beyond the National Fraud Strategy and in fulfilling the requirements of a compendium of other pieces of legislations in the main, the *Protected Disclosures Act of 2000*, [No. 26 of 2000] (the PDA) and the *Prevention and Combating of Corrupt Activities Act of 2004*, [Act 12 of 2004], as well as other pieces of legislation that include, the *Labour Relations Act of 1995*, [Act No.66 of 1995], the *Basic Conditions of Employment Act of 1997*, [Act No. 75 of 1997] and the *Criminal Procedure of 1977*, (Act No. 51 of 1977), the Directorate has also been

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2023

able to set in place a number of processes to assist the Department in reducing the levels and incidence of fraud, corruption and other maleficence.

As part of the Department's efforts to rid itself off any form of fraud, corruption and other maleficence, through the Sub-Directorate: Fraud Prevention, the Directorate has been able to realise the following interventions:

- In accordance with the requirements of the Department's Fraud Prevention Policy, a zero-tolerance stance against fraud, corruption and other maleficence and as per the requirements by Government, commencing during the financial year 2020/21, the Directorate introduced a Fraud Risk Register.
- The Directorate has prioritised the review of the Department's whistle-blowing policy in accordance with the requirements of the Department's Protected Disclosures Act, through the Sub-Directorate: Fraud Prevention for the financial year 2022/23.
- The Directorate introduced and implemented a fraud hotline e-mail to complement the Department's fraud telephone hotline in accordance with the Protected Disclosures Act, while still working on the creation of other channels to enable whistle-blowers in reporting incidents of fraud, corruption and other maleficence.
- With a view to strengthen capacity for investigations through the Sub-Directorate: Fraud Prevention, the Directorate has been able to develop the Standard Operating Procedures for all investigations in the Department, internal as well as external. The Sub-Directorate is currently, working on Memoranda of Understanding or Memoranda of Agreement with different law enforcement agencies which include the Hawks, the South African Police Services, the National Prosecuting Authority and the Public Service Commission.

8.1.4 Ethics and Integrity Management:

The work of Ethics and Integrity Management Directorate in the Department was only formalised at the beginning of the 2021/22 financial year. Prior to that and commencing during 2018, the work of Sub-Directorate: Ethics and Integrity Management was performed by an interim *ad hoc* structure located in PMDS.

However, from the beginning of the 2021/22 financial year, along with the transfer of the function from PMDS, dedicated staff who previously assisted with the work of the function were seconded to the Directorate.

In terms of Regulation 18 of the Public Service Regulations, 2016, all SMS members are required to disclose their financial interests by way of the Department of Public Administration's e-Disclosure system.

In terms of section 195 of the Constitution of the Republic of South Africa, 1996 and regardless of their positions or levels, government employees in all these categories, are required to exercise the highest ethical standards and adhere to the Departmental Code of Conduct.

It is for the same reason that the March 2017 Ministerial Determination and Directive now makes it mandatory for other categories of employees below SMS to disclose their financial interests on the Department of Public Administration's e-Disclosure system, and as such, the following categories of Public Service employees are now compelled to disclose their financial interests:

- Level 13 and above
- All level 12 and level 11 officials (inclusive of OSD level and personal notches for level 13 and above, as well as levels 11 and 12)
- Ethics and Integrity Officers,

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for the year ended 31 March 2023

- PSC Officials,
- Supply Chain Management staff members, and
- Finance Directorate staff members

On the other hand, Regulation 24 of the Regulations, addressing Section 30 of the Public Service Act, 1994, as amended and read in conjunction with Paragraph C5.5 of the Explanatory Manual on the Code of Conduct for the Public Service, provides guidance in terms of what constitutes professional or ethical conduct by Public Service Employees and also provide guidance in terms of the due process that government employees need to follow when engaging in the Performance of Remunerative Work, either Outside Employment or Outside the Public Service.

Finally, as an integral part of the laws and regulations governing financial matters across Government, Regulation 13 (c) of the Public Service Regulations, 2016, is unequivocally clear on the issue of the employees of Government or the State conducting business with the Organs of the State. As a matter of fact, Regulation 13 (c) strictly prohibits and forbids any public service employee from conducting any form of business with the State or an Organ of State. Conversely, Section 8 of the Public Administration Management Act of 2014, [Act No. 11 of 2014], not only prohibits the practice, but it also makes Conducting Business with the Organs of the State a criminal offence punishable by law under a compendium legislation, including the Criminal Procedure Act of 1977, [Act No. 51 of 1977].

8.2 The Internal Audit Unit:

The objective of the Internal Audit Function is to provide independent, objective assurance and consulting services designed to add value and improve the Department's operations. It assists the Department in realising its objectives by bringing a systemic, disciplined approach in evaluating and improving the effectiveness of risk management, control and governance processes.

The Internal Audit Function operates with skilled personnel and functions as required by applicable Treasury Regulations and the PFMA. The Internal Audit Unit functions are informed by a risk-based audit plan as approved by the Audit Committee. During the year under review, internal audit engagements were performed in accordance with the Audit Plan. Due to a lack of staff and specialised skills in executing the work identified in the Audit Plan, the Department continues to utilise consultants in providing co-sourcing functions in support of audits.

8.3 The Audit Committee:

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

The Committee's main activities comprise of:

- Considering the effectiveness of the internal control systems;
- Understanding the scope of internal and external auditor reviews of internal control, regarding financial reporting and obtaining reports on significant findings and recommendations, together with management responses;
- Assessing whether Departmental assets have been properly safe-guarded and utilised;

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2023

- Reviewing the Department's risk profile on an annual basis and ensuring that management is effectively overseeing associated risk;
- Reviewing the effectiveness of the system for monitoring compliance with laws and regulations; and
- Reviewing the adequacy, reliability and accuracy of the financial information provided to management and other users of such information and annually, reviewing the Annual Financial Statements, while recommending its approval by the Director-General of the Department.

The Audit Committee has been established and functions effectively as required in terms of the relevant Treasury Regulations and the PFMA. The Audit Committee convened and concluded four meetings successfully during the period under review.

8.4 Management Processes Aimed at Minimising Conflict of Interest:

The Department has taken drastic steps to address several repeat findings including audit findings made against it by several Government agencies that include those established in terms of Chapter 9 and Chapter 10 of the Constitution of the Republic of South Africa, such as the Public Protector South Africa (PPSA), the AGSA and the PSC.

As part of ensuring compliance with all the laws and regulations governing financial matters across Government, over the past few years, the behaviour of public servants from the PSET sector, particularly, individuals or the lecturers largely employed in the TVET and CET sectors, have not only proved to be a major contributing factor to non-compliance, but has also turned the sector into being the main sources of almost every finding that the Department has received.

In the main, most of the findings made by other agencies, including audit findings made by the AGSA against the Department, have tended to centre around critical areas such as disclosures or declarations of financial interests, and first and foremost, on the e-Disclosure system. There are also other areas such as Performance of Remunerative Work Outside Employment of the Public Service, as well as the challenge of non-compliance with the now illegal practice of Conducting of Business with the State.

It was in the light of these considerations that as part of its response to all the challenges of non-compliance, and at the advent of the 2021/22 financial year, the Department introduced a new approach to accountability and the implementation of consequence management.

It is this new approach to accountability that saw the Department during 2021/22, implementing consequence management against identified employees across the PSET sector who failed to comply with the laws and regulations governing financial matters within Government, in all the areas accordingly identified above.

The Department's value proposition to the PSET sector is providing strategic leadership and policy direction. It is for the same reason that while the main purpose with the new approach to accountability is to ultimately develop an Accountability Framework that would galvanise and energise an entire value chain to work in the manner that is aligned, it is also a synergised and seamless process in its responses to findings and audit findings.

Once developed, approved and implemented, it is envisaged that the Accountability Framework and the Consequence Management Strategy for the Department and the PSET sector, will transform and move the Department from its current perceived position of being moribund, slow, and sluggish in responding to findings and audit findings, into an agile, proactive, responsive and expeditious organisation when it comes

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2023

to responding to these issues.

It is also envisaged that during the process for the development of both the Accountability Framework and the Consequence Management Strategy, these will be extended to other areas identified as fraught with risk conflicts of interest, especially committees respectively responsible for the evaluation of bids submitted in response to a public invitation for bids and the evaluation of all bids received, and submitting a report with recommendations regarding the award of bids to the relevant Bid Evaluation and the Bid Adjudication Committees.

At the level of these committees, the focus must be directed towards both strategic and operational risk and most importantly, the mitigation of identified risk.

8.5 Implementation of a Code of Conduct:

The Department continuously conducts workshops for all newly appointed officials in all aspects of labour relations, including the Departmental Code of Conduct. The Directorate: Human Resources Management and Administration ensures that appointment packs contain the Code of Conduct. During the period under review Regional Labour Relations officials conducted workshops on the Code of Conduct within their respective regions. During the 2023/24 financial year, the Department plans to conduct workshops on the Code of Conduct and other labour related matters for the lower-level staff throughout the Department.

8.6 Safety, Health and Environmental Issues Facing the Department:

Following on the announcement that the Department must restore the access control security system, the systems were only operational for a few weeks after which they failed to work properly. As a result of the lapse of the multinet maintenance contract, new Terms of Reference for the maintenance of the security system were prepared and a Request for Quotations forwarded to relevant service providers for providing quotes for the upgrading, repair and maintenance of the system.

However, in view of the proposed relocation from 123 Francis Baard Street to the CSIR, the maintenance period was reduced from twelve to six months and subsequently to three months. Four briefing sessions with prospective service providers were convened, but no service provider accordingly submitted any quote for the maintenance of the security system. In the interim and due to the Department not having yet relocated to the CSIR by the proposed date of April 2023, the Directorate has embarked on recommencing with the requisite supply chain management process in securing a maintenance contract for a period of five to six months.

8.7 Other Governance Structures:

- **Bid Committees**

- **Bid Specification Committee (BSC)**

Members to the BSC are appointed by the Accounting Officer. The membership constitutes a minimum of three members with technical expertise supported by representatives from the chief directorates Legal and Legislative Services and Supply Chain Management in an advisory capacity. The main purpose of the BSC is to draft specifications or terms of reference for the acquisition of goods or services that are above the threshold of R1 million. The draft specification/terms of reference reflect among others, the scope of work, technical requirements, evaluation criteria and special conditions attached to procurement itinerary. The specifications/terms of reference drafted by the BSC must

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2023

promote open market competition. Specifications/terms of reference are submitted to the Accounting Officer for approval via the Bid Adjudication Committee (referred to below) prior to advertisement on the National Treasury e-tender portal, and as additional sources, the website of the Department and the Government Tender Bulletin (GTB). In respect of bids for construction, advertisements are also published through the Construction Industry Development Board (CIDB).

- **Bid Evaluation Committee (BEC)**

The members to the BEC are appointed by the Accounting Officer. The membership constitutes a minimum of three members with technical expertise supported by representatives from the chief directorates Legal and Legislative Services, and Supply Chain Management in an advisory capacity. The BEC is responsible for the evaluation of bids received on or before the closing date and time in accordance with the published evaluation criteria. The BEC makes recommendations to the Bid Adjudication Committee (referred to below) on the appointment or not of service providers.

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

The BAC is appointed by the Accounting Officer and comprise of senior officials. The Chief Directorates Supply Chain Management and Legal and Legislative Services provide advice to the BAC. The Accounting Officer may also appoint alternate members to ensure the continuity of scheduled meetings and may co-opt members, if deemed necessary.

The responsibilities of the BAC include the review of specifications/terms of reference of the BSC to consider requests or recommendations for advertising bids, deviations to the bidding process, the extension of contracts, the appointment of service providers and the cancellation of contracts. The BAC makes final recommendations to the Accounting Officer for cancellations, deviations or the awarding of bids. The BAC also adjudicates and determines whether bid processes were fair, equitable, transparent, competitive and cost-effective, while ensuring that these processes comply with the Preferential Procurement Policy Framework Act (PPPFA) and its Regulations, Treasury Regulations and other relevant and applicable legislation. The BAC has scheduled meetings in accordance the Procurement Plan for the relevant financial year.

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

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

- **The Information Technology Steering Committee (ITSC)**

The purpose of the ITSC, which meets on a quarterly basis is to review, monitor and prioritise ICT projects from a cross-functional perspective. The primary activity of the ITSC is to assist the office of the GITO in ensuring that operational ICT activities support the strategic objectives of the Department in a cost-effective manner. Furthermore, the ITSC provides input and direction in relation to ICT policies and procedures, which in turn assist the ICT Strategy Committee in its decision-making. The ITSC plays a crucial role regarding the implementation of Corporate Governance within the ambit of the ICT Policy Framework.

REPORT OF THE ACCOUNTING OFFICERfor the year ended 31 March 2023

9. DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED

None.

10. NEW/PROPOSED ACTIVITIES

None.

11. ASSET MANAGEMENT

The Department has managed all assets in line with the PFMA, minimum requirements and financial guidelines pronounced by National Treasury. All assets, including those newly acquired, are currently reflected on the Department's Asset Register, which complies with requisite minimum requirements. A monthly reconciliation is performed between the Asset Register and the Basic Accounting system to address any discrepancies, as the assets on the Asset Register are recorded according to component accounting, while the recording of payments for assets on the financial system is treated as a unit.

12. EVENTS SUBSEQUENT TO THE REPORTING DATE

None.

13. INFORMATION ON PRE-DETERMINED OBJECTIVES

The Department was responsible for the development and support of a quality Higher and Vocational Education sector and promoting access to higher and vocational education, as well as skills development training opportunities. The information on pre-determined objectives is incorporated in Part B: Performance Information of this Report.

14. STANDING COMMITTEE ON PUBLIC ACCOUNTS (SCOPA) RESOLUTIONS

None.

15. PRIOR MODIFICATIONS TO AUDIT REPORTS

None.

16. EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

None.

REPORT OF THE ACCOUNTING OFFICERfor the year ended 31 March 2023

17. INTERIM FINANCIAL STATEMENTS

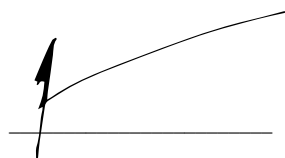
Interim Financial Statements were compiled according to the guidelines issued by National Treasury and submitted to the latter Department during the 2022/23 financial year.

18. OTHER

None.

19. APPROVAL

The Annual Financial Statements, set out on pages 251 to 340, have been approved by the Accounting Officer.

**Dr SNP Sishi**

Director-General

Date: 31 May 2023

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
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REPORT OF THE AUDIT COMMITTEE
for the year ended 31 March 2023

We are pleased to present our report for the financial year ended 31 March 2023.

Audit Committee Responsibility

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

The Effectiveness of Internal Control

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

Through the reports from both Internal Audit and the AGSA, it was evidenced that the system of internal control was not entirely effective throughout the reporting period. Several instances of non-compliance regarding internal controls were identified and reported. This was especially evident on the reporting of achievements and oversight over performance information and supply chain management. An area of concern remains in relation to the information technology environment, especially with regard to the business continuity, which may have a direct impact on the business operations of the Department.

The Department's current organisational structure is inadequate to support the mandate and responsibilities of the Department, resulting in the lack of capacity for effective monitoring and evaluation in the Department of its various activities.

Some of the agreed actions were still not sufficient in addressing the previously reported internal control deficiencies. Action plans were not effectively implemented, nor on a timely basis during the year, as recurring findings were identified. The Audit Committee will continue to monitor progress against the corrective action plans implemented by management.

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

The Department submits monthly reports on Departmental expenditure and quarterly reports on its interim financial statements to the National Treasury, as required by the PFMA. It also reports quarterly to the Department of Planning, Monitoring and Evaluation on performance against predetermined objectives. During the year under review, the Audit Committee monitored these reports, which were prepared and issued by the Accounting Officer and management.

The performance information-reporting environment still requires further improvements to ensure that the reported achievements are fully supported by accurate, valid and complete evidence.

Evaluation of Financial Statements

The Audit Committee has:

- reviewed and discussed the audited financial statements to be included in the Annual Report with the AGSA and the Accounting Officer;

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
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REPORT OF THE AUDIT COMMITTEE
for the year ended 31 March 2023

- reviewed the AGSA's management report and management's response thereto;
- reviewed changes in accounting policies and practices;
- reviewed the Department's compliance with legal and regulatory provisions;
- reviewed significant adjustments resulting from the audit; and
- reviewed information on predetermined objectives to be included in the 2022/23 Annual Report.

Overall, the Audit Committee is satisfied with the submission and quality of both the interim and annual financial statements prepared by the Department.

Internal Audit

Internal Audit Activity reports functionally to the Audit Committee and the Audit Committee monitors and evaluates the activities of the Internal Audit Activity. The Audit Committee is satisfied that the internal audit function is operating reasonably effectively and that it has addressed the pertinent risks of the Department identified during its audits. Additional capacity has been secured for Internal Audit and staff were able to complete the audits in terms of the coverage plan approved by the Audit Committee. This was supported by the rating of the AGSA of the Internal Audit Activity.

Risk Management

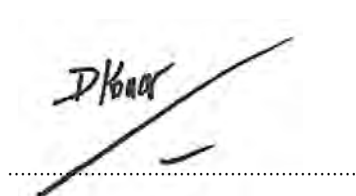
Although a risk management strategy is in place, risk management has not been able to perform a number of responsibilities due to capacity constraints. As a result of the findings raised by Internal Audit, risk management needs improvement in certain areas identified.

Auditor-General South Africa

The Audit Committee reviewed the audit outcomes in the AGSA management report and is satisfied that the matters are being adequately addressed. However, the following areas of concern require management intervention:

- The reporting of performance information against set objectives.
- Information Technology pertaining to business continuity.
- Compliance with Supply Chain Regulations.

The Audit Committee concurs with and accepts the conclusions of the AGSA on the Annual Financial Statements, and is of the opinion that the audited Annual Financial Statements be accepted and read together with the Report of the AGSA.



Dr Len Konar

Chairperson of the Audit Committee
Department of Higher Education and Training
Date: 31 July 2023

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT

for the year ended 31 March 2023

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Higher Education and Training (DHET) set out on pages 251 to 315, which comprise the appropriation statement, statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the DHET as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) and the requirements of the PFMA.

Basis for opinion

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

Other matters

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

Unaudited irregular expenditure and fruitless and wasteful expenditure

7. On 23 December 2022, the National Treasury issued Instruction Note 4 of 2022-23, which came into effect on 3 January 2023, in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA. The instruction note deals with the PFMA compliance and reporting framework and addresses, amongst others, the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Irregular expenditure and fruitless and wasteful expenditure incurred in prior financial years and not yet addressed no longer need to be disclosed in either the annual report or the disclosure notes to the annual financial statements. Only the current year and prior year figures are disclosed in note 24 to the financial statements of the DHET. Movements in respect of irregular expenditure and fruitless and wasteful expenditure also no longer need to be disclosed in the notes to the annual financial statements. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) is now included as part of the

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT

for the year ended 31 March 2023

other information in the annual report of the DHET. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Unaudited supplementary schedules

8. The supplementary information set out on pages 317 to 340 does not form part of the financial statements and is presented as additional information. I have not audited this/ these schedule(s) and, accordingly, I do not express an opinion on it/ them.

Responsibilities of the accounting officer for the financial statements

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

Responsibilities of the auditor-general for the audit of financial statements

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

Report on the audit of the annual performance report

13. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
14. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT

for the year ended 31 March 2023

Programme	Page numbers	Purpose
University education	81-94	Develop and coordinate policy and regulatory frameworks for an effective and efficient university education system. Provide financial and other support to universities, the National Student Financial Aid Scheme and national higher education institutions.
Technical and vocational education and training	99-111	Plan, develop, implement, monitor, maintain and evaluate national policy, programme assessment practices and systems for TVET colleges. Provide financial and other support to TVET colleges and regional offices.
Skills development	116-119	Promote and monitor the National Skills Development Strategy. Develop skills development policies and regulatory frameworks for an effective skills development system.
Community education and training	124-129	Plan, develop, implement, monitor, maintain and evaluate national policy, programme assessment practices and systems for community education and training. Provide financial and other support to CET colleges.

15. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.
16. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
 - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner
 - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over or underachievement of targets.
17. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT

for the year ended 31 March 2023

18. The material findings on the performance information of the selected programmes are as follows:

Programme 3: university education**Various indicators**

19. I could not determine if the reported achievements were correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved.

Indicator description	Planned target	Reported achievement
Number of university students receiving funding through NSFAS bursaries annually	556 629	556 629
Proportion of university lecturers (permanent instruction or research staff) who hold doctoral degrees	48%	49%

Programme 4: technical vocational education training**Various indicators**

20. Some supporting evidence was not provided for auditing; and, where it was, I identified material differences between the actual and reported achievements. Consequently, the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved.

Indicator description	Planned target	Reported achievement
Number of TVET students completing NC(V) Level 4 annually	13 552	11 374
Throughput rate of TVET (NC(V))	40%	27,20%
Number of unemployed TVET students placed in workplaces annually	10 000	10 616

Number of students enrolled in PLP to improve success

21. An achievement of 4 581 was reported against a target of 4 000. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, it is likely that the achievement against the target was lower than reported.

Percentage of TVET college lecturing staff appropriately placed in industry or exchange programmes

22. An achievement of 2% was reported against a target of 14%. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, it is likely that the achievement against the target was lower than reported.

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT

for the year ended 31 March 2023

Programme 5: skills development**Various indicators**

23. Based on audit evidence, the actual achievements for skills development indicators did not agree with what was reported. I could not determine the actual achievements, but I estimated them to be materially less. Consequently, the achievements against the targets were lower than reported.

Indicator description	Planned target	Reported achievement
Number of artisans found competent annually	20 500	19 461
Number of learners who completed internships annually	5 200	4 139
Percentage of allocated SETA mandatory grants paid to employers	100%	66,70%
Number of learners who completed learnerships annually	30 000	45 148

Number of learners registered on skills programme annually

24. An achievement of 148 000 was reported against a target of 93 514. However, some supporting evidence was not provided for auditing; and, where it was, I identified material differences between the actual and reported achievements. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

Programme 6: community education and training**Various indicators**

25. Some supporting evidence was not provided for auditing; and, where it was, I identified material differences between the actual and reported achievements. Consequently, the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved.

Indicator description	Target	Reported achievement
Number of students enrolled at CET colleges annually	266 424	143 031
Number of CET students completing GETC: Level 4 annually	40 000	25 780

Various indicators

26. I could not determine if the reported achievements were correct, as adequate supporting evidence was not provided for auditing and adequate measurement processes did not exist. Consequently, the reported achievements might be more or less than reported and were not reliable for determining if the targets had been achieved.

Indicator description	Planned target	Reported achievement
Percentage of CET colleges compliant with the policy on the conduct and management of examination and assessment annually	100,00%	93,50%
Percentage of CETCs that meet the standard of good governance	95,00%	97,50%

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT

for the year ended 31 March 2023

Other matters

27. I draw attention to the matters below.

Achievement of planned targets

28. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and underachievement. This information should be considered in the context of the material findings on the reported performance information.

29. The department plays a key role in delivering services to South Africans. The annual performance report includes the following service delivery achievements against planned targets:

Key service delivery indicators not achieved	Planned target	Reported achievement
Programme 3 – University education		
Targets achieved: 64%		
Budget spent: 100%		
A fee regulation framework submitted for approval	A fee regulation framework submitted to the minister for approval by 31 December 2022	A fee regulation framework was not submitted to the minister for approval as planned
Number of students enrolled at public universities annually	1 098 000*	1 068 046
Number of graduates in engineering annually	14 750*	12 605
Number of graduates in natural and physical sciences annually	11 000*	10 608
Number of graduates in human health sciences annually	10 000*	9 558
Number of master's graduates (all master's) annually	14 500*	13 796
Percentage increase in first-time students entering university	1,5%* (204 000)	-16,8% (169 675)
A report on the compliance of PHEIs to the regulations was approved by the director-general on 30 March 2023	A report on the compliance of PHEIs to the regulations approved by the director-general by 31 March 2023	A report on the compliance of PHEIs to the regulations was developed but not submitted as planned to the director-general
Monitoring report on the implementation of the University Capacity Development Programme (UCDP) approved annually	A report on the implementation of UCDP approved by the director-general by 31 March 2023	The directorate did not submit the report as planned
A needs analysis report and framework for the university governance programme approved	A needs analysis report and framework for the university governance programme approved by the director-general by 31 March 2023	Draft needs analysis report was developed but not submitted for approval
A report on the financial health of all (26) public HEIs approved annually	A report on the financial health of all 26 public HEIs approved by the director-general by 31 December 2022	A report on the financial health of 25 public HEIs was approved by the director-general on 09 January 2023

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT

for the year ended 31 March 2023

Key service delivery indicators not achieved	Planned target	Reported achievement
A report on the compliance of PHEIs to the regulations approved annually	A report on the compliance of PHEIs to the regulations approved by the director-general by 31 March 2023	A report on the compliance of PHEIs to the regulations was developed but not submitted as planned to the Director-General
A report on the evaluation of research outputs of public universities approved annually	A report on the evaluation of the 2021 research outputs of public universities approved by the director-general by 31 March 2023	Draft report on the evaluation of the 2021 research outputs of public universities was developed
Programme 4: Technical and vocational education and training		
Targets achieved: 58%		
Budget spent: R12 062 313 000 / R12 246 969 000 = 98,49%		
Number of TVET college students receiving funding through NSFAS bursaries annually	329 554*	266 063
Report on cooperation agreement with Germany on SAIVCET work approved annually	A report on cooperation agreement with Germany on SAIVCET work approved by the director-general by 31 March 2023	A report on cooperation agreement with Germany on SAIVCET work was approved by the director-general on 4 May 2023
Number of TVET college students completing N6 qualification annually	72 298*	28 685
Number of TVET college students completing NC(V) Level 4 annually	13 552*	11 374
Throughput rate of TVET (NC(V))	40%	27,2%
Percentage of TVET college lecturers with professional qualifications	70%*	65%
Number of TVET lecturers holding appropriate qualifications supported to acquire professional qualifications annually	250*	119
Percentage of TVET college lecturing staff appropriately placed in industry or exchange programmes	14%*	2%
Number of lecturers participating in digital literacy programmes	3 000	677
Number of TVET colleges that are implementing student-focused entrepreneurship development activities annually	All 50 public TVET colleges implementing student-focused entrepreneurship development programmes	42 public TVET colleges implementing student-focused entrepreneurship development programmes

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT

for the year ended 31 March 2023

Key service delivery indicators not achieved	Planned target	Reported achievement
Number of protocols signed with industry to place TVET college students and lecturers for workplace experience annually	All 50 public TVET colleges sign at least two protocols with industry and place learners for workplace experience accordingly	22 public TVET colleges sign at least two protocols with industry and place learners for workplace experience
Programme 5: Skills development		
Targets achieved: 5/12 = 42%		
Budget spent: R392 042 000 / R414 043 000 = 95%		
Annual number of learners or students placed in WBL programmes	107 000**	99 778
Number of learners registered in skills development programmes annually	148 000**	93 514
Number of learners entering artisanal programmes annually	22 000**	14 376
Number of artisans found competent annually	20 500**	19 461
Number of learners who completed internships annually	5 200**	4 139
Number of learners who completed skills programmes annually	100 000**	83 579
Percentage of allocated SETA mandatory grants paid to employers	100%	66,7%
Programme 6: Community education and training		
Targets achieved: 6/10 = 60%		
Budget spent: R2 183 734 000 / R2 363 984 000 = 92%		
Number of students enrolled at CET colleges annually	266 424*	143 031
Number of CET college students completing GETC: Level 4 annually	40 000*	25 780
Percentage of CET colleges compliant with the policy on the conduct and management of examination and assessment annually	100%	93,5%
Number of pilot community learning centres accredited	35	1

*University Education, Technical Vocational Education and Training and Community Education and Training symbolise academic year 2021.

**Skills Development symbolises 2021-22 financial year

Reasons for the underachievement of targets are included in the annual performance report on pages 81 to 129.

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT

for the year ended 31 March 2023

Material misstatements

30. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of the names of programmes. Management did not correct all of the misstatements and I reported material findings in this regard.

Report on compliance with legislation

31. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.
32. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the AGSA. This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
33. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
34. I did not identify any material non-compliance with the selected legislative requirements

Other information in the annual report

35. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
36. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
37. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
38. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT

for the year ended 31 March 2023

Internal control deficiencies

39. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
40. The department did not have a proper records management system to maintain information that supported the reported performance in the annual performance report. This included information that related to the collection, collation and verification of the reported achievements, which resulted in the material scope limitations reported in the annual performance report.
41. Numerous misstatements were identified in the reported achievements on the annual performance report. Management did not adequately review the annual performance report to ensure the accuracy and completeness of the report before submitting it for auditing.

Auditor-General

Pretoria

31 July 2023



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

for the year ended 31 March 2023

The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the department's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the department to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause an auditee to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Annexure to the auditor's report

for the year ended 31 March 2023

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA) and regulations and instructions issued in terms of the Act	PFMA 40(1)(c)(i); 40(1)(b); 40(1)(a); 38(1)(d); 38(1)(h) (iii); 38(1)(c)(ii); 39(1)(a); 39(2)(a); 43(4); 38(1)(c)(ii); 38(1)(b); 45(b)
Public Service Act 103 of 1994 (PSA) and regulations issued in terms of the Act	Regulation 13 (C)
Public Service Regulations of 2001	PSR 25(1)(e)(i) and (iii)
Preferential Procurement Policy Framework Act 5 of 2000 and regulations and instructions issued in terms of the Act	1. Treasury regulation 16A6.1 2. Treasury regulation 16A6.2(b) 3. SCM instruction note 02 of 2021-22 paragraph 3.2.1 (bids advertised on or after 1 April 2022) 4. PFMA SCM instruction note 03 of 2021-22 paragraph 4.1 5. PFMA instruction note 03 of 2021-22 definition 6. PFMA instruction note 3 of 2021-22 paragraph 4.2 (b)
Construction Industry Development Board Act 38 of 2000 and regulations issued in terms of the Act	Section 18(1)
State Information Technology Agency Act 88 of 1998 and regulations issued in terms of the Act	Section 7(3)
Prevention and Combating of Corrupt Activities Act 12 of 2004	PRECCA 34(1)
Higher Education Act of 1997	Section 3(1); 3(2); 3(3); 5 (1)a-5(b); 8 (3); 39(1)-(3); 40; 41 and 65B
PFMA Instruction Note 3 of 2021-22	Paragraph 4.1; 4.2(b); 4.3; 4.4 and 4.4(c), (d)

Annexure to the auditor's report

for the year ended 31 March 2023

Legislation	Sections or regulations
Treasury Regulations	16A6.1; 16A3.2 (fairness); 16A3.2(a) and (b); R16A6.3 (a), (b) (c) & (e); 16A6.4; 16A6.5; 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; 16A.7.7; 16A8.3; 16A8.4; 16A9.1(b)(ii), (d), (e); 16A9.1(d), (e) & (f); 16A9.2(a) (ii); 8.2.1; 8.2.2; 29.1.1(a) & (c); 29.3.1; 30.1.1; 30.1.3(a), (b) & (d); 30.1.3(b); 30.1.3(d); 30.2.1; 31.1.2(c); 31.2.1; 31.3.3; 33.1.1; 33.1.3; 16A9.1(b) (ii); 16A9.1(e); 16A9.1(f); 9.1.1; 6.3.1(a) & (d); 6.3.1(b) & (d); 6.3.1(c); 6.4.1(b); 9.1.1; 8.1.1; 8.2.1; 8.2.3; 15.10.1.2(c); 5.1.1; 5.2.3(a); 5.2.1; 5.2.3(d); 5.3.1; 19.6.1; 10.1.1(a); 10.1.2; 9.1.4; 12.5.1; 4.1.3; 4.1.1; 16A9.1(b)(ii); 18.2; 19.8.4; 17.1.1; 08.4.1
Practice Note 7 of 2009-10	Paragraph 4.1.2
Practice Note 5 of 2009-10	Paragraph 3.3
National Treasury Instruction Note 04A of 2016-17	Paragraph 6
National Treasury Instruction Note 04 of 2015-16	Paragraph 3.4
National Treasury Instruction Note 01 of 2021-22	Paragraph 4.1
National Treasury Instruction Note 07 of 2017-18	Paragraph 4.3
Treasury Instruction Note 11 of 2020-21	Paragraph 3.1; 3.4 (b) and 3.9
SCM Instruction Note 02 of 2021-22	Paragraph 3.2.1; 3.2.4; 3.3.1; 4.1
SCM Instruction Note 03 of 2016	Note 3
SCM Instruction Note 03 of 2016	Note 6
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2(1)(a); 2(1)(b); 2(1)(f)
Preferential Procurement Regulations of 2017 (PPR)	4(1); 4(2); 5(1); 5(3); 5(6); 5(7); 6(8); 7(8); 8(2); 8(5); 9(1); 10(1); 10(2); 11(1); 11(2)
Preferential Procurement Regulations of 2011	9(1); 9(5)
Preferential Procurement Regulations of 2022	4(4); 5(4)
National Treasury SCM Instruction Note 4 of 2015-16	Paragraph 4.1
National Treasury SCM Instruction Note 05 2020-21	Paragraph 1; 2; 4.8; 4.9 & 5.3
National Treasury SCM Instruction Note 03 2021-22	Paragraph 4.1; 4.2; 4.3; 4.4 & 4.4(d)
National Treasury Instruction Note 4 of 2015-16	Paragraph 3.4
Construction Industry Development Board Act 38 of 2000 (CIDB)	Section 18(1)
CIDB Regulations	17 & 25(7A)
SITA Act 88 of 1998	Section 7(3)
SBD	SBD 6.2 issued in 2015-16
Second Amendment NT Instruction 05 of 2020/21	Paragraph 1
Erratum NT Instruction Note 05 of 2020/21	Paragraph 2

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 17

APPROPRIATION STATEMENT

for the year ended 31 March 2023

Appropriation per programme									
	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Voted funds and Direct charges	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. Administration	491 994	-	12 700	504 694	452 077	52 617	89.6%	470 390	432 579
2. Planning, Policy and Strategy	4 695 851	-	-	4 695 851	4 683 454	12 397	99.7%	2 238 153	2 216 948
3. University Education	88 839 920	-	(5 435)	88 834 485	88 818 589	15 896	100.0%	80 159 258	80 130 657
4. Technical and Vocational Education and Training	12 725 223	-	(77 390)	12 647 833	12 282 533	365 300	97.1%	12 246 969	12 062 313
5. Skills Development	406 975	-	4 427	411 402	406 030	5 372	98.7%	414 043	392 042
6. Community Education and Training	2 577 670	-	65 698	2 643 368	2 632 034	11 334	99.6%	2 360 192	2 180 471
Programme sub total	109 737 633	-	-	109 737 633	109 274 717	462 916	99.6%	97 889 005	97 415 010
Statutory Appropriation	20 808 850	-	-	20 808 850	20 808 850	-	100.0%	19 011 610	19 011 610
Skills Levy and Sector Education and Training Authorities	20 808 850	-	-	20 808 850	20 808 850	-	100.0%	19 011 610	19 011 610
TOTAL	130 546 483	-	-	130 546 483	130 083 567	462 916	99.6%	116 900 615	116 426 620
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts					47 058			17 443	
Aid assistance					5 934			4 100	
Actual amounts per Statement of Financial Performance (Total Revenue)					130 599 475			116 922 158	
Add: Aid assistance						11 371			14 789
Actual amounts per Statement of Financial Performance (Total Expenditure)						130 094 938			116 441 409

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 17

APPROPRIATION STATEMENT

for the year ended 31 March 2023

Appropriation per economic classification									
	2022/23							2021/22	
	Adjusted	Shifting of	Virement	Final	Actual	Variance	Expenditure	Final	Actual
	Appropriation	Funds		Appropriation	Expenditure		as % of final	Appropriation	Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	11 352 258	(13 795)	(3 853)	11 334 610	10 884 922	449 688	96.0%	10 220 860	9 757 833
Compensation of employees	10 667 217	(6 047)	(9 953)	10 651 217	10 251 820	399 397	96.3%	9 633 486	9 183 130
Salaries and wages	9 207 443	(36 524)	(42 376)	9 128 543	8 748 583	379 960	95.8%	8 356 819	7 959 988
Social contributions	1 459 774	30 477	32 423	1 522 674	1 503 237	19 437	98.7%	1 276 667	1 223 142
Goods and services	685 041	(7 748)	6 100	683 393	633 102	50 291	92.6%	587 374	574 703
Administrative fees	3 627	2 458	-	6 085	6 065	20	99.7%	1 246	1 242
Advertising	2 002	(413)	-	1 589	1 550	39	97.5%	1 084	1 043
Minor assets	12 768	(10 832)	(608)	1 328	1 085	243	81.7%	7 923	814
Audit costs: External	15 913	(2 772)	-	13 141	12 349	792	94.0%	13 006	12 894
Bursaries: Employees	843	200	-	1 043	1 042	1	99.9%	510	508
Catering: Departmental activities	7 999	(2 305)	-	5 694	3 359	2 335	59.0%	4 724	4 679
Communication (G&S)	10 593	(1 141)	-	9 452	8 877	575	93.9%	18 483	18 265
Computer services	134 141	4 696	574	139 411	132 785	6 626	95.2%	117 105	117 015
Consultants: Business and advisory services	30 774	2 001	(1 385)	31 390	29 211	2 179	93.1%	15 820	15 331
Legal services	6 751	2 375	-	9 126	9 118	8	99.9%	4 907	4 905
Contractors	825	(770)	-	55	46	9	83.6%	66	35
Agency and support / outsourced services	3 515	2 747	-	6 262	6 231	31	99.5%	4 427	4 414
Entertainment	135	(135)	-	-	-	-	-	2	-

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 17

APPROPRIATION STATEMENT

for the year ended 31 March 2023

Appropriation per economic classification									
	2022/23							2021/22	
	Adjusted	Shifting of	Virement	Final	Actual	Variance	Expenditure	Final	Actual
	Appropriation	Funds		Appropriation	Expenditure		as % of final	Appropriation	Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Fleet services (including government motor transport)	3 789	244	-	4 033	3 986	47	98.8%	2 120	2 114
Inventory: Clothing material and accessories	4	23	-	27	27	-	100.0%	-	-
Inventory: Fuel, oil and gas	59	24	-	83	82	1	98.8%	88	87
Inventory: Material and supplies	4 454	(3 465)	-	989	986	3	99.7%	1 889	1 875
Consumable supplies	6 845	(3 181)	-	3 664	2 950	714	80.5%	3 191	2 839
Consumable: Stationery, printing and office supplies	39 493	(18 796)	(546)	20 151	17 632	2 519	87.5%	7 695	6 907
Operating leases	74 615	1 579	12 200	88 394	87 321	1 073	98.8%	100 471	100 046
Property payments	23 479	(5 382)	-	18 097	17 938	159	99.1%	18 812	18 778
Transport provided:									
Departmental activity	3 210	254	-	3 464	2 958	506	85.4%	5 768	5 722
Travel and subsistence	128 669	36 327	(3 806)	161 190	135 563	25 627	84.1%	91 297	89 735
Training and development	50 028	(6 689)	(239)	43 100	41 469	1 631	96.2%	43 098	43 048
Operating payments	85 590	17 790	(90)	103 290	99 368	3 922	96.2%	101 884	100 834
Venues and facilities	34 590	(22 395)	-	12 195	10 975	1 220	90.0%	21 486	21 372
Rental and hiring	330	(190)	-	140	129	11	92.1%	272	201
Transfers and subsidies	119 177 906	12 351	3 853	119 194 110	119 185 791	8 319	100.0%	106 661 122	106 658 146
Departmental agencies and accounts	67 033 283	204	-	67 033 487	67 033 487	-	100.0%	58 115 179	58 115 446

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
VOTE 17

APPROPRIATION STATEMENT

for the year ended 31 March 2023

Appropriation per economic classification									
	2022/23							2021/22	
	Adjusted	Shifting of	Virement	Final	Actual	Variance	Expenditure	Final	Actual
	Appropriation	Funds		Appropriation	Expenditure		as % of final	Appropriation	Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Departmental agencies (non-business entities)	67 033 283	204	-	67 033 487	67 033 487	-	100.0%	58 115 179	58 115 446
Higher education institutions	51 847 783	-	-	51 847 783	51 843 730	4 053	100.0%	43 263 828	43 261 960
Foreign governments and international organisations	4 276	-	-	4 276	3 250	1 026	76.0%	4 166	2 997
Non-profit institutions	275 464	-	-	275 464	275 464	-	100.0%	5 252 849	5 252 849
Households	17 100	12 147	3 853	33 100	29 860	3 240	90.2%	25 100	24 894
Social benefits	16 081	7 198	649	23 928	21 191	2 737	88.6%	24 424	24 259
Other transfers to households	1 019	4 949	3 204	9 172	8 669	503	94.5%	676	635
Payments for capital assets	16 319	123	-	16 442	11 516	4 926	70.0%	17 993	10 003
Machinery and equipment	15 674	688	-	16 362	11 516	4 846	70.4%	16 270	9 642
Transport equipment	-	-	-	-	-	-	-	1 020	-
Other machinery and equipment	15 674	688	-	16 362	11 516	4 846	70.4%	15 250	9 642
Software and intangible assets	645	(565)	-	80	-	80	-	1 723	361
Payments for financial assets	-	1 321	-	1 321	1 338	(17)	101.3%	640	638
Total	130 546 483	-	-	130 546 483	130 083 567	462 916	99.6%	116 900 615	116 426 620

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

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APPROPRIATION STATEMENT

Detail per programme 1: Administration

for the year ended 31 March 2023

	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Details per sub-programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Department Management	35 956	(1 500)	-	34 456	28 205	6 251	81.9%	30 447	24 090
2. Corporate Management Services	254 062	1 469	-	255 531	222 938	32 593	87.2%	225 411	201 044
3. Office of the Chief Financial Officer	106 152	(4 972)	-	101 180	88 161	13 019	87.1%	90 383	83 609
4. Internal Audit	12 615	(1 039)	-	11 576	10 947	629	94.6%	10 943	10 630
5. Office Accommodation	83 209	6 042	12 700	101 951	101 826	125	99.9%	113 206	113 206
Total	491 994	-	12 700	504 694	452 077	52 617	89.6%	470 390	432 579

	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Programme 1 per economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	485 904	(437)	12 700	498 167	447 584	50 583	89.8%	461 234	426 225
Compensation of employees	273 121	(426)	-	272 695	225 363	47 332	82.6%	256 206	222 254
Salaries and wages	238 617	(994)	-	237 623	195 196	42 427	82.1%	220 784	192 714
Social contributions	34 504	568	-	35 072	30 167	4 905	86.0%	35 422	29 540
Goods and services	212 783	(11)	12 700	225 472	222 221	3 251	98.6%	205 028	203 971
Administrative fees	3 538	2 531	-	6 069	6 052	17	99.7%	1 239	1 237
Advertising	1 050	278	-	1 328	1 327	1	99.9%	974	971
Minor assets	3 320	(3 186)	-	134	127	7	94.8%	371	339

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
VOTE 17

APPROPRIATION STATEMENT

Detail per programme 1: Administration
for the year ended 31 March 2023

Programme 1 per economic classification	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Audit costs: External	13 665	(1 701)	-	11 964	11 804	160	98.7%	12 980	12 894
Bursaries: Employees	843	200	-	1 043	1 042	1	99.9%	510	508
Catering: Departmental activities	318	(241)	-	77	64	13	83.1%	174	167
Communication (G&S)	3 973	650	-	4 623	4 589	34	99.3%	5 395	5 325
Computer services	43 420	7 332	-	50 752	50 742	10	100.0%	39 546	39 463
Consultants: Business and advisory services	19 202	(3 851)	-	15 351	14 927	424	97.2%	11 729	11 653
Legal services	50	(41)	-	9	9	-	100.0%	-	-
Contractors	306	(281)	-	25	23	2	92.0%	23	14
Agency and support / outsourced services	2 801	212	-	3 013	2 984	29	99.0%	3 633	3 630
Entertainment	135	(135)	-	-	-	-	-	2	-
Fleet services (including government motor transport)	2 075	713	-	2 788	2 785	3	99.9%	1 354	1 353
Inventory: Fuel, oil and gas	-	2	-	2	2	-	100.0%	-	-
Consumable supplies	2 259	(1 394)	-	865	786	79	90.9%	1 529	1 470
Consumable: Stationery, printing and office supplies	4 742	(2 794)	-	1 948	1 868	80	95.9%	2 984	2 784
Operating leases	67 485	5 536	12 700	85 721	85 418	303	99.6%	97 769	97 649
Property payments	17 951	(618)	-	17 333	17 314	19	99.9%	16 460	16 457
Transport provided: Departmental activity	1 747	(683)	-	1 064	1 000	64	94.0%	479	474

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

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APPROPRIATION STATEMENT**Detail per programme 1: Administration**

for the year ended 31 March 2023

	2022/23							2021/22	
Programme 1 per economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Travel and subsistence	14 382	1 162	-	15 544	13 904	1 640	89.4%	3 712	3 533
Training and development	4 999	(1 101)	-	3 898	3 863	35	99.1%	3 244	3 207
Operating payments	3 899	(2 374)	-	1 525	1 200	325	78.7%	889	811
Venues and facilities	623	(227)	-	396	391	5	98.7%	32	32
Transfers and subsidies	500	435	-	935	882	53	94.3%	1 967	1 978
Departmental agencies and accounts	-	9	-	9	9	-	100.0%	-	37
Departmental agencies (non-business entities)	-	9	-	9	9	-	100.0%	-	37
Households	500	426	-	926	873	53	94.3%	1 967	1 941
Social benefits	500	426	-	926	873	53	94.3%	1 486	1 460
Other transfers to households	-	-	-	-	-	-	-	481	481
Payments for capital assets	5 590	-	-	5 590	3 609	1 981	64.6%	7 178	4 365
Machinery and equipment	5 161	429	-	5 590	3 609	1 981	64.6%	5 841	4 365
Transport equipment	-	-	-	-	-	-	-	260	-
Other machinery and equipment	5 161	429	-	5 590	3 609	1 981	64.6%	5 581	4 365
Software and intangible assets	429	(429)	-	-	-	-	-	1 337	-
Payments for financial assets	-	2	-	2	2	-	100.0%	11	11
Total	491 994	-	12 700	504 694	452 077	52 617	89.6%	470 390	432 579

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

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APPROPRIATION STATEMENT**Detail per programme 2: Planning, Policy and Strategy**

for the year ended 31 March 2023

	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Details per sub-programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Programme Management: Planning, Policy and Strategy	6 050	830	-	6 880	6 682	198	97.1%	4 607	3 922
2. Human Resource Development Council of South Africa	10 260	(190)	-	10 070	9 301	769	92.4%	8 595	8 170
3. Policy, Planning, Monitoring and Evaluation	4 468 795	748	-	4 469 543	4 466 088	3 455	99.9%	2 006 536	1 999 024
4. International Relations	19 145	(1 256)	-	17 889	15 082	2 807	84.3%	14 656	11 311
5. Legal and Legislative Services	20 571	1 038	-	21 609	19 380	2 229	89.7%	15 186	13 503
6. Social Inclusion and Quality	171 030	(1 170)	-	169 860	166 921	2 939	98.3%	188 573	181 018
Total	4 695 851	-	-	4 695 851	4 683 454	12 397	99.7%	2 238 153	2 216 948

	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Programme 2 per economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	145 859	(50)	-	145 809	135 492	10 317	92.9%	127 686	107 753
Compensation of employees	111 948	(2 755)	-	109 193	101 361	7 832	92.8%	117 883	98 502
Salaries and wages	100 843	(2 374)	-	98 469	91 920	6 549	93.3%	106 558	89 546
Social contributions	11 105	(381)	-	10 724	9 441	1 283	88.0%	11 325	8 956
Goods and services	33 911	2 705	-	36 616	34 131	2 485	93.2%	9 803	9 251

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

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APPROPRIATION STATEMENT

Detail per programme 2: Planning, Policy and Strategy

for the year ended 31 March 2023

	2022/23							2021/22	
Programme 2 per economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Administrative fees	20	(17)	-	3	2	1	66.7%	3	2
Advertising	10	(10)	-	-	-	-	-	-	-
Minor assets	399	(306)	-	93	89	4	95.7%	60	57
Catering: Departmental activities	125	(81)	-	44	37	7	84.1%	3	-
Communication (G&S)	1 105	(255)	-	850	827	23	97.3%	839	794
Computer services	8 381	(5 737)	-	2 644	2 579	65	97.5%	830	826
Consultants: Business and advisory services	1 030	9 338	-	10 368	10 365	3	100.0%	435	434
Legal services	6 701	2 416	-	9 117	9 109	8	99.9%	4 864	4 863
Contractors	-	6	-	6	5	1	83.3%	1	1
Agency and support/ outsourced services	714	143	-	857	855	2	99.8%	794	784
Fleet services (including government motor transport)	20	(20)	-	-	-	-	-	-	-
Consumable supplies	159	(102)	-	57	48	9	83.8%	39	30
Consumable: Stationery, printing and office supplies	1 334	(895)	-	439	428	11	97.5%	496	411
Operating leases	352	(110)	-	242	198	44	81.8%	208	204
Transport provided: Departmental activity	38	(18)	-	20	14	6	70.0%	-	2
Travel and subsistence	11 028	(2 475)	-	8 553	6 398	2 155	74.8%	857	608
Training and development	258	(185)	-	73	71	2	97.3%	30	27
Operating payments	819	(351)	-	468	329	139	70.3%	344	208

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
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APPROPRIATION STATEMENT

Detail per programme 2: Planning, Policy and Strategy
for the year ended 31 March 2023

Programme 2 per economic classification	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Venues and facilities	1 413	1 369	-	2 782	2 777	5	99.8%	-	-
Rental and hiring	5	(5)	-	-	-	-	-	-	-
Transfers and subsidies	4 547 439	50	-	4 547 489	4 546 296	1 193	100.0%	2 109 211	2 108 190
Departmental agencies and accounts	81 164	-	-	81 164	81 164	-	100.0%	92 593	92 742
Departmental agencies (non-business entities)	81 164	-	-	81 164	81 164	-	100.0%	92 593	92 742
Higher education institutions	4 440 995	-	-	4 440 995	4 440 986	9	100.0%	1 974 395	1 974 395
Foreign governments and international organisations	4 276	-	-	4 276	3 250	1 026	76.0%	4 166	2 997
Non-profit institutions	20 604	-	-	20 604	20 604	-	100.0%	37 375	37 375
Households	400	50	-	450	292	158	64.9%	682	681
Social benefits	400	50	-	450	292	158	64.9%	660	659
Other transfers to households	-	-	-	-	-	-	-	22	22
Payments for capital assets	2 553	-	-	2 553	1 666	887	65.3%	1 254	1 003
Machinery and equipment	2 453	100	-	2 553	1 666	887	65.3%	1 009	758
Other machinery and equipment	2 453	100	-	2 553	1 666	887	65.3%	1 009	758
Software and other intangible assets	100	(100)	-	-	-	-	-	245	245
Payments for financial assets	-	-	-	-	-	-	-	2	2
Total	4 695 851	-	-	4 695 851	4 683 454	12 397	99.7%	2 238 153	2 216 948

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

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APPROPRIATION STATEMENT

Detail per programme 3: University Education

for the year ended 31 March 2023

	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Details per sub-programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Programme Management: University Education	4 586	438	-	5 024	4 515	509	89.9%	2 965	2 016
2. University Planning and Institutional Funding	18 076	(711)	-	17 365	14 770	2 595	85.1%	18 816	14 737
3. Institutional Governance and Management Support	45 930 888	679	(1 385)	45 930 182	45 928 344	1 838	100.0%	38 805 467	38 800 537
4. Higher Education Policy Development and Research	9 913	(43)	-	9 870	6 285	3 585	63.7%	13 190	6 900
5. Teaching, Learning and Research Development	30 077	(363)	(4 050)	25 664	22 340	3 324	87.0%	29 387	18 902
6. University Subsidies	42 846 380	-	-	42 846 380	42 842 335	4 045	100.0%	41 289 433	41 287 565
Total	88 839 920	-	(5 435)	88 834 485	88 818 589	15 896	100.0%	80 159 258	80 130 657

	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Programme 3 per economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	83 590	(1 490)	(5 435)	76 665	64 926	11 739	84.7%	84 971	58 375
Compensation of employees	67 496	(1 364)	-	66 132	58 191	7 941	88.0%	82 009	55 946
Salaries and wages	59 814	(2 570)	-	57 244	50 356	6 888	88.0%	72 632	49 943
Social contributions	7 682	1 206	-	8 888	7 835	1 053	88.2%	9 377	6 003
Goods and services	16 094	(126)	(5 435)	10 533	6 735	3 798	63.9%	2 962	2 429

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
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APPROPRIATION STATEMENT

Detail per programme 3: University Education
for the year ended 31 March 2023

Programme 3 per economic classification	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Administrative fees	44	(44)	-	-	-	-	-	-	-
Advertising	90	130	-	220	213	7	96.8%	-	-
Minor assets	631	(443)	(108)	80	42	38	52.5%	46	44
Catering: Departmental activities	6	5	-	11	2	9	18.2%	3	-
Communication (G&S)	733	(112)	-	621	477	144	76.8%	622	591
Consultants: Business and advisory services	4 696	(1 050)	(1 385)	2 261	1 135	1 126	50.2%	1 079	1 047
Consumable supplies	33	19	-	52	45	7	86.5%	24	18
Consumable: Stationery, printing and office supplies	482	(326)	(46)	110	11	99	10.0%	306	264
Operating leases	237	(67)	-	170	92	78	54.1%	72	41
Transport provided:									
Departmental activity	175	15	-	190	79	111	41.6%	-	-
Travel and subsistence	7 983	1 815	(3 806)	5 992	4 308	1 684	71.9%	433	273
Operating payments	817	(255)	(90)	472	276	196	58.5%	369	150
Venues and facilities	151	203	-	354	55	299	15.5%	-	-
Rental and hiring	16	(16)	-	-	-	-	-	8	1
Transfers and subsidies	88 755 842	1 364	-	88 757 206	88 753 068	4 138	100.0%	80 073 655	80 071 788
Departmental agencies and accounts	45 869 453	-	-	45 869 453	45 869 453	-	100.0%	38 745 185	38 745 187
Departmental agencies (non-business entities)	45 869 453	-	-	45 869 453	45 869 453	-	100.0%	38 745 185	38 745 187

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

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APPROPRIATION STATEMENT

Detail per programme 3: University Education

for the year ended 31 March 2023

	2022/23							2021/22	
Programme 3 per economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Higher education institutions	42 846 380	-	-	42 846 380	42 842 335	4 045	100.0%	41 289 433	41 287 565
Non-profit institutions	39 709	-	-	39 709	39 709	-	100.0%	38 691	38 691
Households	300	1 364	-	1 664	1 571	93	94.4%	346	345
Social benefits	300	1 364	-	1 664	1 571	93	94.4%	346	345
Payments for capital assets	488	123	-	611	592	19	96.9%	616	478
Machinery and equipment	488	123	-	611	592	19	96.9%	616	478
Other machinery and equipment	488	123	-	611	592	19	96.9%	616	478
Payment for financial assets	-	3	-	3	3	-	100.0%	16	16
Total	88 839 920	-	(5 435)	88 834 485	88 818 589	15 896	100.0%	80 159 258	80 130 657

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
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APPROPRIATION STATEMENT

Detail per programme 4: Technical and Vocational Education and Training
for the year ended 31 March 2023

	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Details per sub-programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Programme Management: Technical and Vocational Education and Training	4 976	500	-	5 476	4 998	478	91.3%	4 070	3 899
2. Technical and Vocational Education and Training System Planning and Institutional Support	11 749 639	3 934	(75 597)	11 677 976	11 402 226	275 750	97.6%	11 312 669	11 176 778
3. Programmes and Qualifications	21 552	605	-	22 157	20 436	1 721	92.2%	22 328	18 393
4. National Examination and Assessment	686 518	2 755	-	689 273	635 559	53 714	92.2%	666 608	649 649
5. Technical and Vocational Education and Training Financial Planning	14 987	2 200	-	17 187	15 258	1 929	88.8%	15 732	12 273
6. Regional Offices	247 551	(9 994)	(1 793)	235 764	204 056	31 708	86.6%	225 562	201 321
Total	12 725 223	-	(77 390)	12 647 833	12 282 533	365 300	97.1%	12 246 969	12 062 313

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

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APPROPRIATION STATEMENT**Detail per programme 4: Technical and Vocational Education and Training**

for the year ended 31 March 2023

	2022/23							2021/22	
Programme 4 per economic classification	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	8 128 249	(10 696)	(77 390)	8 040 163	7 677 218	362 945	95.5%	7 233 349	7 052 959
Compensation of employees	7 731 916	(1 354)	(75 651)	7 654 911	7 328 688	326 223	95.7%	6 888 259	6 708 918
Salaries and wages	6 657 681	(30 620)	(75 651)	6 551 410	6 235 656	315 754	95.2%	5 864 374	5 718 411
Social contributions	1 074 235	29 266	-	1 103 501	1 093 032	10 469	99.1%	1 023 885	990 507
Goods and services	396 333	(9 342)	(1 739)	385 252	348 530	36 722	90.5%	345 090	344 041
Administrative fees	17	(7)	-	10	8	2	80.0%	3	2
Advertising	835	(794)	-	41	10	31	24.4%	37	36
Minor assets	7 690	(6 214)	(500)	976	804	172	82.4%	227	204
Audit costs: External	2 248	(1 071)	-	1 177	545	632	46.3%	26	-
Catering: Departmental activities	7 413	(1 969)	-	5 444	3 155	2 289	58.0%	4 439	4 422
Communication (G&S)	3 441	(1 840)	-	1 601	1 301	300	81.3%	9 589	9 553
Computer services	82 339	(631)	-	81 708	75 159	6 549	92.0%	75 308	75 305
Consultants: Business and advisory services	1 235	(1 231)	-	4	-	4	-	6	2
Legal services	-	-	-	-	-	-	-	43	42
Contractors	155	(133)	-	22	16	6	72.7%	21	19
Agency and support / outsourced services	-	2 392	-	2 392	2 392	-	100.0%	-	-
Fleet services (including government motor transport)	1 345	(793)	-	552	509	43	92.2%	613	610

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
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APPROPRIATION STATEMENT

Detail per programme 4: Technical and Vocational Education and Training
for the year ended 31 March 2023

Programme 4 per economic classification	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Clothing material and accessories	4	23	-	27	27	-	100.0%	-	-
Inventory: Material and supplies	-	51	-	51	49	2	96.1%	2	1
Consumable supplies	2 509	(1 041)	-	1 468	923	545	62.9%	950	865
Consumable: Stationery, printing and office supplies	31 495	(14 247)	(500)	16 748	14 494	2 254	86.5%	2 836	2 704
Operating leases	5 761	(3 713)	(500)	1 548	1 157	391	74.7%	1 875	1 832
Property payments	4 952	(4 363)	-	589	452	137	76.7%	1 511	1 493
Transport provided:									
Departmental activity	1 062	922	-	1 984	1 800	184	90.7%	5 198	5 194
Travel and subsistence	88 162	33 586	-	121 748	103 688	18 060	85.2%	83 546	83 023
Training and development	44 750	(5 382)	(239)	39 129	37 535	1 594	95.9%	39 822	39 813
Operating payments	78 990	20 992	-	99 982	97 355	2 627	97.4%	99 384	99 279
Venues and facilities	31 824	(23 842)	-	7 982	7 083	899	88.7%	19 525	19 513
Rental and hiring	106	(37)	-	69	68	1	98.6%	129	129
Transfers and subsidies	4 591 537	10 028	-	4 601 565	4 599 812	1 753	100.0%	5 006 614	5 006 602
Departmental agencies and accounts	18 129	121	-	18 250	18 246	4	100.0%	17 146	17 220
Departmental agencies (non-business entities)	18 129	121	-	18 250	18 246	4	100.0%	17 146	17 220
Higher education institutions	4 560 408	-	-	4 560 408	4 560 409	(1)	100.0%	-	-
Non-profit institutions	-	-	-	-	-	-	-	4 970 004	4 970 004
Households	13 000	9 907	-	22 907	21 157	1 750	92.4%	19 464	19 378

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 17

APPROPRIATION STATEMENT

Detail per programme 4: Technical and Vocational Education and Training
for the year ended 31 March 2023

	2022/23							2021/22	
Programme 4 per economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Social benefits	12 531	5 123	-	17 654	15 907	1 747	90.1%	19 291	19 246
Other transfers to households	469	4 784	-	5 253	5 250	3	99.9%	173	132
Payments for capital assets	5 437	-	-	5 437	4 832	605	88.9%	6 610	2 357
Machinery and equipment	5 437	(8)	-	5 429	4 832	597	89.0%	6 469	2 241
Transport equipment	-	-	-	-	-	-	-	760	-
Other machinery and equipment	5 437	(8)	-	5 429	4 832	597	89.0%	5 709	2 241
Software and other intangible assets	-	8	-	8	-	8	-	141	116
Payments for financial assets	-	668	-	668	671	(3)	100.4%	396	395
Total	12 725 223	-	(77 390)	12 647 833	12 282 533	365 300	97.1%	12 246 969	12 062 313

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
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APPROPRIATION STATEMENT

Detail per programme 5: Skills Development
for the year ended 31 March 2023

	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Details per sub-programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Programme Management: Skills Development	6 169	503	-	6 672	6 296	376	94.4%	5 014	4 294
2. Sector Education and Training Authority Coordination	258 849	(5 421)	3 289	256 717	254 434	2 283	99.1%	251 795	248 641
3. National Skills Authority Secretariat	12 146	(1 000)	-	11 146	10 061	1 085	90.3%	11 566	8 412
4. Quality Development and Promotion	28 506	-	-	28 506	28 506	-	100.0%	27 630	27 630
5. National Artisan Development	101 305	5 918	1 138	108 361	106 733	1 628	98.5%	118 038	103 065
Total	406 975	-	4 427	411 402	406 030	5 372	98.7%	414 043	392 042

	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Programme 5 per economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	152 697	(74)	574	153 197	149 209	3 988	97.4%	163 638	142 141
Compensation of employees	134 445	-	-	134 445	133 317	1 128	99.2%	143 717	131 307
Salaries and wages	115 822	275	-	116 097	115 199	898	99.2%	124 179	114 118
Social contributions	18 623	(275)	-	18 348	18 118	230	98.7%	19 538	17 189
Goods and services	18 252	(74)	574	18 752	15 892	2 860	84.7%	19 921	10 834

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

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APPROPRIATION STATEMENT**Detail per programme 5: Skills Development**

for the year ended 31 March 2023

Programme 5 per economic classification	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Administrative fees	8	(5)	-	3	3	-	100.0%	1	1
Advertising	17	(17)	-	-	-	-	-	73	36
Minor assets	668	(642)	-	26	20	6	76.9%	7 161	145
Catering: Departmental activities	88	(63)	-	25	16	9	64.0%	53	40
Communication (G&S)	1 074	394	-	1 468	1 423	45	96.9%	1 835	1 820
Computer services	-	3 668	574	4 242	4 242	-	100.0%	1 421	1 421
Consultants: Business and advisory services	911	1 106	-	2 017	1 748	269	86.7%	2 225	1 850
Contractors	314	(312)	-	2	2	-	100.0%	21	1
Fleet services (including government motor transport)	349	344	-	693	692	1	99.9%	153	151
Inventory: Fuel, oil and gas	59	22	-	81	80	1	98.8%	88	87
Inventory: Materials and supplies	4 454	(3 516)	-	938	937	1	99.9%	1 887	1 874
Consumable supplies	1 859	(673)	-	1 186	1 118	68	94.3%	627	444
Consumable: Stationery, printing and office supplies	1 047	(327)	-	720	659	61	91.5%	990	680
Operating leases	640	(87)	-	553	339	214	61.3%	381	172
Property payments	576	(401)	-	175	172	3	98.3%	841	828
Transport provided: Departmental activity	173	16	-	189	53	136	28.0%	62	25
Travel and subsistence	4 596	749	-	5 345	3 911	1 434	73.2%	1 219	1 003
Training and development	21	(21)	-	-	-	-	-	-	-

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
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APPROPRIATION STATEMENT

Detail per programme 5: Skills Development
for the year ended 31 March 2023

Programme 5 per economic classification	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating payments	984	(182)	-	802	200	602	24.9%	627	152
Venues and facilities	216	-	-	216	216	-	100.0%	121	33
Rental and hiring	198	(127)	-	71	61	10	85.9%	135	71
Transfers and subsidies	252 878	74	3 853	256 805	256 218	587	99.8%	248 517	248 427
Departmental agencies and accounts	252 478	74	-	252 552	252 556	(4)	100.0%	247 712	247 712
Departmental agencies (non-business entities)	252 478	74	-	252 552	252 556	(4)	100.0%	247 712	247 712
Households	400	-	3 853	4 253	3 662	591	86.1%	805	715
Social benefits	400	-	649	1 049	958	91	91.3%	805	715
Other transfers to households	-	-	3 204	3 204	2 704	500	84.4%	-	-
Payments for capital assets	1 400	-	-	1 400	589	811	42.1%	1 880	1 467
Machinery and equipment	1 358	42	-	1 400	589	811	42.1%	1 880	1 467
Other machinery and equipment	1 358	42	-	1 400	589	811	42.1%	1 880	1 467
Software and other intangible assets	42	(42)	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	14	(14)	-	8	7
Total	406 975	-	4 427	411 402	406 030	5 372	98.7%	414 043	392 042

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
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APPROPRIATION STATEMENT

Detail per programme 6: Community Education and Training
for the year ended 31 March 2023

	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Details per sub-programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Programme Management: Community Education and Training	3 734	1 202	1 148	6 084	3 590	2 494	59.0%	2 977	2 307
2. Community Education and Training Colleges System Planning, Institutional Development and Support	2 333 080	338	64 550	2 397 968	2 390 851	7 117	99.7%	2 123 937	1 952 669
3. Community Education and Training Colleges Financial Planning and Management	226 830	(500)	-	226 330	225 494	836	99.6%	214 290	212 096
4. Education, Training and Development Assessment	14 026	(1 040)	-	12 986	12 099	887	93.2%	18 988	13 399
Total	2 577 670	-	65 698	2 643 368	2 632 034	11 334	99.6%	2 360 192	2 180 471

	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Programme 6 per economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	2 355 959	(1 048)	65 698	2 420 609	2 410 493	10 116	99.6%	2 149 982	1 970 380
Compensation of employees	2 348 291	(148)	65 698	2 413 841	2 404 900	8 941	99.6%	2 145 412	1 966 203
Salaries and wages	2 034 666	(241)	33 275	2 067 700	2 060 256	7 444	99.6%	1 968 292	1 795 256
Social contributions	313 625	93	32 423	346 141	344 644	1 497	99.6%	177 120	170 947

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
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APPROPRIATION STATEMENT

Detail per programme 6: Community Education and Training
for the year ended 31 March 2023

Programme 6 per economic classification	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Goods and services	7 668	(900)	-	6 768	5 593	1 175	82.6%	4 570	4 177
Minor assets	60	(41)	-	19	3	16	15.8%	58	25
Catering: Departmental activities	49	44	-	93	85	8	91.4%	52	50
Communication (G&S)	267	22	-	289	260	29	90.0%	203	182
Computer services	1	64	-	65	63	2	96.9%	-	-
Consultants: Business and advisory services	3 700	(2 311)	-	1 389	1 036	353	74.6%	346	345
Contractors	50	(50)	-	-	-	-	-	-	-
Consumable supplies	26	10	-	36	30	6	83.3%	22	12
Consumable: Stationery, printing and office supplies	393	(207)	-	186	172	14	92.5%	83	64
Operating leases	140	20	-	160	117	43	73.1%	166	148
Transport provided: Departmental activity	15	2	-	17	12	5	70.6%	29	27
Travel and subsistence	2 518	1 490	-	4 008	3 354	654	83.7%	1 530	1 295
Training and development	-	-	-	-	-	-	-	2	1
Operating payments	81	(40)	-	41	8	33	19.5%	271	234
Venues and facilities	363	102	-	465	453	12	97.4%	1 808	1 794
Rental and hiring	5	(5)	-	-	-	-	-	-	-
Transfers and subsidies	220 860	400	-	221 260	220 665	595	99.7%	209 548	209 551
Departmental agencies and accounts	3 209	-	-	3 209	3 209	-	100.0%	933	938

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

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APPROPRIATION STATEMENT

Detail per programme 6: Community Education and Training
for the year ended 31 March 2023

	2022/23							2021/22	
Programme 6 per economic classification	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Departmental agencies (non-business entities)	3 209	-	-	3 209	3 209	-	100.0%	933	938
Non-profit institutions	215 151	-	-	215 151	215 151	-	100.0%	206 779	206 779
Households	2 500	400	-	2 900	2 305	595	79.5%	1 836	1 834
Social benefits	1 950	235	-	2 185	1 590	595	72.8%	1 836	1 834
Other transfers to households	550	165	-	715	715	-	100.0%	-	-
Payments for capital assets	851	-	-	851	228	623	26.8%	455	333
Machinery and equipment	777	2	-	779	228	551	29.3%	455	333
Other machinery and equipment	777	2	-	779	228	551	29.3%	455	333
Software and other intangible assets	74	(2)	-	72	-	72	-	-	-
Payment for financial assets	-	648	-	648	648	-	100.0%	207	207
Total	2 577 670	-	65 698	2 643 368	2 632 034	11 334	99.6%	2 360 192	2 180 471

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 17

APPROPRIATION STATEMENT

Detail per programme – Direct Charges against the National Revenue Fund
for the year ended 31 March 2023

Statutory Appropriation									
	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Direct charges									
1. Sector Education and Training Authorities	16 647 080	-	-	16 647 080	16 647 080	-	100.0%	15 209 288	15 209 288
2. National Skills Fund	4 161 770	-	-	4 161 770	4 161 770	-	100.0%	3 802 322	3 802 322
Total	20 808 850	-	-	20 808 850	20 808 850	-	100.0%	19 011 610	19 011 610

Statutory appropriation per economic classification									
	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Transfers and subsidies	20 808 850	-	-	20 808 850	20 808 850	-	100.0%	19 011 610	19 011 610
Departmental agencies and accounts	20 808 850	-	-	20 808 850	20 808 850	-	100.0%	19 011 610	19 011 610
Departmental agencies (non-business entities)	20 808 850	-	-	20 808 850	20 808 850	-	100.0%	19 011 610	19 011 610
Total	20 808 850	-	-	20 808 850	20 808 850	-	100.0%	19 011 610	19 011 610

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2023

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

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

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

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

3. Detail on payments for financial assets

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

4. Explanations of material variances from Amounts Voted (after virement):**4.1 Per programme:**

Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
R'000	R'000	R'000	%

Administration

504 694

452 077

52 617

10.4

The under-spending is due mainly to attrition posts that became vacant during the year that could not be filled as projected and the concomitant saving on administrative expenditure. The low spending on machinery and equipment is due to capital assets not received as projected due to delays in procurement processes. Savings were realised on travel and subsistence due to the change to virtual meeting platforms opposed to physical meetings which is also coupled with monitoring and evaluation processes that was converted to desk-top analysis.

Planning, Policy and Strategy

4 695 851

4 683 454

12 397

0.3

The under-spending is due mainly to attrition posts that became vacant during the year that could not be filled as projected and the concomitant saving on administrative expenditure. Savings were realised on travel and subsistence due to increased virtual events and meetings. Savings was realised on the transfer to the Commonwealth of Learning due to a favourable Rand/Euro exchange rate and on transfer payment to IBSA due to the lapse of the Memorandum of Understanding that outlines the projects to be implemented through the IBSA MoU.

University Education

88 834 485

88 818 589

15 896

0.0

The under-spending is due mainly to attrition posts that became vacant during the year that could not be filled as projected and the concomitant saving on administrative expenditure.

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2023

Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
R'000	R'000	R'000	%

Technical and Vocational Education and Training

12 647 833

12 282 533

365 300

2.9

The under-spending is due mainly to attrition posts that became vacant during the year that could not be filled as projected and the concomitant saving on administrative expenditure and the implementation of the post provisioning norms for TVET colleges not taking place as planned. The change to virtual meeting platforms opposed to physical meetings which is also coupled with monitoring and evaluation processes that was converted to desk-top analysis where possible as well as for the cancellation of a stationery tender and CET not claiming for the interdepartmental examinations services rendered and delays in the procurement of blank certificate paper for National Examinations and Assessment also contributed to savings in travel and subsistence, printing and publications and stationery.

Skills Development

411 402

406 030

5 372

1.3

The under-spending is due mainly to attrition posts that became vacant during the year that could not be filled as projected and the concomitant saving on administrative expenditure. Savings were realised on travel and subsistence due to virtual meetings performed as opposed to physical meetings.

Community Education and Training

2 643 368

2 632 034

11 334

0.4

The under-spending is due mainly to attrition posts that became vacant during the year that could not be filled as projected and the concomitant saving on administrative expenditure.

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2023

4.2 Per economic classification:

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Current expenditure				
Compensation of employees	10 651 217	10 251 820	399 397	3.7
Goods and services	683 393	633 102	50 291	7.4
Transfers and subsidies				
Departmental agencies and accounts	67 033 487	67 033 487	-	0.0
Higher education institutions	51 847 783	51 843 730	4 053	0.0
Foreign governments and international organisations	4 276	3 250	1 026	24.0
Non-profit institutions	275 464	275 464	-	0.0
Households	33 100	29 860	3 240	9.8
Payments for capital assets				
Machinery and equipment	16 362	11 516	4 846	29.6
Software and other intangible assets	80	-	80	100.0
Payment for financial assets	1 321	1 338	(17)	(1.3)

Compensation of Employees

The under-spending is due mainly to: 1) posts on the staff establishment that were not filled as projected; 2) attrition posts that became vacant during the year that could not be filled as projected; and 3) the implementation of the post provisioning norms for TVET colleges not taking place as planned.

Goods and Services

The under-spending is due mainly to the change to virtual meeting platforms opposed to physical meetings which is also coupled with monitoring and evaluation processes that was converted to desk-top analysis where possible as well as for the cancellation of a stationery tender and CET not claiming for the interdepartmental examinations services rendered and delays in the procurement of blank certificate paper for National Examinations and Assessment.

Foreign governments and international organisations

The under-expenditure is due to a saving realised on the transfer to the Commonwealth of Learning due to a favourable Rand/Euro exchange rate and on transfer payment to IBSA due to the lapse of the Memorandum of Understanding that outlines the projects to be implemented through the IBSA MoU.

Households:

The under-spending is due to an over provision for the payout of leave gratuities at year-end.

Payments for capital assets

The under-spending is due mainly to capital assets not received as projected due to delays in procurement processes.

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
REVENUE			
Annual appropriation	1	109 737 633	97 889 005
Statutory appropriation	2	20 808 850	19 011 610
Departmental revenue	3	47 058	17 443
Aid assistance	4	5 934	4 100
TOTAL REVENUE		130 599 475	116 922 158
EXPENDITURE			
Current expenditure			
Compensation of employees	5	10 251 820	9 183 130
Goods and services	6	633 102	574 703
Aid assistance	4	3 524	8 638
Total current expenditure		10 888 446	9 766 471
Transfers and subsidies			
Transfers and subsidies	8	119 185 791	106 658 146
Aid assistance	4	7 842	6 151
Total transfers and subsidies		119 193 633	106 664 297
Expenditure for capital assets			
Tangible assets	9	11 521	9 642
Software and other intangible assets	9	-	361
Total expenditure for capital assets		11 521	10 003
Payments for financial assets	7	1 338	638
TOTAL EXPENDITURE		130 094 938	116 441 409
SURPLUS FOR THE YEAR		504 537	480 749
Reconciliation of Net Surplus for the year			
Voted Funds		462 916	473 995
Annual appropriation		462 916	473 995
Departmental revenue and NRF receipts	15	47 058	17 443
Aid assistance	4	(5 437)	(10 689)
SURPLUS FOR THE YEAR		504 537	480 749

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
VOTE 17
STATEMENT OF FINANCIAL POSITION
as at 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
ASSETS			
Current Assets		623 978	1 818 184
Cash and cash equivalents	10	271 883	1 468 433
Prepayments and advances	11	25 281	13 176
Receivables	12	314 850	324 668
Loans	13	319	1 218
Aid assistance receivable	4	11 645	10 689
Non-Current Assets		8 544	10 004
Receivables	12	8 544	9 208
Loans	13	-	796
TOTAL ASSETS		632 522	1 828 188
LIABILITIES			
Current Liabilities		623 927	1 818 528
Voted funds to be surrendered to the Revenue Fund	14	462 916	473 995
Departmental revenue to be surrendered to the Revenue Fund	15	30 915	836
Payables	16	123 888	1 343 697
Aid assistance repayable	4	1 168	-
Aid assistance unutilised	4	5 040	-
TOTAL LIABILITIES		623 927	1 818 528
NET ASSETS		8 595	9 660
Represented by:			
Capitalisation reserve		319	2 014
Recoverable revenue		8 276	7 646
TOTAL		8 595	9 660

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
NET ASSETS			
Capitalisation Reserves			
Opening balance		2 014	5 097
Transfers:			
Other movements		(1 695)	(3 083)
Closing balance		319	2 014
Recoverable revenue			
Opening balance		7 646	7 127
Transfers:		630	519
Irrecoverable amounts written off	7.1	(1 321)	(628)
Debt revised		119	(693)
Debts recovered (included in departmental receipts)		(5 240)	(5 613)
Debts raised		7 072	7 453
Closing balance		8 276	7 646
TOTAL		8 595	9 660

CASH FLOW STATEMENT

for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		130 599 475	116 922 158
Annual appropriated funds received	1.1	109 737 633	97 889 005
Statutory appropriated funds received	2	20 808 850	19 011 610
Departmental revenue received	3	46 159	16 532
Interest received	3.2	899	911
Aid assistance received	4	5 934	4 100
Net (increase)/ decrease in working capital		(1 222 096)	1 561 804
Surrendered to Revenue Fund		(490 974)	(416 547)
Surrendered to RDP Fund/Donor		10 689	34 140
Current payments		(10 888 446)	(9 766 471)
Payments for financial assets		(1 338)	(638)
Transfers and subsidies paid		(119 193 633)	(106 664 297)
Net cash flow available from operating activities	17	(1 186 323)	1 670 149
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9	(11 521)	(10 003)
(Increase)/ decrease in loans		1 695	3 083
(Increase)/decrease in non-current receivables	12	664	2 655
Net cash flows from investing activities		(9 162)	(4 265)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		(1 065)	(2 564)
Net cash flows from financing activities		(1 065)	(2 564)
Net increase/ (decrease) in cash and cash equivalents		(1 196 550)	1 663 320
Cash and cash equivalents at beginning of period		1 468 433	(194 887)
Cash and cash equivalents at end of period	18	271 883	1 468 433

ACCOUNTING POLICIESfor the year ended 31 March 2023

Summary of significant accounting policies

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual Financial Statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1. Basis of preparation

The Financial Statements have been prepared in accordance with the Modified Cash Standard.

2. Going concern

The Financial Statements have been prepared on a going concern basis.

3. Presentation currency

Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the Department.

4. Rounding

Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).

5. Foreign currency translation

Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.

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

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

6.2 Current year comparison with budget

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

ACCOUNTING POLICIESfor the year ended 31 March 2023

7. Revenue**7.1 Appropriated funds**

Appropriated funds comprises of Departmental allocations as well as direct charges against the revenue fund (i.e., statutory appropriation).

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

Appropriated funds are measured at the amount receivable.

The net amount of any appropriated funds due to / from the National Revenue Fund at the reporting date is recognised as a payable / receivable in the Statement of Financial Position.

7.2 Departmental revenue

Departmental revenue is recognised in the Statement of Financial Performance when received and is subsequently paid into the National Revenue Fund, unless stated otherwise.

Departmental revenue is measured at the cash amount received.

In-kind donations received are recorded in the notes to the Financial Statements on the date of receipt and are measured at fair value.

Any amount owing to the National Revenue Fund at the reporting date is recognised as a payable in the Statement of Financial Position.

7.3 Accrued departmental revenue

Accruals in respect of Departmental revenue (excluding tax revenue) are recorded in the notes to the Financial Statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.

Write-offs are made according to the Department's loss and disposal policy as well as any relevant legislative requirements.

ACCOUNTING POLICIESfor the year ended 31 March 2023

8. Expenditure**8.1 Compensation of employees****8.1.1 Salaries and wages**

Salaries and wages are recognised in the Statement of Financial Performance on the date of payment.

8.1.2 Social contributions

Social contributions made by the Department in respect of current employees are recognised in the Statement of Financial Performance on the date of payment.

Social contributions made by the Department in respect of ex-employees are classified as transfers to households in the Statement of Financial Performance on the date of payment.

8.2 Other expenditure

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the Statement of Financial Performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

Donations made in-kind are recorded in the notes to the Financial Statements on the date of transfer and are measured at cost or fair value.

8.3 Accruals and payables not recognised

Accruals and payables not recognised are recorded in the notes to the Financial Statements at cost or fair value at the reporting date.

8.4 Leases**8.4.1 Operating leases**

Operating lease payments made during the reporting period are recognised as current expenditure in the Statement of Financial Performance on the date of payment.

The operating lease commitments are recorded in the notes to the Financial Statements.

8.4.2 Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the Statement of Financial Performance on the date of payment.

The finance lease commitments are recorded in the notes to the Financial Statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- cost, being the fair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

ACCOUNTING POLICIESfor the year ended 31 March 2023

9. Aid Assistance**9.1 Aid assistance received**

Aid assistance received in cash is recognised in the Statement of Financial Performance when received. In-kind aid assistance is recorded in notes to the Financial Statements on the date of receipt and is measured at fair value.

CARA Funds are recognised when receivable and measured at the amounts receivable.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the Statement of Financial Position.

9.2 Aid assistance paid

Aid assistance paid is recognised in the Statement of Financial Performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the Statement of Financial Position.

10. Cash and cash equivalents

Cash and cash equivalents are stated at cost in the Statement of Financial Position.

Bank overdrafts are shown separately on the face of the Statement of Financial Position as a current liability.

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

11. Prepayments and advances

Prepayments and advances are recognised in the Statement of Financial Position when the Department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

Prepayments are expensed when invoices or claims for services rendered or goods received are provided.

12. Loans and receivables

Loans and receivables are recognised in the Statement of Financial Position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the Department's loss and disposal policy as well as any relevant legislative requirements.

13. Financial assets**13.1 Financial assets**

A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At the reporting date, the Department measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

ACCOUNTING POLICIESfor the year ended 31 March 2023

13.2 Impairment of financial assets

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the Financial Statements.

14. Payables

Payables recognised in the Statement of Financial Position are recognised at cost.

15. Capital Assets**15.1 Immovable capital assets**

Immovable capital assets reflected in the asset register of the Department are recorded in the notes to the Financial Statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

Additional information on immovable assets not reflected in the asset register is provided in the notes to the Financial Statements.

15.2 Movable capital assets

Movable capital assets are initially recorded in the notes to the Financial Statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

15.3 Intangible assets

Intangible assets are initially recorded in the notes to the Financial Statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the Financial Statements when the Department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

ACCOUNTING POLICIES

for the year ended 31 March 2023

16. Provisions and Contingents**16.1 Provisions**

Provisions are recorded in the notes to the Financial Statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

16.2 Contingent liabilities

Contingent liabilities are recorded in the notes to the Financial Statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

16.3 Contingent assets

Contingent assets are recorded in the notes to the Financial Statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department.

16.4 Capital commitments

Capital commitments are recorded at cost in the notes to the Financial Statements.

17. Unauthorised expenditure

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

Unauthorised expenditure is recognised in the Statement of Changes in Net Assets until such time as the expenditure is either:

- approved by Parliament with funding and the related funds are received; or
- approved by Parliament without funding and is written-off against the appropriation in the Statement of Financial Performance; or
- transferred to receivables for recovery.

Unauthorised expenditure recorded in the notes to the Financial Statements comprise of:

- unauthorised expenditure that was under assessment in the previous financial year;
- unauthorised expenditure relating to previous financial year and identified in the current year; and
- unauthorised expenditure incurred in the current year.

18. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure receivables are recognised in the Statement of Financial Position, measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

ACCOUNTING POLICIES

for the year ended 31 March 2023

Fruitless and wasteful expenditure is recorded in the notes to the Financial Statements when and at amounts confirmed, and comprises of:

- fruitless and wasteful expenditure that was under assessment in the previous financial year;
- fruitless and wasteful expenditure relating to the previous financial year and identified in the current year; and
- fruitless and wasteful expenditure incurred in the current year.

19. Irregular expenditure

Losses emanating from irregular expenditure are recognised as a receivable in the Statement of Financial Position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of:

- irregular expenditure that was under assessment in the previous financial year;
- irregular expenditure relating to the previous financial year and identified in the current year; and
- irregular expenditure incurred in the current year.

20. Changes in accounting estimates and errors

Changes in accounting estimates are applied prospectively in accordance with Modified Cash Standard requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with Modified Cash Standard requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the Department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

21. Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the Financial Statements.

22. Principal-Agent-arrangements

The Department is party to a principal-agent arrangement for the Technical and Vocational Education and Training College infrastructure project. In terms of the arrangement the Department is the agent. The Department has been appointed by the National Skills Fund to project manage the Technical and Vocational Education and Training College infrastructure development funded by the National Skills Fund and relevant Sector Education and Training Authorities. The beneficiaries of the project will be the respective Technical and Vocational Education and Training Colleges who will receive the new or improved Technical and Vocational Education and Training College campus sites once the construction has been completed. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Any unspent funds will be returned to the National Skills Fund. Principal-Agent arrangements have

ACCOUNTING POLICIESfor the year ended 31 March 2023

been accounted for in the notes to the Financial Statements where appropriate. Additional disclosures have been provided in the notes to the Financial Statements where appropriate.

23. Departures from Modified Cash Standard requirements

Management has concluded that the Financial Statements present fairly the Department's primary and secondary information. The Department complied with the Modified Cash Standard requirements.

24. Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National Revenue Fund when recovered or are transferred to the Statement of Financial Performance when written-off.

25. Related party transactions

Related party transactions within the Minister's portfolio are recorded in the notes to the Financial Statements when the transaction is not at arm's length.

The number of individuals and the full compensation of key management personnel is recorded in the notes to the Financial Statements.

26. Inventories

At the date of acquisition, inventories are recognised at cost price in the Statement of Financial Performance.

Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.

Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.

The cost of inventories is assigned by using the weighted average cost basis.

27. Employee benefits

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note.

Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date.

The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

ACCOUNTING POLICIESfor the year ended 31 March 2023

28. Transfer of functions

Transfer of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.

Transfer of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.

29. Mergers

Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger.

Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

1. Annual Appropriation**1.1 Annual Appropriation**

Programmes	2022/23			2021/22	
	Final	Actual Funds	Funds not	Final	Appropriation
	Appropriation	Received	requested/ not received	Appropriation	Received
	R'000	R'000	R'000	R'000	R'000
Administration	504 694	504 694	-	470 390	470 390
Planning, Policy and Strategy	4 695 851	4 695 851	-	2 238 153	2 238 153
University Education	88 834 485	88 834 485	-	80 159 258	80 159 258
Technical and Vocational Education and Training	12 647 833	12 647 833	-	12 246 969	12 246 969
Skills Development	411 402	411 402	-	414 043	414 043
Community Education and Training	2 643 368	2 643 368	-	2 360 192	2 360 192
Total	109 737 633	109 737 633	-	97 889 005	97 889 005

The Department had no specifically and exclusively appropriated amounts voted for.

Note

2022/23

R'000

2021/22

R'000

2. Statutory Appropriation

Skills levy and sector education and training authorities	20 808 850	19 011 610
Total	20 808 850	19 011 610
Actual Statutory Appropriation received	20 808 850	19 011 610

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
3. Departmental Revenue			
Sales of goods and services other than capital assets	3.1	10 977	9 597
Interest, dividends and rent on land	3.2	899	911
Transactions in financial assets and liabilities	3.3	35 182	6 935
Total revenue collected		47 058	17 443
Departmental revenue collected		47 058	17 443

The main reason for the increase is due mainly to an increase in prior year's revenue received for NSF Cost Recovery Services not paid by NSF in prior years.

3.1 Sales of goods and services other than capital assets	3		
Sales of goods and services produced by the department		10 977	9 587
Sales by market establishment		517	521
Administrative fees		2 541	2 118
Other sales		7 919	6 948
Sales of scrap, waste and other used current goods		-	10
Total		10 977	9 597

3.2 Interest, dividends and rent on land	3		
Interest		899	911
Total		899	911

3.3 Transactions in financial assets and liabilities	3		
Other receipts including recoverable revenue		35 182	6 935
Total		35 182	6 935

The main reason for the increase is due mainly to an increase in prior year's revenue received for NSF Cost Recovery Services not paid by the NSF in prior years.

3.4 Donations received in-kind (not included in the main note)	3		
(Treasury Regulation 21.2.4)			
Embassy of China		-	12
ETDP SETA		3 600	-
CETA		7 000	-
Sasol Foundation		6 281	-
Microsoft		307	-
ETDP and MERSETA		49 000	-
German Government through GIZ		45	-
IT Masters		20	-
South African Wind Energy Association		4	-
Higher Health		8	-
Total		66 265	12

In kind donations from Sector Education and Training Authorities, Sasol Foundation and Microsoft were towards TVET colleges.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
4. Aid Assistance			
Opening Balance		(10 689)	(34 140)
Transferred from statement of financial performance		(5 437)	(10 689)
Paid during the year		10 689	34 140
Closing Balance		(5 437)	(10 689)
4.1 Analysis of balance by source	4		
Aid assistance from RDP		(5 437)	(10 689)
Closing Balance		(5 437)	(10 689)
4.2 Analysis of balance	4		
Aid assistance receivable		(11 645)	(10 689)
Aid assistance unutilised		5 040	-
Aid assistance repayable		1 168	-
Closing balance		(5 437)	(10 689)
Aid assistance not requested/not received		5 437	10 689
4.3 Aid assistance expenditure per economic classification	4		
Current		3 524	8 638
Capital		5	-
Transfers and subsidies		7 842	6 151
Total aid assistance expenditure		11 371	14 789
4.4 Reconciliation of closing balance	4		
Revenue		5 934	4 100
Expenditure		11 371	14 789
Closing balance		(5 437)	(10 689)
4.5 Donations received in-kind (not included in the main note)	4		
German Federal Ministry for Economic Cooperation and Development (BMZ)		-	33 550
International Finance Corporation		-	1 883
SA EU Dialogue Facility		83	234
SASSETA: Training of Security Personnel		800	-
German Federal Ministry for Education Science and Research (BMBF)		-	903
German Government through GIZ		1 426	-
British Council/Newton Fund: Technical Support to TVET colleges and VET Toolbox		1 855	-
Total		4 164	36 570

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
5. Compensation of employees			
5.1 Salaries and wages			
Basic salary		6 909 256	6 222 108
Performance award		13 920	46 606
Service based		6 595	4 333
Compensative/circumstantial		368 144	449 973
Periodic payments		60	
Other non-pensionable allowances		1 450 608	1 236 968
Total		8 748 583	7 959 988
<i>Other non-pensionable allowances include payments made in respect of housing allowances, service bonus and payments made to Community Education and Training lecturers paid through stipends and claims. Compensation/Circumstantial includes claim payments for examiners and moderators and overtime claims.</i>			
5.2 Social contributions			
Employer contributions			
Pension		886 610	764 783
Medical		612 531	454 981
UIF		4	28
Bargaining council		1 478	1 290
Official unions and associations		2 304	1 696
Insurance		310	364
Total		1 503 237	1 223 142
Total compensation of employees		10 251 820	9 183 130
Average number of employees		29 599	28 072

The large increase in Compensation of Employees is mainly due to implementation of the standardisation of the salaries for CET lectures to the nearest notch which included back-pay.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
6. Goods and services			
Administrative fees		6 065	1 242
Advertising		1 550	1 043
Minor assets	6.1	1 085	814
Bursaries (employees)		1 042	508
Catering		3 359	4 679
Communication		8 877	18 265
Computer services	6.2	132 785	117 015
Consultants: Business and advisory services		29 211	15 331
Legal services		9 118	4 905
Contractors		46	35
Agency and support / outsourced services		6 231	4 414
Audit cost – external	6.3	12 349	12 894
Fleet services		3 986	2 114
Inventory	6.4	1 095	1 962
Consumables	6.5	20 582	9 746
Operating leases		87 321	100 046
Property payments	6.6	17 938	18 778
Rental and hiring		129	201
Transport provided as part of the departmental activities		2 958	5 722
Travel and subsistence	6.7	135 563	89 735
Venues and facilities		10 975	21 372
Training and development		41 469	43 048
Other operating expenditure	6.8	99 368	100 834
Total		633 102	574 703

The increase in Goods and Services is mainly the result of an increase in operational activities during the 2022/23 financial year following on the relaxation of measures relating to the COVID-19 pandemic.

6.1 Minor assets	6		
Tangible assets		885	814
Machinery and equipment		885	814
Total		885	814
Intangible capital assets		200	-
Software		200	-
Total		1 085	814
6.2 Computer Services	6		
SITA computer services		107 581	100 905
External computer service providers		25 204	16 110
Total		132 785	117 015

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
6.3 Audit cost –external	6		
Regularity audits		9 092	10 637
Performance audits		2 411	-
Computer audits		846	2 257
Total		12 349	12 894
6.4 Inventory	6		
Clothing material and accessories		27	-
Fuel, oil and gas		82	87
Materials and supplies		986	1 875
Total		1 095	1 962
6.5 Consumables	6		
Consumable supplies		2 951	2 839
Uniform and clothing		655	509
Household supplies		914	1 312
Building, material, and supplies		268	99
Communication accessories		-	11
IT consumables		744	682
Other consumables		370	226
Stationery, printing and office supplies		17 631	6 907
Total		20 582	9 746
6.6 Property payments	6		
Municipal services		17 048	15 515
Property management fees		7	691
Property maintenance and repairs		9	42
Other		874	2 530
Total		17 938	18 778
6.7 Travel and subsistence	6		
Local		131 564	89 678
Foreign		3 999	57
Total		135 563	89 735
<i>The increase is the result of an increase in travel activities emanating from the relaxation of measures relating to the COVID-19 pandemic.</i>			
6.8 Other operating expenditure	6		
Resettlement costs		1 007	491
Other		98 361	100 343
Total		99 368	100 834
<i>Other includes courier and delivery services, printing and publications and insurance payments.</i>			

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
6.9 Remuneration of members of a commission or committee (Included in Consultants: Business and advisory services)			
<i>(Treasury Regulation 20.2.4)</i>			
Name of Commission / Committee			
Audit Committee		395	196
Internal Protocol Telephone Committee		-	241
Ministerial Advisory Committee on Infrastructure		-	19
Ministerial Task Team on Gender Based Violence		3	86
National Skills Authority Board		555	688
Total		953	1 230
7. Payments for financial assets			
Debts written off	7.1	1 338	638
Total		1 338	638
7.1 Debts written off	7		
Nature of debts written off			
Other debt written off			
Other		18	10
Salary Overpayment Debt		1 204	104
Salary Tax Debt		116	524
Total		1 338	638
Total debt written off		1 338	638
8. Transfers and subsidies			
Departmental agencies and accounts	Annex 1A	67 033 487	58 115 446
Higher education institutions	Annex 1B	51 843 730	48 231 964
Foreign governments and international organisations	Annex 1C	3 250	2 997
Non-profit institutions	Annex 1D	275 464	282 845
Households	Annex 1E	29 860	24 894
Total		119 185 791	106 658 146
9. Expenditure for capital assets			
Tangible Capital Assets		11 521	9 642
Machinery and equipment	29	11 521	9 642
Intangible Capital Assets			361
Software	30	-	361
Total		11 521	10 003

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
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9.1 Analysis of funds utilised to acquire capital assets – 2022/23

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible Capital Assets	11 516	5	11 521
Machinery and equipment	11 516	5	11 521
Intangible Capital Assets	-	-	-
Software	-	-	-
Total	11 516	5	11 521

9.2 Analysis of funds utilised to acquire capital assets – 2021/22

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible Capital Assets	9 642	-	9 642
Machinery and equipment	9 642	-	9 642
Intangible Capital Assets	361	-	361
Software	361	-	361
Total	10 003	-	10 003

9.3 Finance lease expenditure included in Expenditure for capital assets

Tangible Capital Assets	1 936	-
Machinery and equipment	1 936	-
Total	1 936	-

10. Cash and Cash Equivalents

Consolidated Paymaster-General Account	269 478	230 092
Disbursements	-	(1)
Cash on hand	45	45
Cash with Commercial Banks (Local)	2 360	1 238 297
Total	271 883	1 468 433

There are no amounts included in Cash and Cash Equivalents of undrawn borrowings, facilities that may be available for future operating activities and to settle capital commitments. The large decrease in Cash and Cash Equivalents is due to funds received in the National Skills Fund at 31 March 2023 to fund the shortfall of the National Student Financial Aid Scheme that was now expensed in the 2022/23 financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
11. Prepayments and advances			
Travel and subsistence		111	26
Prepayments	11.2	17 050	5 310
Advances paid	11.1	8 120	7 840
Total		25 281	13 176

Analysis of total Prepayments and Advances

Current prepayments and advances	25 281	13 176
Total	25 281	13 176

The increase in pre-payments and advances is due mainly to an increase in the advance payments to other Institutions for International Scholarships.

11.1 Advances paid (not expensed)

	Note	Balance as at 1 April 2022 R'000	Less: Amount expensed in current year R'000	Add: Current year advances R'000	Balance as at 31 March 2023 R'000
National departments	11	4 914	(4 384)	4 664	5 194
Public entities		2 926	-		2 926
Total		7 840	(4 384)	4 664	8 120

The advance payments to public entities is in respect of the advance payment to the National Student Financial Aid Scheme for TRC student related funds that are cleared when qualifying students are registered at institutions and confirmed with the Department of Justice and Constitutional Development.

	Note	Balance as at 1 April 2021 R'000	Less: Amount expensed in current year R'000	Add: Current year advances R'000	Balance as at 31 March 2022 R'000
Advances paid (not expensed)	11				
National departments		1 829	(2 188)	5 273	4 914
Public entities		9 176	(6 250)	-	2 926
Total		11 005	(8 438)	5 273	7 840

The advance payments to the public entities is in respect of the advance payment to the National Student Financial Aid Scheme for the TRC student related funds that are cleared when qualifying students are registered at institutions and confirmed with the Department of Justice and Constitutional Development.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
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11.2 Prepayments (Not expensed)

	Note	Balance as at 1 April 2022 R'000	Less: Amount expensed in current year R'000	Add: Current Year prepayments R'000	Balance as at 31 March 2023 R'000
Goods and services	11	5 310	(2 161)	13 901	17 050
Total		5 310	(2 161)	13 901	17 050

The prepayments are mainly in respect of payments made to service providers for which the final invoice for services rendered was not received at year-end.

	Note	Balance as at 1 April 2021 R'000	Less: Amount expensed in current year R'000	Add: Current Year prepayments R'000	Balance as at 31 March 2022 R'000
Prepayments (Not expensed)	11				
Goods and services		10 167	(20 868)	16 011	5 310
Total		10 167	(20 868)	16 011	5 310

The prepayments are mainly in respect of payments made to service providers for which the final invoice for services rendered was not received at year-end.

12. Receivables

		2022/23			2021/22		
		Current	Non-current	Total	Current	Non-current	Total
	Note	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	12.1 Annex 3	240 440	-	240 440	256 107	-	256 107
Recoverable expenditure	12.2	32 315	-	32 315	30 136	-	30 136
Staff debt	12.3	3 447	633	4 080	4 221	870	5 091
Other receivables	12.4	38 648	7 911	46 559	34 204	8 338	42 542
Total		314 850	8 544	323 394	324 668	9 208	333 876

Claims Recoverable includes claims for March 2023 for services rendered on behalf of the National Skills Fund, Claims in respect of NSF Growth Project and the NSF and the NSF Infrastructure projects. Claims in respect of March 2023 were issued during the 2023/24 financial year.

12.1 Claims recoverable

12

National departments	197	246
Provincial departments	181	1 564
Public entities	234 844	252 031
Private enterprises	5 218	2 229
Higher education institutions	-	37
Total	240 440	256 107

Claims Recoverable includes claims for March 2023 for services rendered on behalf of the National Skills Fund, claims in respect of NSF Growth Projects and the NSF Infrastructure Projects. Claims in respect of March 2023 were issued during 2023/24 financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
12.2 Recoverable expenditure (disallowance accounts)	12		
Salaries		31 401	29 610
No Shows		297	264
Miscellaneous		617	262
Total		32 315	30 136
12.3 Staff debt	12		
Motor accidents		1 028	476
Other		2 640	128
Salary GEHS Refund		-	1 232
Salary overpayment debt		111	2 829
Salary tax debt		301	426
Total		4 080	5 091
12.4 Other receivables	12		
Fruitless and wasteful expenditure		8 508	9 105
Tax Debt		80	80
Other debtors		37 971	33 357
Total		46 559	42 542
<i>The Fruitless and Wasteful Expenditure is in respect of fraudulent salary overpayments discovered in 2018/19 in respect of payments made in the latter part of 2017/18 and beginning of 2018/19. The matter is currently under investigation and steps have commenced with recovery of debt. Cases transferred from note 32 are cases which the Department only managed to take-on in the Debt Account of the Department during 2019/20.</i>			
12.5 Impairment of receivables			
Estimate of impairment of receivables		56 967	42 483
Total		56 967	42 483

Items older than three years were impaired. The majority of debt cases are in respect of salary over-payments for deceased cases.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
13. Loans			
Higher education institutions		319	2 014
Total		319	2 014
Analysis of balance			
Opening balance		2 014	5 097
Repayments		(1 695)	(3 083)
Closing balance		319	2 014
Cape Peninsula University of Technology		47	152
Durban University of Technology		59	584
Nelson Mandela University		31	51
Tshwane University of Technology		56	576
Vaal University of Technology		102	388
University of Johannesburg		24	263
Total		319	2 014
Current portion of loans		319	1 218

14. Voted funds to be surrendered to the Revenue Fund

Opening balance	473 995	397 465
Transfer from Statement of Financial Performance	462 916	473 995
Paid during the year	(473 995)	(397 465)
Closing balance	462 916	473 995

15. Departmental revenue and NRF receipts to be surrendered to the Revenue Fund

Opening balance	836	2 475
Transfer from Statement of Financial Performance	47 058	17 443
Paid during the year	(16 979)	(19 082)
Closing balance	30 915	836

The main reason for the increase in Departmental Revenue to be surrendered to the National Revenue Fund is due to an increase in prior year's revenue received from NSF for Cost Recovery services not paid by NSF in prior years.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
16. Payables – current			
Advances received	16.1	107 968	1 292 479
Clearing accounts	16.2	1 470	1 560
Other payables	16.3	14 450	49 658
Total		123 888	1 343 697

The decrease is mainly due to advances received from the National Skills Fund for the NSFAS shortfall in the prior financial year that was paid in the 2022/23 financial year.

16.1 Advances received	16		
Public entities	Annex 5B	107 968	1 292 479
Total		107 968	1 292 479

The decrease is mainly due to advances received from the National Skills Fund for the NSFAS shortfall in the prior financial year that was paid in the 2022/23 financial year.

16.2 Clearing accounts	16		
Salary Claims: Limpopo and Mpumalanga		-	29
SETA contributions for the Heritage Expo		1 470	1 471
Other		-	60
Total		1 470	1 560

16.3 Other payables	16		
Other payables		9 134	7 094
Salary Income Tax		2 386	8 111
Salary: Medical Aid		207	31
Salary: Money Back		94	306
Salary: GEHS Refund		2 629	-
Unidentified deposits		-	34 116
Total		14 450	49 658

The decrease in other payables is due mainly to a once-off unidentified deposit received during March 2022 which could not be cleared at year end.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
17. Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		504 537	480 749
Add back non cash/cash movements not deemed operating activities		(1 690 860)	1 189 400
(Increase)/decrease in receivables – current		9 818	292 196
(Increase)/decrease in prepayments and advances		(12 105)	7 998
Increase/(decrease) in payables – current		(1 219 809)	1 261 610
Expenditure on capital assets		11 521	10 003
Surrenders to Revenue Fund		(490 974)	(416 547)
Surrenders to RDP Fund/Donor		10 689	34 140
Net cash flow generated by operating activities		(1 186 323)	1 670 149

The decrease is due mainly to funds received from the National Skills Fund at year end (2021/22) to fund the shortfall at National Student Financial Aid Scheme.

18. Reconciliation of cash and cash equivalents for cash flow purposes

Consolidated Paymaster-General account	269 478	230 092
Disbursements	-	(1)
Cash on hand	45	45
Cash with commercial banks (local)	2 360	1 238 297
Total	271 883	1 468 433

The decrease in Cash and Cash Equivalents is due mainly to funds received from the National Skills Fund at year end (2021/22) to fund the shortfall at National Student Financial Aid Scheme.

19. Contingent liabilities and contingent assets**19.1 Contingent liabilities**

Liable to			
Claims against the Department	Annex 2A	5 170 084	5 163 041
Total		5 170 084	5 163 041

There are uncertainties relating to the cases of Vital vs Vista University (R4 million) as this case is dormant and it might not realise.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
20. Capital commitments			
Buildings and other fixed structures		280 928	-
Machinery and equipment		2 311	1 475
Total		283 239	1 475

Commitments are mainly in respect of the new or replacement of infrastructure assets for the Community Education and Training sector and computer equipment and office equipment and is expected to be delivered in the 2023/24 financial year.

21. Accruals and payables not recognised

21.1 Accruals

	30 days	30+ days	Total	Total
Listed by economic classification				
Goods and services	14 386	5 274	19 660	19 646
Capital assets	-	-	-	23
Other	3 162	6 227	9 389	7 435
Total	17 548	11 501	29 049	27 104

	Note	2022/23 R'000	2021/22 R'000
Listed by programme level			
Programme 1: Administration		9 734	9 333
Programme 2: Planning, Policy and Strategy		248	4 127
Programme 3: University Education		135	8
Programme 4: Technical and Vocational Education and Training		15 566	8 100
Programme 5: Skills Development		325	52
Programme 6: Community Education and Training		3 041	3 298
Unallocated		-	2 186
Total		29 049	27 104

Reasons for material accruals:

Claims in respect of the travel account, Community Education and Training lectures as well as examiners and moderators were not received before closure of the financial year. Other accruals include claims from Community Education and Training lectures as well as examiners and moderators.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
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21.2 Payables not recognised

	30 days	30+ days	Total	Total
Listed by economic classification				
Goods and services	1 381	74	1 455	944
Other	-	2 394	2 394	2 728
Total	1 381	2 468	3 849	3 672

	Note	2022/23 R'000	2021/22 R'000
Listed by programme level			
Programme 1: Administration		1 042	67
Programme 2: Planning, Policy and Strategy		5	63
Programme 3: University Education		322	3
Programme 4: Technical and Vocational Education and Training		1 882	802
Programme 5: Skills Development		3	4
Programme 6: Community Education and Training		595	2 733
Total		3 849	3 672

Reasons for material payables:

Claims in respect of the travel account, Community Education and Training lectures as well as examiners and moderators were not received before closure of the financial year. Other payables include claims from Community Education and Training lectures as well as examiners and moderators.

22. Employee benefits

Leave entitlement	170 841	180 127
Service bonus (Thirteenth cheque)	296 956	270 072
Performance awards	541	1 698
Capped leave commitments	66 030	74 846
Other	2 440	17 870
Total	536 808	544 613

Negative leave balances

Differences in the reporting cycle for leave	941	971
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Negative Leave Balances: Differences in reporting cycle for leave: 2021/22: R0.971 million; 2022/23: R0.941 million. The negative leave balances is due to pro-rata leave granted for the year by the end of March 2023.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

23. Lease commitments**23.1 Operating leases**

	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
2022/23			
Not later than 1 year	2 326	1 792	4 118
Later than 1 year and not later than 5 years	594	1 480	2 074
Total lease commitments	2 920	3 272	6 192

The lease agreement with the Department of Public Works includes the office accommodation for Ndinaye House and 123 Francis Baard Street. The Department cannot as yet include the lease amount for Ndinaye House and 123 Francis Baard Street as these agreements have not yet been concluded. The lease agreement for machinery and equipment is mainly in respect of photocopy machines and these contracts are for a period of three to five years and motor vehicles contracts which are mainly for one year.

	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
2021/22			
Not later than 1 year	87 305	1 042	88 347
Later than 1 year and not later than 5 years	3 685	775	4 460
Total lease commitments	90 990	1 817	92 807

The lease agreement with the Department of Public Works includes the office accommodation for Ndinaye House and 123 Francis Baard Street. The lease agreement for Ndinaye House and 123 Francis Baard street is for one year. The lease agreement for Machinery and Equipment is mainly in respect of photocopy machines and these contracts are for a period of three to five years and motor vehicles contracts which are mainly for a year.

23.2 Finance Leases

	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
2022/23			
Not later than 1 year	-	2 422	2 422
Later than 1 year and not later than 5 years	-	513	513
Total lease commitments	-	2 935	2 935

The lease agreement is in respect of data and cellphone contracts for Departmental use and these contracts are for a period of 24 months.

	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
2021/22			
Not later than 1 year	-	581	581
Later than 1 year and not later than 5 years	-	507	507
Total lease commitments	-	1 088	1 088

The lease agreement is in respect of data and cellphone contracts for Departmental use and these contracts are for a period of 24 months.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
24. Unauthorised, Irregular and Fruitless and Wasteful expenditure			
Unauthorised expenditure		-	-
Irregular expenditure		-	2 448
Fruitless and wasteful expenditure		89	-
Total		89	2 448

Information on any criminal or disciplinary steps taken as a result of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure is included in the annual report under the PFMA Compliance Report.

25. Related party transactions**In kind goods and services received**

Computer Services: National Skills Fund	(7 340)	(3 744)
Free Services to the National Skills Fund for the 2021/22 financial year	-	(16 118)
SASSETA: Training of Security Officials	800	-
Total	(6 540)	(19 862)

List related party relationships

Ministerial Portfolio	Departmental Schedule	Public Entity
Higher Education and Training	3A	Council on Higher Education and Training National Student Financial Aid Scheme South African Qualification Authority Quality Council for Trades and Occupations National Skills Fund
Sector Education and Training Authorities (SETAs):		
		Agriculture SETA
		Banking SETA
		Chemical Industries Education and Training Authority
		Construction SETA
		Culture, Arts, Tourism, Hospitality and Sports SETA
		Education, Training and Development Practices SETA
		Energy and Water SETA
		Fibre, Processing and Manufacturing SETA
		Financial and Accounting Services SETA
		Food and Beverages SETA
		Health and Welfare SETA
		Insurance SETA
		Local Government SETA
		Manufacturing, Engineering and Related Services SETA
		Media, Information and Communication Technologies SETA
		Mining Qualifications Authority
		Public Services SETA
		Safety and Security SETA

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

List related party relationships

Ministerial Portfolio	Departmental Schedule	Public Entity
		Services SETA Transport Education and Training Authority Wholesale and Retail SETA
		Technical and Vocational Education and Training Colleges Buffalo City College; East Cape Midlands College; Ikhala College; Ingwe College; King Hintsa College; King Sabata College; Lovedale College; Port Elizabeth College; Flavius Mareka College; Gold Fields College; Maluti College; Motheo College; Central Johannesburg College; Ekurhuleni East College; Ekurhuleni West College; Sedibeng College; South West College; Tshwane North College; Tshwane South College; Western College; Coastal College; Elangeni College; Esayidi College; Majuba College; Mnambithi College; Mthashana College; Thekwini College; Umfolozi College; Umgungundlovu College; Capricorn College; Lephalale College; Letaba College; Mopani College; Sekhukhune College; Vhembe College; Waterberg College; Ehlanzeni College; Gert Sibande College; Nkangala College; Rural College; Urban College; Orbit College; Taletso College; Vuselela College; Boland College; Cape Town College; False Bay College; Northlink College; South Cape College; West Coast College
		Community Education and Training Colleges Eastern Cape Community Education and Training College; Free State Community Education and Training College; Gauteng Community Education and Training College; KwaZulu Natal Community Education and Training College; Limpopo Community Education and Training College; Mpumalanga Community Education and Training College; Northern Cape Community Education and Training College; North West Community Education and Training College; Western Cape Community Education and Training College
		Government Departments and other entities in the same sphere of government All government departments and public entities in the same sphere of government are related parties to the Department of Higher Education and Training
		Department of Science and Innovation Schedule 3A entities under ownership control of the Department of Science and Innovation Human Sciences Research Council National Research Foundation South African National Space Agency Technology Innovation Agency
		Schedule 3B entities under ownership control of the Department of Science and Innovation Council for Scientific and Industrial Research

During the 2022/23 financial year the Chief Director: Indlela continued with the appointment as acting Chief Executive Officer of the National Skills Fund as from 13 August 2021 until 31 March 2023. The services were offered free of charge. The Department did not have any transactions with these entities that is required to be disclosed in terms of the Departmental Reporting Framework. The total amount paid to TVET Lectures and support staff during the 2022/23 financial year amounts to R6.760 billion.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

26. Key Management Personnel

	2022/23 R'000	2021/22 R'000
Officials:		
Level 15 to 16	14 039	11 422
Level 14	37 879	37 801
Family members of key management personnel	970	706
Total	52 888	49 929

27. Provisions

CET claims	1 925	3 575
Limpopo CET examination	-	121
Examination claims	-	77
Total	1 925	3 773

27.1 Reconciliation of movement in provisions - 2022/23

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Provision 4 R'000	Total provisions R'000
Opening balance	121	77	3 575	-	3 773
Increase in provision	-	-	1 925	-	1 925
Settlement of provision	(121)	(77)	(3 575)	-	(3 773)
Closing balance	-	-	1 925	-	1 925

Provision 1: Provision in respect of community education and training examination claim received during 2021/22 in respect of the previous financial year for which supporting evidence is not attached. This amount was settled during the 2022/23 financial year.

Provision 2: Provision in respect of examination and assessment related claims received during May 2022 in respect of the previous financial year for which supporting evidence is not attached. This amount was settled during the 2022/23 financial year.

Provision 3: Provision in respect of community education and training centres received in the previous financial year for which necessary appointment documents and required supporting evidence were not received. The amount included is based on claims received. There is uncertainty whether these claims will be processed and by when these claims will be processed.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

27.2 Reconciliation of movement in provisions - 2021/22

	Provision 1	Provision 2	Provision 3	Provision 4	Total provisions
	R'000	R'000	R'000	R'000	R'000
Opening balance	-	840	1 776	3 650	6 266
Increase in provision	121	77	3 575	-	3 773
Settlement of provision	-	(840)	(1 776)	(3 650)	(6 266)
Closing balance	121	77	3 575	-	3 773

Provision 1: Provision in respect of community education and training examination claim received during 2021/22 in respect of the previous financial year for which supporting evidence is not attached. The amount included is based on claims received. There is uncertainty whether these claims will be processed and by when these claims will be processed.

Provision 2: Provision in respect of examination and assessment related claims received in May 2022 in respect of the previous financial year for which supporting evidence is not attached. The amount included is based on claims received. There is uncertainty whether these claims will be processed and by when these claims will be processed.

Provision 3: Provision in respect of community education and training centres received in the previous financial year for which necessary appointment documents and required supporting evidence were not received. The amount included is based on claims received. There is uncertainty whether these claims will be processed and by when these claims will be processed.

28. Non-adjusting events after reporting date

None.

29. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	83 194	-	9 567	1 949	90 812
Transport assets	6 379	-	-	-	6 379
Computer equipment	57 747	-	8 247	1 889	64 105
Furniture and office equipment	11 310	-	703	18	11 995
Other machinery and equipment	7 758	-	617	42	8 333
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	83 194	-	9 567	1 949	90 812

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

29.1 Movable for 2021/22

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	74 088	-	9 821	715	83 194
Transport assets	6 379	-	-	-	6 379
Computer equipment	50 729	-	7 615	597	57 747
Furniture and office equipment	10 969	-	427	86	11 310
Other machinery and equipment	6 011	-	1 779	32	7 758
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	74 088	-	9 821	715	83 194

29.2 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	1 396	13 120	14 516
Value adjustments	(1)	1	-
Additions	200	889	1 089
Disposals	-	324	324
TOTAL MINOR ASSETS	1 595	13 686	15 281

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Number of R1 minor assets	2	22 424	22 426
Number of minor assets at cost	745	7 230	7 975
TOTAL NUMBER OF MINOR ASSETS	747	29 654	30 401

Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	1 396	12 277	13 673
Additions	-	915	915
Disposals	-	72	72
TOTAL MINOR ASSETS	1 396	13 120	14 516

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Number of R1 minor assets	1	22 427	22 428
Number of minor assets at cost	567	7 000	7 567
TOTAL NUMBER OF MINOR ASSETS	568	29 427	29 995

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

30. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	12 041	-	-	-	12 041
PATENTS, LICENCES, COPYRIGHT, BRAND	2 011	-	-	-	2 011
TOTAL INTANGIBLE CAPITAL ASSETS	14 052	-	-	-	14 052

30.1 Movement for 2021/22

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Computer SOFTWARE	12 041	-	-	-	12 041
PATENTS, LICENCES, COPYRIGHT, BRAND	1 650	-	361	-	2 011
TOTAL INTANGIBLE CAPITAL ASSETS	13 691	-	361	-	14 052

31. Principal-agent arrangements

31.1 Department acting as the agent

31.1.1 Revenue received for agency activities

	2022/23 R'000	2021/22 R'000
National Skills Fund	-	-
	-	-

The Department has been appointed by the National Skills Fund to manage the project of the TVET College Infrastructure Development project funded by the NSF and relevant SETAs. The beneficiaries of the project will be the respective TVET Colleges who will receive the new or improved TVET College sites once the construction has been completed. Any unspent funds will be returned to the NSF.

31.1.2 Reconciliation of funds and disbursements – 2022/23

Category of revenue/ expenditure per arrangement	Total funds received	Expenditure incurred against funds	Amount remitted to the principal	Variance between amounts received and amounts remitted	Explanation of the variance
	R'000	R'000	R'000	R'000	
National Skills Fund	60 596	86 482	-	(25 886)	Amounts are claimed back from the NSF as claims recoverable.
Total	60 596	86 482	-	(25 886)	

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Reconciliation of funds and disbursements – 2021/22

Category of revenue/ expenditure per arrangement	Total funds received	Expenditure incurred against funds	Amount remitted to the principal	Variance between amounts received and amounts remitted	Explanation of the variance
	R'000	R'000	R'000	R'000	
National Skills Fund	461 730	210 841	-	250 889	Amounts are claimed back from the NSF as claims recoverable.
Total	461 730	210 841	-	250 889	

31.1.3 Reconciliation of carrying amount of receivables and payables – 2022/23**Receivable**

Name of entity	Opening balance	Revenue principal is entitled to	Less: Write-off/ settlements/ waivers	Cash received on behalf of principal	Closing balance
	R'000	R'000	R'000	R'000	R'000
National Skills Fund	(22 430)	60 596	-	86 482	(48 316)
Total	(22 430)	60 596	-	86 482	(48 316)

The Department has been appointed by the National Skills Fund to project manage the infrastructure spend for the TVET Colleges across 16 sites country wide. Currently, active sites are Thabazimbi Campus for Waterberg TVET College, Nkandla A Campus and Bhambanana Campus for Umfolozi TVET College, Nongoma Campus for Mthashana TVET College, Balfour Campus for Gert Sibande TVET College, Msinga Campus for Umgungundlovu TVET College, Aliwal North Campus for Ikhala TVET College, Mzimkhulu Campus for Esayidi TVET College, Graaff-Reinet Campus for East Cape Midlands TVET College, Ngqungqushu Campus for Ingwe TVET College, Sterkspruit Campus for Ikhala TVET College, Kwagqikazi Campus for Mthashana TVET College, Greytown Campus for Umgungundlovu TVET College. The following amounts have been incurred to date at the campuses:

	R'000
Thabazimbi	183 035
Nkandla A	265 205
Bhambanana	170 790
Nongoma	131 455
Balfour	151 495
Msinga	145 789
Aliwal North	219 036
Umsimkhulu	115 782
Ikhala	3 578
Graaff-Reinet	77 137
Ngqungqushu	171 015
Sterkspruit	183 514
Kwagqikazi	108 710
Greytown	77 716
Greytown Campus	1 585
Project management costs	260 570
Municipal services	3 398

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31.1.4 Reconciliation of carrying amount of receivables and payables – 2021/22**Receivable**

Name of entity	Opening balance	Revenue principal is entitled to	Less: Write-off/ settlements/ waivers	Cash received on behalf of principal	Closing balance
	R'000	R'000	R'000	R'000	R'000
National Skills Fund	(273 319)	461 730	-	210 841	(22 430)
Total	(273 319)	461 730	-	210 841	(22 430)

The Department has been appointed by the National Skills Fund to project manage the infrastructure spend for the TVET Colleges across 16 sites country wide. Currently, active sites are Thabazimbi Campus for Waterberg TVET College, Nkandla A Campus and Bhambanana Campus for Umfolozi TVET College, Nongoma Campus for Mthashana TVET College, Balfour Campus for Gert Sibande TVET College, Msinga Campus for Umgungundlovu TVET College, Aliwal North Campus for Ikhala TVET College, Mzimkhulu Campus for Esayidi TVET College, Graaff-Reinet Campus for East Cape Midlands TVET College, Ngqunqushu Campus for Ingwe TVET College, Sterkspruit Campus for Ikhala TVET College, Kwagqikazi Campus for Mthashana TVET College, Greytown Campus for Umgungundlovu TVET College. The following amounts have been incurred to date at the campuses:

	R'000	
Thabazimbi	183 035	
Nkandla A	265 205	
Bhambanana	170 790	
Nongoma	131 455	
Balfour	137 134	(includes accrual amount of R4.046 million)
Msinga	141 516	
Aliwal North	219 036	
Umkhulu	115 782	
Ikhala	3 578	
Graaff-Reinet	77 137	
Ngqunqushu	171 015	
Sterkspruit	153 272	
Kwagqikazi	100 675	(includes accrual amount of R2.301 million)
Greytown	65 892	(includes accrual amount of R2.398 million)
Greytown Campus	1 585	
Project management costs	251 680	(includes accrual amount of R2.269 million)
Municipal services	3 398	

32. Broad Based Black Economic Empowerment Performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

33. COVID 19 Response Expenditure

	Note	2022/23 R'000	2021/22 R'000
Goods and Services	ANNEXURE 6	75	416
		75	416



Unaudited Supplementary Annexures

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for the year ended 31 March 2023

ANNEXURE 1A

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2021/22	
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of Available funds transferred	Final Appropriation	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Education Training and Development Practices SETA	21 338	-	-	21 338	21 338	100%	18 079	18 079
Council on Higher Education	74 486	-	-	74 486	74 486	100%	70 012	70 012
National Student Financial Aid Scheme	45 794 967	-	-	45 794 967	45 794 967	100%	38 675 173	38 675 173
South African Qualifications Authority	81 164	-	-	81 164	81 164	100%	92 593	92 593
Direct Charge: Sector Education and Training Authorities	16 990 510	-	-	16 990 510	16 647 080	98%	15 209 288	15 209 288
Direct Charge: National Skills Fund	4 247 627	-	-	4 247 627	4 161 770	98%	3 802 322	3 802 322
Claims against the State	-	-	204	204	204	100%	-	267
Quality Council for Trades and Occupations	28 506	-	-	28 506	28 506	100%	27 630	27 630
Public Services SETA	123 972	-	-	123 972	123 972	100%	120 082	120 082
National Skills Fund	100 000	-	-	100 000	100 000	100%	100 000	100 000
Total	67 462 570	-	204	67 462 774	67 033 487		58 115 179	58 115 446

The difference between the amount included in the Appropriation Statement and the Adjusted Appropriation amount in this Annexure is the difference between actual funds received for Direct Charges and the provision to the Adjusted Estimates to the amount of R429.287 million. Shifting of funds from Goods and Services to cover Claims Against the State was approved as part of the final virement.

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ANNEXURE 1B**STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS**

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION				TRANSFER			2021/22	
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	Amount not transferred	% of Available funds transferred	Final Appropriation	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Universities									
Cape Peninsula University of Technology	1 428 525	-	(2 457)	1 426 068	1 426 053	15	100%	1 569 365	1 569 332
Central University of Technology, Free State	827 681	-	(349)	827 332	827 332	-	100%	807 715	807 715
Durban University of Technology	1 410 954	-	(5 114)	1 405 840	1 405 806	34	100%	1 411 353	1 411 351
Mangosuthu University of Technology	463 576	-	(5 169)	458 407	458 406	1	100%	556 692	556 692
Nelson Mandela University	1 580 347	-	1 237	1 581 584	1 581 579	5	100%	1 631 477	1 631 473
North West University	2 500 028	-	(4 859)	2 495 169	2 495 169	-	100%	2 328 664	2 328 664
Rhodes University	609 011	-	966	609 977	609 977	-	100%	584 858	584 858
Sefako Makgatho Health Sciences University	2 706 052	-	(19 548)	2 686 504	2 686 052	452	100%	823 312	823 313
Sol Plaatje University (Northern Cape)	1 896 218	-	(1 719)	1 894 499	1 894 499	-	100%	668 169	668 169
Tshwane University of Technology	846 576	-	4 665	851 241	851 241	-	100%	2 708 663	2 708 663
University of Cape Town	1 865 388	-	5 823	1 871 211	1 871 210	1	100%	1 885 988	1 885 988
University of Fort Hare	2 626 126	-	(10 318)	2 615 808	2 615 791	17	100%	830 394	830 394
University of the Free State	2 792 881	-	(956)	2 791 925	2 791 925	-	100%	1 654 954	1 654 954
University of Johannesburg	432 953	-	(743)	432 210	432 210	-	100%	2 694 045	2 693 945

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	TRANSFER ALLOCATION				TRANSFER			2021/22	
NAME OF HIGHER EDUCATION INSTITUTION	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	Amount not transferred	% of Available funds transferred	Final Appropriation	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
University of KwaZulu-Natal	846 182	-	11 974	858 156	858 156	-	100%	2 796 113	2 796 113
University of Mpumalanga	375 302	-	1 119	376 421	376 421	-	100%	911 937	911 937
University of Limpopo	1 203 893	-	805	1 204 698	1 204 699	(1)	100%	1 164 609	1 164 609
University of Pretoria	3 191 647	-	(1 576)	3 190 071	3 190 071	-	100%	3 190 157	3 190 157
University of South Africa	5 209 435	-	(17 378)	5 192 057	5 192 057	-	100%	4 706 779	4 706 779
Stellenbosch University	2 153 054	-	70 391	2 223 445	2 223 446	(1)	100%	2 088 407	2 088 407
University of Venda	864 155	-	6 929	871 084	871 084	-	100%	830 693	830 693
University of the Western Cape	1 348 527	-	69 698	1 418 225	1 418 225	-	100%	1 265 258	1 265 258
University of the Witwatersrand	2 666 505	-	1 358	2 667 863	2 667 864	(1)	100%	2 345 788	2 345 788
University of Zululand	854 809	-	(6 332)	848 477	848 477	-	100%	611 807	611 807
Vaal University of Technology	811 945	-	2 869	814 814	814 772	42	100%	830 147	830 068
Walter Sisulu University	1 234 620	-	(1 326)	1 233 294	1 229 814	3 480	100%	1 151 969	1 150 318
Higher Education Institutions: Other Grants	3 078		(3 078)	-	-	-	-	-	-
Presidential Employment Intervention: University Graduate Assistants	94 500	-	(94 500)	-	-	-	-	-	-
Interest and redemption on loans	2 412	-	(2 412)	-	-	-	-	-	-
Infrastructure and Efficiency Grant	2 245 476	-	-	2 245 476	2 245 476	-	100%	1 000 000	1 000 000
Student Housing Infrastructure: Universities	380 000	-	-	380 000	380 000	-	-	-	-
University of Mpumalanga and Sol Plaatjie: Capital	885 000	-	-	885 000	885 000	-	100%	-	-
Total	46 356 856	-	-	46 356 856	46 352 812	4 044		43 049 313	43 047 445

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for the year ended 31 March 2023

	TRANSFER ALLOCATION				TRANSFER			2021/22	
NAME OF HIGHER EDUCATION INSTITUTION	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	Amount not transferred	% of Available funds transferred	Final Appropriation	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Technical and Vocational Education and Training Colleges: Subsidies									
Buffalo City College	59 102	-	-	59 102	59 102	-	100%	73 262	73 262
East Cape Midlands	58 402	-	-	58 402	58 402	-	100%	63 915	63 915
Ikhala College	91 400	-	-	91 400	91 400	-	100%	74 198	74 198
Ingwe College	62 324	-	-	62 324	62 324	-	100%	123 906	123 906
King Hintsa College	36 805	-	-	36 805	36 804	1	100%	36 923	36 923
King Sabata College	69 450	-	-	69 450	69 450	-	100%	83 201	83 201
Lovedale College	40 655	-	-	40 655	40 655	-	100%	52 384	52 384
Port Elizabeth College	42 736	-	-	42 736	42 736	-	100%	42 501	42 501
Flavius Mareka College	28 916	-	-	28 916	28 916	-	100%	31 346	31 346
Gold Fields College	38 516	-	-	38 516	38 516	-	100%	45 180	45 180
Maluti College	69 368	-	-	69 368	69 368	-	100%	87 956	87 956
Motheo College	78 570	-	-	78 570	78 570	-	100%	87 886	87 886
Central Johannesburg College	68 325	-	-	68 325	68 325	-	100%	66 955	66 955
Ekurhuleni East College	133 052	-	-	133 052	133 052	-	100%	157 072	157 072
Ekurhuleni West College	175 145	-	-	175 145	175 145	-	100%	188 975	188 975
Sedibeng College	148 433	-	-	148 433	148 433	-	100%	161 980	161 980
South West College	295 261	-	-	295 261	295 261	-	100%	328 783	328 783
Tshwane North College	117 485	-	-	117 485	117 485	-	100%	129 330	129 330
Tshwane South College	73 894	-	-	73 894	73 894	-	100%	51 698	51 698
Western College	118 399	-	-	118 399	118 399	-	100%	125 165	125 165
Coastal College	206 832	-	-	206 832	206 832	-	100%	154 578	154 578
Elangeni College	93 767	-	-	93 767	93 767	-	100%	104 678	104 678
Esayidi College	132 706	-	-	132 706	132 706	-	100%	104 378	104 378
Majuba College	211 478	-	-	211 478	211 479	(1)	100%	238 224	238 224

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	TRANSFER ALLOCATION				TRANSFER			2021/22	
NAME OF HIGHER EDUCATION INSTITUTION	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	Amount not transferred	% of Available funds transferred	Final Appropriation	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Mnambithi College	59 884	-	-	59 884	59 884	-	100%	63 476	63 476
Mtshasahna College	125 027	-	-	125 027	125 027	-	100%	100 602	100 602
Thekwini College	46 637	-	-	46 637	46 637	-	100%	64 102	64 102
Umfolozi College	163 369	-	-	163 369	163 368	1	100%	158 886	158 886
Umgungundlovu College	84 217	-	-	84 217	84 217	-	100%	122 847	122 847
Capricorn College	164 801	-	-	164 801	164 801	-	100%	186 490	186 490
Lephalale College	7 794	-	-	7 794	7 794	-	100%	8 168	8 168
Letaba College	81 099	-	-	81 099	81 099	-	100%	61 207	61 207
Mopani College	83 305	-	-	83 305	83 305	-	100%	96 460	96 460
Sekhukhune College	30 905	-	-	30 905	30 905	-	100%	32 388	32 388
Vhembe College	96 339	-	-	96 339	96 339	-	100%	102 318	102 318
Waterberg College	50 220	-	-	50 220	50 220	-	100%	70 223	70 223
Ehlanzeni College	130 285	-	-	130 285	130 285	-	100%	153 909	153 909
Gert Sibande College	135 220	-	-	135 220	135 220	-	100%	204 291	204 291
Nkangala College	143 251	-	-	143 251	143 251	-	100%	167 253	167 253
Rural College	41 436	-	-	41 436	41 436	-	100%	43 424	43 424
Urban College	67 582	-	-	67 582	67 582	-	100%	87 143	87 143
Orbit College	67 954	-	-	67 954	67 954	-	100%	76 780	76 780
Taletso College	91 506	-	-	91 506	91 506	-	100%	95 896	95 896
Vuselela College	88 005	-	-	88 005	88 005	-	100%	91 879	91 879
Boland College	44 753	-	-	44 753	44 753	-	100%	48 562	48 562
Cape Town College	57 835	-	-	57 835	57 835	-	100%	66 566	66 566
False Bay College	57 272	-	-	57 272	57 272	-	100%	57 353	57 353
Northlink College	91 508	-	-	91 508	91 509	(1)	100%	89 097	89 097

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NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION				TRANSFER			2021/22	
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	Amount not transferred	% of Available funds transferred	Final Appropriation	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
South Cape College	19 234	-	-	19 234	19 234	-	100%	18 072	18 072
West Coast College	79 949	-	-	79 949	79 949	-	100%	88 138	88 138
Student Housing Infrastructure:									
TVET Colleges	220 000	-	-	220 000	220 000	-	100%	-	-
TVET Infrastructure and Efficiency Grant	710 519	-	-	710 519	710 510	9	100%	214 515	214 515
Sub Total	5 490 927	-	-	5 490 927	5 490 918	9		5 184 519	5 184 519
Total	51 847 783	-	-	51 847 783	51 843 730	4 053		48 233 832	48 231 964

1) Treasury approval (Reference number 9/4/5/4/13 dated 30 January 2023) was received for shifting of funds from Transfers and Subsidies: Higher Education Institutions: Academic Clinical Training Grant to Transfers and Subsidies: Higher Education Institutions: Other Grants: University of Free State; 2) Treasury approval (Reference number 9/4/5/4/13 dated 2 February 2023) was received for shifting of funds from Transfers and Subsidies: Higher Education Institutions: Veterinary Sciences Grant to Transfers and Subsidies: Higher Education Institutions: Other Grants; 3) Treasury approval (Reference number 9/4/5/4/13 dated 17 February 2023) was received for shifting of funds within Transfers and Subsidies: Higher Education Institutions: Other Grants: Sibusiso Bengu Development Grant to University of Fort Hare, University of Limpopo, University of Venda and Sefako Makgatho Health Sciences University; 4) Treasury approval (Reference number 9/4/5/4/13 dated 28 March 2023) was received for shifting of funds from retained funds for Transfers and Subsidies: Higher Education Institutions: Block, gap and other grant allocations: University Capacity Development Grant to Higher Education Institutions: Other Grants: UCDP; and 5) Treasury approval (Reference number 9/4/5/4/13 dated 27 March 2023) was received for shifting of funds within Transfers and Subsidies: Higher Education Institutions: University Infrastructure and Efficiency Grant for implementation of infrastructure projects.

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ANNEXURE 1C

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENTS / INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2021/22	
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of Available funds transferred	Final Appropriation	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Commonwealth of Learning	3 624	-	-	3 624	3 250	90%	3 505	2 997
India-Brazil-South Africa Trilateral Commission	652	-	-	652	-	0%	661	-
Total	4 276	-	-	4 276	3 250		4 166	2 997

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ANNEXURE 1D

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2021/22	
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of Available funds transferred	Final Appropriation	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Higher Health	20 604	-	-	20 604	20 604	100%	37 375	37 375
Community Education and Training Colleges: Subsidies	215 151	-	-	215 151	215 151	100%	206 779	206 779
National Institute for the Humanities and Social Sciences	39 709	-	-	39 709	39 709	100%	38 691	38 691
Total	275 464	-	-	275 464	275 464		282 845	282 845

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ANNEXURE 1E

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2021/22	
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of Available funds transferred	Final Appropriation	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Employee Social Benefits	17 100	-	5 835	22 935	20 199	88%	24 424	24 259
Claims against the State	-	-	9 172	9 172	8 669	95%	676	635
Bursaries	-	-	993	993	992	100%	-	-
Total	17 100	-	16 000	33 100	29 860		25 100	24 894

Treasury approval (Reference number 9/4/5/4/13 dated 24 March 2023) was obtained to shift funds from Compensation of Employees to Transfers and Subsidies: Household.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**ANNEXURE 1F****STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2022/23	2021/22
		R'000	R'000
Received in kind			
Embassy of China	6000 Surgical masks	-	12
German Federal Ministry of Economic Cooperation and Development (BMZ)	Skills Development for a Green Economy	-	33 550
International Finance Corporation	Employability Study	-	1 883
SA EU Dialogue Facility	Developing guidelines for career development tools	83	234
German Federal Ministry of Education Science and Research (BMBF)	TrainMe	-	903
British Council	Technical Support to TVET Colleges	1 362	-
British Council	VET Tool Box	293	-
British Council/Newton Fund	Launch of University staff Doctoral programme	200	-
German Government through GIZ	Training of TVET Lectures staff in digital skills	1 426	-
SASSETA	Training of Security Personnel	800	-
ETDP and MERSETA	4IR Centres of excellence	49 000	-
ETDP SETA	Bursaries to Professionaly unqualified Lectures Advance diploma TVT	2 400	-
ETDP SETA	Bursaries to middle and senior managers to study PG Diploma TVET	1 200	-
CETA	Training of TVET Lectures in construction related fields	7 000	-
Sasol Foundation	Training and work intergrated learning in electrical, plumbing and welding	3 675	-
Sasol Foundation	Training and work intergrated learning in digital skills/literacy	2 606	-
Microsoft	TVET Lecture Capacity Building	307	-
German Government through GIZ	Travel cost for official attending Impact Bonds Working Group Conference in London	45	-
IT Masters	TVET Lecture Capacity Building	20	-
South African Wind Energy Association	Travel cost for official attending Conference on Wind Energy in Cape Town	4	-
Higher Health	Hosting of inaugural meeting of Ministerial Task Team on Community Education and Training	8	-
TOTAL		70 429	36 582

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ANNEXURE 1G**STATEMENT OF AID ASSISTANCE RECEIVED**

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	PAID BACK ON/BY 31 MAR	CLOSING BALANCE
		R'000	R'000	R'000	R'000	R'000
Received in cash						
EU Budget Support	Open Learning System for Post-School Education and Training	(10 415)	10 415	-	-	-
EU Budget Support	Teaching and Learning Development Sector Policy Support Programme	(274)	1 168	11 371	-	(10 477)
EU Budget Support	Artisan Trade Test System	-	5 040	-	-	5 040
Total		(10 689)	16 623	11 371	-	(5 437)
Received in kind						
EU Budget Support	Career Guidance Services Project (EU1)	2 004	-	-	-	2 004
EU Budget Support	Career Guidance Services Project (EU2)	5 665	-	-	-	5 665
EU Budget Support	Open Learning System for Post-School Education and Training	18 188	-	-	-	18 188
EU Budget Support	Teaching and Learning Development Sector Policy Support Programme	30 860	-	11 371	-	19 489
USAID	Development of an updated solar energy resource map and data base and the African soil micro-organism as a critical resource for Agriculture and Biotechnology	271	-	-	-	271
EU Budget Support	Artisan Trade Test System	43 803	-	-	-	43 803
Total		100 791	-	11 371	-	89 420

The opening balance for Open Learning System for Post-School Education and Training have been restated from R0.00 to (R10.415 million) and the opening balance for Teaching and Learning Development Sector Policy Support Programme from (R10.689) to (R0.274 million).

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**ANNEXURE 1F****STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE**

NATURE OF GIFT, DONATION OR SPONSORSHIP	2022/23	2021/22
	R'000	R'000
Made in kind		
G20 Meeting in Indonesia	2	-
TOTAL	2	-

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for the year ended 31 March 2023

ANNEXURE 2A**STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2023**

Nature of Liability	Opening balance 1 April 2022	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Claims against the Department: Damaged Cars	-	204	204	-	-
Johann Raath vs Minister of Higher Education and Training	1 846				1 846
Vital vs Vista University	4 000	-	-	-	4 000
Business Unity SA vs Minister of Higher Education and Training (Case JR1040/16)	337	-	-	-	337
LM Mapeka (Pilane) vs Department of Higher Education and Training	973	-	-	-	973
Moses Sithole and others vs Mzukisi Dondole and others	200	-	-	-	200
Mxolisi Collin Mashabela vs Minister of Higher Education and Training and others	986	-	-	-	986
Dr Thokozani S Simelane vs Centre for Education Policy Development	778	-	-	-	778
Zakhele AT Zitha vs Minister of Higher Education and Training	35 438	-	-	-	35 438
Thiba Takalani vs Minister of Higher Education and Training	5 194	-	-	-	5 194
PP Gedze vs Nenga River Lodge and others	3 587	-	-	-	3 587
True Harvest (Pty) Ltd vs Minister of Higher Education and Training	50	-	-	-	50
Kamva Trading cc vs MEC for Basic Education and others	339	-	-	-	339
William Resinga Tshabalala vs Minister of Higher Education and Training	55	-	-	-	55
Motsumi Makgale Makhene vs Department of Higher Education and Training	35	-	-	-	35
Phumzile Felicia Zondi vs Department of Higher Education and Training	42	-	-	-	42
PM Venter (NO) vs ELRC and Lutaakume	170	-	-	-	170
South African Democratic Teachers Union vs Minister of Higher Education and Training and others	34	-	-	-	34

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for the year ended 31 March 2023

Nature of Liability	Opening balance 1 April 2022	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Josephine Naicker vs Minister of Higher Education and Training	25	-	-	-	25
Godfrey Mdluli vs Ekurhuleni East TVET College and Minister of Higher Education and Training	5 092	-	-	-	5 092
Nomsa Cecilia Motaung vs Department of Higher Education and Training	50	-	-	-	50
NL Matanda vs MEC for Education (Eastern Cape) and others	50	-	-	-	50
Mr DJ Smith vs Minister of Higher Education and Training and MEC for North West Department of Education and Sport Development	150	-	-	-	150
EB Habedi, S Mophaki, CCMA vs Department of Higher Education and Training	45	-	45	-	-
Mphaphudi Lorence Mashao vs Department of Higher Education and Training and the Minister of the Department of Higher Education and Training	178	-	-	-	178
Vishnu Chatturgoon vs Department of Higher Education and Training	70	-	-	-	70
True Harvest TVET College vs Minister of Higher Education and Training and others	80 439	-	-	-	80 439
Nkhensani Salphina Hlungwani vs Department of Higher Education and Training	179	-	-	-	179
Norman William Ngatsheni Mkhabela vs Department of Higher Education and Training	157	-	-	-	157
Thabo Franscis Lekalakala vs Department of Higher Education and Training	150	-	-	-	150
Vincent Bandile Maimane vs Department of Higher Education and Training	204	-	-	-	204
Derrick Modise Swaratlhe vs Department of Higher Education and Training	139	-	-	-	139
Commissioner Bheki Msiza and others vs Department of Higher Education and Training	223	-	-	-	223
Vuelta Runeli vs Minister of Higher Education and Training	121	-	-	-	121

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for the year ended 31 March 2023

Nature of Liability	Opening balance 1 April 2022	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Nombulelo Ntlabathi vs Minister and Director-General of Higher Education and Training	121	-	-	-	121
M R Modiba vs Letaba TVET College	150	-	-	-	150
S G Mkhize vs Department of Higher Education and Training	208	-	-	-	208
Abel Risinga Mnisi vs Department of Higher Education and Ehlazeni college	667	-	-	-	667
Eric Mnyamezeli Shabalala vs Department of Higher Education and Training and others	250	-	-	-	250
EDUSA and International House JHB vs Minister of Home Affairs, Higher Education and Training and five others	45	-	-	-	45
Nomambhelu Gloria Sigamla vs Minister of Higher Education and Training	3 700	-	-	-	3 700
The centre for the fine art, animation and design vs Council on Higher Education and Training and others	300	-	-	-	300
ABM College SA vs Minister of Higher Education and Training and others	55	-	-	-	55
Pule Jonas Malebye vs Minister of Higher Education and Training and others	150	-	-	-	150
Elangeni TVET College vs Minister of Higher Education and Training and others	125	-	-	-	125
EN Masinye vs Minister of Higher Education and Training and others	145	-	-	-	145
Indira Govender vs Department of Higher Education and Training	1 504	-	-	-	1 504
Bolekwa Maseti vs Department of Higher Education and Training	280	-	-	-	280
Collins Luckyboy Maduane vs Minister of Higher Education and Training and others	206	-	-	-	206
Siphiwe Nqayi vs Minister of Higher Education and Training	320	-	-	-	320
Makhaphela KS vs Department of Higher Education and Training and others	230	-	-	-	230
TG Ngoma vs Department of Higher Education and Training and others	380	-	-	-	380

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Nature of Liability	Opening balance 1 April 2022	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Thobeka Ntombenhle Mkhize vs the University of KZN and the Minister of Higher Education, Science and Technology	4 160	-	-	-	4 160
SADTU vs Minister of Higher Education and Training and others	250	-	-	-	250
MB Khakhu vs Department of Higher Education and Training	240	-	-	-	240
Nolulama Pongolo vs Petros Vuyani Sodo and others	15	-	-	-	15
Faith Mhlungu-Mpanza vs Department of Higher Education and Training	300	-	-	-	300
Stephen Mosia vs Department of Higher Education and Training and others	255	-	-	-	255
Pawusa on behalf of Phahlane vs Northern Cape Urban TVET College and others	189	-	-	-	189
Ikhala TVET College vs Arbitrator W Blunder N.O and others	80	-	-	-	80
Ngwenya S vs Department of Higher Education and Training	105	-	-	-	105
Govender I vs Department of Higher Education and Training	432	-	-	-	432
Mlambo V vs Department of Higher Education and Training	199	-	-	-	199
De Kock S vs Department of Higher Education and Training	237	-	-	-	237
Capsicum Culinary Studio (PTY) LTD vs the Director-General of Higher Education and Training	80	-	-	-	80
Citurro E Van Staden vs West Coast TVET College and Minister for Higher Education, Science and Technology	480	-	-	-	480
Thandolwethu MyBoy Ngxola vs the Administrator for NSFAS and Minister for Higher Education, Science and Technology	5 000 753	-	-	-	5 000 753
Thusa Sechaba Development Projects (PTY) LTD vs Minister for Higher Education and Training/Waterberg TVET College vs Selaelo Elizabeth Lekoloane	180	-	-	-	180
NAPTOSA obo A SEWSANCARAN vs Department of Higher Education and Training	200	-	-	-	200

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Nature of Liability	Opening balance 1 April 2022	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000	R'000
PSA obo Nonyameko Xotyeni vs Department of Higher Education and Training	350	-	-	-	350
South African ABET Educators Union obo MI Pitso vs the Minister for Higher Education and Training	237	-	-	-	237
Dr Adams Gavin vs Department of Higher Education and Training, Teresa Erasmus and others	175	-	-	-	175
Stephen Mothobi Lecheko vs Department of Higher Education and Training	190	-	-	-	190
Virginia Kgabaeng vs Taletso TVET College (Mafikeng)	140	-	-	-	140
Mbongiseni Thamsanqa Dladla vs Department of Higher Education and Training, its Director-General and Coastal KZN College	100	-	-	-	100
Xolani Ndubela vs Department of Higher Education and Training	145	-	-	-	145
Blue Turtle Technologies vs Services SETA and Minister of Higher Education and Training	232	-	-	-	232
Nomawonga Bridget Mzima vs Minister of Higher Education and other	170	-	-	-	170
Athini Sirunu vs Minister of Higher Education and other	220	-	-	-	220
Philemon Nchoe vs Westcol college	250	-	-	-	250
Economic Freedom Fighters Student Command vs Minister of Higher Education and Training	450	-	-	-	450
Black Lawyers Association Students Chapter vs Minister of Higher Education and Training	450	-	-	-	450
Saheed Lawal Adewale vs Department of Higher Education and Training	180	-	-	-	180
Lundi Ndyoko vs Department of Higher Education and Training	15	-	-	-	15
John Kotjane vs Department of Higher Education and Training	320	-	-	-	320
Mokete Mabaso vs Minister of Higher Education and Training	185	-	-	-	185
Jabulani Goodwill Khanyi vs Department of Higher Education and Training	230	-	-	-	230

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for the year ended 31 March 2023

Nature of Liability	Opening balance 1 April 2022	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Mr GF Qonde vs Minister of Higher Education and Training	140	-	-	-	140
Phumzile Songo vs Minister of Higher Education and Training	300	-	-	-	300
PSA obo CM Pilane vs Minister of Higher Education and Training	180	-	-	-	180
Zinhle Dagracia Nzuza vs Minister of Higher Education and Training	55	-	-	-	55
AL Sonqayi vs Department of Higher Education and Training and two others	-	60	60	-	-
Dr. Neville Jada vs Langa Malindi (Vicarious Liability - Department of Higher Education and Training) (Ikhala TVET College)	-	260	-	-	260
KS Moodley vs Durban University of Technology vs Minister of Higher Education and Training and other	-	4 567	-	-	4 567
Department of Higher Education and Training vs Mr. B Nkonyane - (Ingwe TVET College principal)	-	200	200	-	-
Matsobane Solly Mabusela (Tshwane North College) vs Department of Higher Education and Training	-	200	-	-	200
Pulane Elisa Thibakhoana (Goldfields TVET College) vs Department of Higher Education and Training	-	751	-	-	751
Andile Faltein vs Department of Higher Education and Training	-	200	-	-	200
Ms Telethu Njengele (Ikhala TVET College) Khayaletu Tabo vs Department of Higher Education and Training	-	260	-	-	260
Department of Higher Education and Training vs Jan Mpadimeng	-	550	-	-	550
Minister of Higher Education and Training vs Public Protector	-	300	-	-	300
TOTAL	5 163 041	7 552	509	-	5 170 084

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ANNEXURE 3**CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022
	R'000	R'000	R'000	R'000	R'000	R'000
Departments						
Department of Justice	-	-	5	5	5	5
Gauteng Department of Education	-	-	15	612	15	612
Limpopo Department of Education	-	-	-	124	-	124
Gauteng Department of Infrastructure Development	-	-	-	46	-	46
North West Department of Education	-	-	-	68	-	68
North West Department of Education and Sports Development	-	-	-	74	-	74
Western Cape Department of Education	-	-	-	159	-	159
Department of Science and Technology	-	-	140	140	140	140
Kwa-Zulu Natal Department of Education	-	-	-	45	-	45
Gauteng Department of Transport	-	-	-	66	-	66
Gauteng Department of Health	-	-	-	87	-	87
Kwa-Zulu Natal Department of Economic Development	-	-	-	58	-	58
Eastern Cape Rural Development and Agrian Reform	-	-	166	28	166	28
Mpumalanga Department of Education	-	-	-	51	-	51
Department of Employment and Labour	-	-	31	25	31	25
Western Cape Department of Health	-	-	-	29	-	29
SADTU Kwa-Zulu Natal Regional Office	-	-	-	112	-	112
Gauteng Provincial Treasury	-	-	-	5	-	5
Department of Correctional Services	-	-	21	-	21	-
	-	-	378	1 734	378	1 734

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Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022
	R'000	R'000	R'000	R'000	R'000	R'000
OTHER GOVERNMENT ENTITIES						
National Skills Fund	-	-	234 844	252 031	234 844	252 031
Municipal Infrastructure Support Agency (MISA)	-	-	-	76	-	76
Higher Educations Institutions: Tshwane University of Technology	-	-	-	37	-	37
	-	-	234 844	252 144	234 844	252 144
Total	-	-	235 222	253 878	235 222	253 878

The difference between Note 12 and Annexure 3 is due to the fact that amounts included under Annexure 3 refers to Government entities.

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ANNEXURE 4

INVENTORIES

INVENTORIES FOR THE YEAR ENDED 31 MARCH 2023	Note	Inventory: Materials and supplies R'000	Total R'000
Opening balance		538	538
Add: Additions/Purchases – Cash		1 383	1 383
Add: Additions- Non-cash		30	30
(Less): Issues		(1 309)	(1 309)
Closing balance		642	642

INVENTORIES FOR THE YEAR ENDED 31 MARCH 2022	Note	Inventory: Materials and supplies R'000	Total R'000
Opening balance		456	456
Add: Additions/Purchases – Cash		1 784	1 784
(Less): Issues		(1 702)	(1 702)
Closing balance		538	538

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for the year ended 31 March 2023**ANNEXURE 5A****INTER-ENTITY ADVANCES PAID (note 11)**

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Department of International Relations and Cooperation	-	-	4 563	4 285	4 563	4 285
Government Communications and Information System	-	-	632	629	632	629
Subtotal	-	-	5 195	4 914	5 195	4 914
PUBLIC ENTITIES						
National Student Financial Aid Scheme: TRC Victims Funds	-	-	2 926	2 926	2 926	2 926
Subtotal	-	-	2 926	2 926	2 926	2 926
OTHER INSTITUTIONS						
University of Pretoria: International Scholarship Grant	-	-	13 205	5 310	13 205	5 310
Tshwane University of Technology: International Scholarship Grant	-	-	3 750	-	3 750	-
Other Institutions	-	-	96	-	96	-
Subtotal	-	-	17 051	5 310	17 051	5 310
Total	-	-	25 172	13 150	25 172	13 150

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ANNEXURE 5B

INTER-ENTITY ADVANCES RECEIVED (note 16)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022
	R'000	R'000	R'000	R'000	R'000	R'000
PUBLIC ENTITIES						
Current						
National Skills Fund: International Scholarship Grant	-	-	61 594	30 940	61 594	30 940
National Skills Fund: Fees Must Fall Grant	-	-	23 901	23 293	23 901	23 293
National Skills Fund: National Student Financial Aid Scheme	-	-	8 750	1 238 246	8 750	1 238 246
National Skills Fund: Occupational Team Conveners	-	-	8 951	-	8 951	-
National Skills Fund: Recapitalisation and Security Upgrade	-	-	4 772	-	4 772	-
Subtotal	-	-	107 968	1 292 479	107 968	1 292 479
TOTAL	-	-	107 968	1 292 479	107 968	1 292 479
Current	-	-	107 968	1 292 479	107 968	1 292 479

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ANNEXURE 6

COVID 19 RESPONSE EXPENDITURE

Per quarter and in total

EXPENDITURE per economic classification	Apr-22	May-22	Jun-22	Subtotal Q1	Jul-22	Aug-21	Sep-22	Subtotal Q2	Oct-22	Nov-22	Dec-22	Subtotal Q3	Jan-23	Feb-23	Mar-23	Subtotal Q4	2022/23 total	2021/22 total
Goods and services	-	-	-	-	-	75	-	75	-	-	-	-	-	-	-	-	75	416
Consumable Supplies	-	-	-	-	-	75	-	75	-	-	-	-	-	-	-	-	75	385
Inventory: chemicals, fuel, oil, gas, wood and coal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19
Minor Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12
TOTAL COVID 19 RESPONSE	-	-	-	-	-	75	-	75	-	-	-	-	-	-	-	-	75	416



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