

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

REVISED DIRECTIVES FOR EXTERNAL AUDITING OF STUDENT, STAFF AND ACADEMIC PROGRAMME DATA: MARCH 2015

1 INTRODUCTION

- 1.1 The 1997 Higher Education Act requires the council of a public higher education institution to provide the Minister of Higher Education and Training with data on its students, staff and academic programmes. These audit directives deal with the auditing of these three data sets.
- 1.2 The annual student, staff and academic programme data submissions of public higher education institutions are used by the Department of Higher Education and Training (DHET) for various purposes. These include (a) monitoring the performance of the public higher education system, (b) planning its future development, and (c) distributing state funds to institutions. The Department undertakes regular checks on the reliability of the student, staff and the academic programme data submissions of public higher education institutions, and in particular those data required for monitoring and planning. The Department's reliability and reasonableness checks inevitably include the state subsidy data, but its subsidy checks, as far as an individual institution is concerned, cannot be as detailed as those of an external, independent auditor.
- 1.3 Since data collection and data reporting are the responsibilities of the council of each public higher education institution, the main purpose of these audit directives is to assist councils in ensuring that institutional data required for the allocation, or potential allocation, of state subsidies are realistic and correct. The submission of an audit report to the DHET by the due date of 31 July of each year is the responsibility, not of the auditor, but of the council of the public higher education institution.

2. RESPONSIBILITIES OF EXTERNAL AUDITORS

- 2.1 The student, staff and academic programme data of public higher education institutions have to be consistent with various national policies approved by the Minister. Auditors must be acquainted with these policies, which include:
 - ◆ current national policies on academic programmes;
 - ◆ current policies on the reporting by institutions of their qualifications and major fields of study, and of the courses included in the curricula of qualifications;
 - ◆ current policies on the reporting of student enrolments and student outputs;
 - ◆ current policies on the reporting of staff.
- 2.2 A list of the publications containing these policies is included in the Annexure to these directives.
- 2.3 In the audit report, auditors must certify that the data in certain fields of relevant VALPAC files are realistic and accurate representations of the institution's student records, staff records and of its academic programme records. The Department realises that it is not always possible to keep the hard copies of registration forms due

to space constraints. The Department therefore will accept for audit purposes as proof of registration a scanned electronic version of the signed registration form. However, the format of the scanned document must be such that alterations and additions cannot be made to the forms subsequent to initial processing.

- 2.4 The Department requires the auditors to verify that the data going into Valpac is correct, that means checking that the data extracted from the institutional database into the ascii files is correct. This is to ensure that there is consistency between the institution's database and Valpac. Manual changes in Valpac should only be done with the agreement of the DHET. If students are added to Valpac manually this will have an effect on the funding calculations.
- 2.5 The Department, in order to comply with the 2012 findings of the Auditor General requires the auditors of universities to include institutional responses to the audit findings under each finding.

3 VALPAC FILES TO BE AUDITED

The following VALPAC files are essential to the generation of data used for the allocation of state subsidies to public higher education institutions:

- 3.1 Qualification and qualification CESM files
- 3.2 Course file
- 3.3 Credit value file
- 3.4 Student file
- 3.5 Course registration file
- 3.6 Staff profile file

The checks, which auditors must make on the data within these files, are discussed in the subsections that follow.

4. INITIAL CHECKS ON QUALIFICATION, COURSE AND STUDENT FILES

- 4.1 The table below sums up some of the initial checks, which must be made in the audit. The notes below the table describe in more detail certain aspects of these checks.

Item to be checked	Checks to be made
Coding of courses	Each subject matter offering considered to be a course has a unique code in the course file
Course census date	Provision has been made for an appropriate census day, consistent with policy to be assigned to each uniquely coded course
Active students	The institution has in place mechanisms designed to ensure that only students active in a course are reflected as registered for the course on the census day.
VALPAC error reports	No fatal data errors are listed in the latest run of the VALPAC detailed validation reports <u>except where approved by the DHET</u> . Institutions should submit a list of their errors to the DHET and an indication will be given of which fatal errors may be ignored. The following errors relating to school information may be ignored, errors 02202, 02301 and 02302. Error 02201 must be corrected if there is a fatal error.
VALPAC reports	Reports/tables generated (a) by VALPAC and (b) directly from the institution's student database are identical. These checks

	should not necessarily be done against the old sapse reports. There should be consistency between the reports generated in Valpac and those generated from the main database/ascii files – see point 4.5.
--	---

- 4.2 The census dates of courses must be determined as the midpoint of the academic period for a course. The start date for the set period is the first teaching day for the course and the end date the last teaching day before the examination. The start date for the set period must not be the date of registration.
- 4.3 If a course is regarded as an annual course and crosses two reporting periods the student must be reported in the year of the census date. For example, if students are registered in July 2014 and complete the course in July 2015 and the census date is determined to be in December 2014, these students will form part of the 2014 reporting year. However, if the census date is determined as January 2015, the students must be reported in the 2015 reporting year.
- 4.4 Acceptable evidence of student activity is left to the discretion of the external auditors, and auditors are expected to report on the criteria they employed to determine activity. Auditors should however note the following specific points:
- ◆ The mechanisms for determining whether or not a student was active on the census date of a particular course could include any one of the following: The student (a) had submitted course assignments, or (b) attended lectures, seminars, tutorials or practicals, or (c) had written class tests, or (d) had raised study queries with an academic staff member, or (d) had made use of a learning centre.
 - ◆ The Department will accept proof of activity after the census date provided that the student is registered on census date and the proof of activity is before the final examination and the activity is one of the transactions listed in the first bullet.
 - ◆ What would not be acceptable as sole evidence of activity is the writing of the final examinations in a course or merely some form of administrative process such as a financial transaction, change of address, etc, the activity must be a teaching or learning related activity. If no acceptable evidence of activity can be found, the course registrations of the students concerned should be excluded from VALPAC.
- 4.5 The error reports in VALPAC are designed to indicate whether there are either gaps or inconsistencies in institutional data. If these error reports are ignored, then the subsidy data generated by an institution could contain serious flaws. The auditors are to confirm with the institution where the Department has given approval to ignore certain fatal errors such as postal codes or SA Id numbers.
- 4.6 The reports/tables generated in VALPAC should be checked against reports generated from the institution's production database or data warehouse. There should not be a substantial difference between the student numbers generated from the institution's production database or data warehouse and those that are generated in Valpac. The only difference should be that of the persons who are doing non-formal qualifications. The Valpac reports should not be recalculated by the auditors but they should confirm that there is consistency between data generated from the institution's production database, such as from Institutional Management Information reports and the Valpac reports. The reason for this check is to ensure that the data in Valpac has not been manually adjusted without notifying the DHET.

- 4.7 The sign off of the Valpac reports (see appendix B) will enable the DHET to confirm that the database received has not been adjusted subsequent to the audit.

5 VALPAC QUALIFICATION FILE AND QUALIFICATION CESM FILE

- 5.1 The table below sums up the main checks, which must be made in the audit of these two files. The notes below the table describe in more detail certain aspects of these checks.

Data element	Checks to be made
004 Approval status	The qualification under the name employed by the institution has been approved for state funding purposes by the Minister of Education. Qualifications indicated for occasional students must be coded "N"
005 Qualification type	The qualification has been placed in the correct category by the institution
006 Major field CESM	The Minister of Education has approved for purposes of state funding the major field or fields of study linked to the qualification. The PQM refers
053 Minimum time: total	The correct total time in years has been recorded for the qualification
054 Minimum time: experiential	The correct experiential time in years has been recorded for the qualification
084 Legacy Indicator which is now the HEQF/HEQSF indicator	The correct coding is correct in terms of the policy under which the qualification has been approved
090 Total subsidy units	The correct units have been allocated according to the approved PQM applications

- 5.2 The table below provides an indication of the total subsidy units for HEQF/HEQSF approved qualifications that do not have experiential learning. If there is an experiential learning component then the total subsidy units must be adjusted accordingly. For example, if a 3 year qualification requires 1 year of experiential training, the total subsidy units for this qualification would be equal to 2.

Qualification type	NQF credits	Total Subsidy Units
Higher Certificate	Minimum total credits 120	1
Advanced Certificate	Minimum total credits 120	1
Diploma	Minimum total credits 360	3
Advanced Diploma	Minimum total credits 120	1
Bachelor's Degree	Minimum total credits 360	3
Bachelor's Degree	Minimum total credits 480	4
Bachelor's Honours Degree	Minimum total credits 120	1
Postgraduate Diploma	Minimum total credits 120	1
Master's Degree	Minimum total credits 180	1
Doctoral Degree	Minimum total credits 360	2

- 5.3 A formal qualification is one which has been approved by the Minister of Higher Education and Training for state funding. The "approved" indicator must therefore not be set against any qualification which has not been approved by the Minister. These non-formal qualifications can be recorded in VALPAC, provided that the "not approved" indicator has been set. Similary Occasional students do not register for an

approved qualification, therefore the “not approved” indicator must be set against their qualification type of “ZZ”

- 5.4 PQM’s are approved at 2nd order cesm and 3rd order cesms for approved qualifiers, the data must be checked to 2nd and 3rd order level where applicable. The general category can be used where listed in the August 2008 cesm document but only in exceptional cases, that is when there is no appropriate 3rd order cesm. Where the final HEQSF PQM is not available, a qualification approved under the old PQM with a module that has now moved to a new cesm the auditors may sign off against the new cesm, e.g under the old PQMs economics was approved under cesm 22, it is now under cesm 04. Auditors may sign off the cesm as correct if the university had approval under the old PQM for economics cesm 22 and it is now under cesm 04 on their database.
- 5.5 Auditors should ensure that a qualification has been approved by DHET, accredited and SAQA registered. However, due to the delays in registration, the department will accept proof of the application to register the qualification with SAQA as sufficient.

6 VALPAC COURSE FILE

- 6.1 The table below sums up the main checks which must be made in the audit of the VALPAC course file. The notes below the table describe in more detail certain aspects of these checks.

Data element	Checks to be made
031 course approval status	The course appears in the curriculum of at least one qualification approved for state funding by the Minister of Education
033 course CESM	The course has been assigned to the correct second order CESM category (see point 5.4)
034 Course level code	The course has been placed in the correct course-level category
062 Experiential training indicator	The “experiential” indicator has been set if the course has been approved for experiential training only. (As per an institutions approved PQM)
091 Foundation course	The “foundation” indicator has been set if the course is a foundation course as defined in the policy document “Foundation provision in Ministerially approved programmes (15 May 2012)” (Institutions will have a programme approved by DHET which reflects the relevant modules for foundation provision)

- 6.2 The “approved” indicator cannot be set for any course which does not count as a credit towards a formal qualification which has been approved by the Minister of Higher Education and Training for state funding. This implies that courses such as (a) remedial or bridging offerings or (b) those included only in programmes offered as part of an institution’s community service activities cannot be flagged as approved for state funding.
- 6.3 The assignment of an incorrect CESM category code or course-level code to a course can have a major impact on the amount of state subsidy which students registered for that course will generate. Particular note must be taken of any changes made to the CESM or course-level classification of courses across two consecutive reporting years.

- 6.4 Particular note must be taken of the requirement that any postgraduate course offered at a number of course-levels for different postgraduate qualifications must be classified at the lowest course level in all the qualifications for which it may be taken. For example, a course offered in a postgraduate diploma as well as a masters degree must be coded as preparatory postgraduate, if approved against the old academic policy or as honours if approved against the HEQF/HEQSF and not as intermediate postgraduate or masters level.
- 6.5 In the case of undergraduate qualifications, this requirement applies only to courses which are offered at higher undergraduate level. If any course is offered at higher undergraduate level in one qualification and at either intermediate or lower undergraduate (or lower prediplomate) level in another, then it must be classified at one of these two lower levels.
- 6.6 Courses approved for experiential training only do not generate state subsidy. The required indicator must be set for all experiential courses.
- 6.7 Courses in qualifications approved under the HEQF must be coded using the codes 01 to 09 for element 034. If element 084 is coded Y and element 005 is coded 47 then the courses at NQF level 8 of Postgraduate Diploma may be coded 05 for element 034. Other post-graduate diplomas that have not been approved under the HEQF will remain at their current level. The MBA degrees approved under the HEQF will be funded on the same level as other coursework masters. The courses of MBA degrees not approved under the HEQF will remain funded at the level on which they are registered, therefore their courses must be coded accordingly.

7 VALPAC CREDIT VALUE FILE

- 7.1 The table below sums up the main checks, which must be made in the audit of the VALPAC credit value file. The notes below the table describe in more detail certain aspects of these checks.

Data element	Checks to be made
036 course credit value	The institution has calculated course credit values in accordance with the procedures prescribed in the VALPAC help files, Report 005 and Report 020(U) in Annexure A, and HEMIS circulars.
050 completed research course credit value	The institution has assigned the correct fraction of the total formal time for the relevant qualification to successfully completed research courses. This element is used in the calculation of success rates and no longer for subsidy purposes.

- 7.2 A general point to note is that the credit value of a course is dependent on the curricula of the qualifications in which it appears. The credit value of a course indicates what fraction it constitutes of the standard curriculum of a specific qualification. It follows that a course which appears in a number of qualifications must have, possibly different, credit values specific to each qualification.
- 7.3 Ensure that the graduation test (0% test) has been undertaken by the institution and that it has been done so according to the requirements stated in the Valpac Help files. The FTE value per year should = 1.000 for this test but where the rounding has come to 0.999 or 1.002 the Department will accept these values. See also Hemis circular 4 of September 2004. All credits, subject to Faculty regulations, must be passed for students who have changed qualifications, otherwise the graduation test will compute incorrect credit values for the subjects within the curriculum. Please note that these credits awarded for a subject passed under a different qualification or for completion

of the course at another Institution must not be reported in Valpac, as exam only, as they would have already been reported either by the other institution or in a prior reporting year.

8 VALPAC STUDENT FILE

- 8.1 The table below sums up the main checks which must be made in the student file. The notes below the table describe in more detail certain aspects of these checks.

Data element	Checks to be made
001 qualification code	VALPAC data correspond with student's signed registration forms or an audit trail of an online registration.
013 race	VALPAC data correspond with student's signed application and or registration forms or an audit trail of an online registration.
014 nationality	VALPAC data correspond with student's signed application and or registration forms or an audit trail of an online registration.
010 entrance category	VALPAC data correspond with student's signed application and or registration forms or an audit trail of an online registration.
022 secondary education	Documentary proof exists that student has satisfied statutory entry requirements for admission to the formal qualifications and courses for which she/he has registered
026,027,028, 029 areas of specialisation	VALPAC data correspond with student's signed registration forms or an audit trail of an online registration. The cesm should be in accordance with the institution's PQM for an approved major field of study.
025 qualification fulfilled status	(a) Student has satisfied all the requirements for qualification for which she/he was registered. (b) No student satisfying the requirements for a qualification is recorded as a "non-graduate" or "non-diplomate" or "occasional".
019 NSFAS status	VALPAC data correspond with the institution's documentation on student's eligibility
073 % research time for a Masters qualification	The student has completed the Master's qualification with n.nnn research time. That is if a student has done 50% research it will be reflected as 0.500 for element 073
106 Foundation student	Verify that the indicator has been correctly set for students on an approved extended curriculum programme for foundation provision as at the census date.

- 8.2 Incorrect qualification codes can affect the state subsidy generated by students. For example if a student registers for a B Com this should be reflected in Valpac unless there is proof that the student has requested a change. There have been cases where students have been registered for the incorrect qualification, through an administrative error. This should then be rectified prior to the census date.
- 8.3 A registration form, which may be an electronic (online) registration, is important as it represents a formally signed contract between the institution and the student. If a

registration form cannot be found and if a satisfactory explanation cannot be offered by the institution, then the student concerned should be deleted from VALPAC.

- 8.4 The race and nationality of students can affect their eligibility for state funding through the subsidy formulas and through the national student financial aid scheme. The accuracy of these data must therefore be checked.
- 8.5 Part of the definition of a student is that she/he has satisfied the legally defined entrance requirements for study at a higher education institution. No person who fails to meet these requirements can be included in an institution's VALPAC data.
- 8.6 Masters qualifications may generate subsidy for Teaching outputs and Research outputs. Element 073 therefore is critical in determining the fraction that needs to be subsidized as research outputs. The percentage research time completed by the student must be the accredited research time for a Master's qualification, this may vary from a part research dissertation to a full research dissertation, therefore the indicator is set against the percentage research completed by the student.
- 8.7 Students who have fulfilled the academic requirements for their qualifications (Element 025) but who have not been awarded their qualification for outstanding fees etc, should be coded "W". These students will be included in the subsidy tables. However, if the code for element 025 is changed from a "W" to an "F" then this should not be reflected in a future year's database. The database of the relevant reporting year must be updated accordingly and resubmitted to the Department.
- 8.8 Students who have been incorrectly recorded as having completed their qualification in a prior reporting year and reported again in the new reporting year should be noted in the exception report. This duplication will result in a double claim on the teaching output subsidy.

9 VALPAC COURSE REGISTRATION FILE

- 9.1 The table below sums up the main checks which must be made in the course registration file. The notes below the table describe in more detail certain aspects of these checks.

Data element	Checks to be made
064 attendance mode for course	VALPAC data correspond with student's signed application and or registration forms or an audit trail of an online registration.
018 funding status	The student is a bona fide student of the institution and is not registered for the same course by another public institution, as part of a collaboration agreement.
030 course code	VALPAC data correspond with student's signed registration and/or change-of-course forms or an audit trail of an online registration.
032 course completion status	VALPAC data are consistent with institutional examination or other records
051 examination-only indicator	VALPAC data are consistent with institutional examination and registration records

- 9.2 State subsidy for contact students is considerably higher than that for distance students. It follows that incorrect use of the attendance mode indicator could have a major impact on the state subsidies of institutions.

- 9.3 Students cannot generate state subsidy for the same qualification and course at more than one public higher education institution. Collaboration agreements must indicate which one of the participating institutions will be registering students for particular courses.
- 9.4 Incorrect course codes can have a major impact on the amount of state subsidy generated by students. These must therefore be checked.
- 9.5 Some students who do not complete the requirements of a course in a given academic year are permitted by the institution to write the course in a subsequent year, without re-attending the course. Institutions must register these students as “examination-only” students, which has the effect of excluding them from the enrolled student count for that year. These students will not be included in the enrolled funding credit (fte) tables but in the completed funded credit (degree credit fte) tables.
- 9.6 If a course can have more than one 3rd order cesm category, for example Chemistry that may have the two components Inorganic Chemistry and Organic Chemistry. It is recommended that in these instances the intended major (elements 026 to 029) be coded in the general category, in this example 140401 Chemistry, General rather than providing multiple intended major’s for a student.

10. PQM CHECK

- 10.1 Students reflected in the database must be registered for a qualification on the Institutions approved Programme Qualification Mix (PQM). Occasional students do not register for a qualification on the PQM but if they are reflected in the institution’s HEMIS database they must be registered for subjects that are part of an approved qualification.

11. VALPAC STAFF PROFILE FILE

- 11.1 The table below sums up the main checks which, must be made in the staff profile file.

Data element	Checks to be made
039 Personnel category	The institution has used the staff categories correctly, particularly the category “instruction and research professionals” as this determines the norm for the research outputs.
012 Gender	VALPAC data correspond with the institution’s human resource records.
013 Race	VALPAC data correspond with the institution’s human resource records.
041 Permanent/temporary status	VALPAC data correspond with the institution’s human resource records.
048 On payroll code	VALPAC data correspond with the institution’s payroll of staff members.
046 Staff qual	VALPAC data correspond with the institution’s human resource records for instruction and research professionals

March 2015

ANNEXURE A

NATIONAL POLICY DOCUMENTS RELEVANT TO THE EXTERNAL AUDIT OF INSTITUTIONAL STUDENT, STAFF AND ACADEMIC PROGRAMME DATA

The VALPAC on-line help function contains summaries of some of the key policies affecting the reporting of student, staff and academic programme data by public higher education institutions . The list of relevant national policy documents is set out below:

- (1) **Government Gazette Vol. 508 No. 30353:** The Higher Education Qualifications Framework, 5 October 2007
- (1) **Government Gazette Vol. 517 No. 31231:** Minimum admission requirements for Higher Certificate, Diploma and Bachelor's Degree programmes requiring a National Senior Certificate (NSC), 11 July 2008
- (2) **Government Gazette Vol. 533 No. 32743:** Minimum admission requirements for Higher Certificate, Diploma and Bachelor's Degree programmes requiring a National Certificate (Vocational) at level 4 of the National Qualifications Framework, 26 November 2009
- (3) **Government Gazette Vol. 583 No. 34467:** Policy on the Minimum Requirements for Teacher Education Qualifications, 15 July 2011
- (5) **Report 116: A Qualification Structure** for Universities in South Africa, March 1995
- (6) **Report 150:** General Policies for Technikon Instructional Programmes, January 1997
- (7) **Government Gazette Vol 415:** Norms and Standards for Educators, February 2000
- (8) **Government Gazette Vol. 576 No. 36554:** Policy on Professional Qualifications for Lecturers in Technical and Vocational Education and Training, 11 June 2013
- (9) **Government Gazette Vol. 578 No. 36721:** Publication of the General and Further Education and Training Qualifications Sub-framework and Higher Education Qualifications Sub-framework of the National Qualifications Framework
- (10) **Report 151** Formal Technikon Instructional Programmes, January 2004. This document is no longer being updated. Universities of Technology must follow the programme approval route for the introduction of new programmes, new major fields, changes to major fields of study and programme names.
- (11) **Classification of Educational Subject Matter**, August 2008 which replaces **Report 003:** Classification of Educational Subject Matter, October 1982
- (12) **Report 004:** Formal Degree/Diploma/Certificate Programme Classification Structure Manual, October 1995
- (13) **Report 005:** Student Statistics Manual, January 1998
- (14) **Report 007:** Personpower Resources Budgeting and Accounting Manual, May 1982
- (15) **Report 020(U):** Notes on the Reporting of Student Statistics (Universities), May 1983

- (16) **Report 021(U):** Notes on the Reporting of Person-power Resources (Universities), May 1983
- (17) **HEMIS Circulars:** Number 1 of August 2002
Number 2 of October 2002
Number 3 of May 2003
Number 4 of September 2004
Number 5 of August 2005
Number 6 of October 2006
- (18) Funding for Foundation provision in formally approved programmes 2007/08 to 2009/10 Foundation provision in Ministerially approved programmes (15 May 2012)

ANNEXURE B: TABLES TO BE SUBMITTED BY EXTERNAL AUDITORS AS ATTACHMENTS TO AUDIT REPORTS

The tables which must be signed by external auditors and submitted to the Department of Education with the audit report are these:

- (1) Funded credit report, contact-mode only, excluding experiential learning, including foundation
- (2) Funded credit report, contact-mode only, excluding experiential learning, including foundation (a) by race and (b) by nationality
- (3) Completed funded credit report, contact-mode only, excluding experiential learning, including foundation
- (4) Funded credit report, other than contact-mode only, excluding experiential learning, including foundation
- (5) Completed funded credit report, other than contact-mode only, excluding experiential learning, including foundation
- (6) Funded credit report, contact-mode only, excluding experiential learning, foundation only
- (7) Funded credit report, other than contact-mode only, excluding experiential learning, foundation only
- (8) Fractional 1ST order CESMS for all students Total (Table 2.12)
- (9) Fractional 1ST order CESMS for all students Contact only (Table 2.12)
- (10) Fractional 1ST order CESMS for all students Distance only (Table 2.12)
- (11) Fractional 1st order CESMS for all students fulfilling requirements (Table 2.13)
- (12) Headcount of permanent Staff by personnel category race and gender (Table3.3)
- (13) Headcount of instruction/research professionals with permanent appointments according to highest most relevant qualification and rank (Table3.4)

Note:

The funded credit reports are used in the calculation of the teaching input units. The completed funded credit reports are now used in determining the success rates, they are no longer used in the subsidy calculation.

The funded credit reports by race and nationality are used in the calculation of the allocations to NSFAS.

Table 2.13 is used in the calculation of the teaching outputs and research outputs.

Table 3.3 (row instruction/research) is used in the calculation of the research output norm

External audit requirements March 2014