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Foundations of HEMIS 2016

Fundamental aspects of the audit process

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Acknowledgements

- Valpac documentation
- Audit directives
- Presentations by the author on related aspects
- Inputs by Neels Bezuidenhout

Purpose of this session

The purpose of this session is to **explain** the **key principles** of and **issues** related to the auditing of the South African *Higher Education Management Information System* (HEMIS)

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Changing context

- Increasing central control of Higher Education
- Levers for bringing about institutional transformation:
  - PQM
  - Quality assurance
  - Enrolment planning
  - Funding framework
- HEMIS data feed these components and must therefore be certified as reliable and accurate

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External audit
versus audit by peers

- At one point a few years ago, the question was raised whether better results will not be achieved through audits by peers
- There are certain benefits but also some issues such as unequal capacities and time, in particular as the submissions are all due at the same time and there are short timelines before DHET needs the audited submissions
- It was therefore decided to maintain the system of an agreed upon procedures audit by external auditors

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Governance framework

- DHET

- Institutional Council

- Executive management

- Operational management

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DHET audit requirements

- DHET issue guidelines to the external auditors for the auditing of submissions
- These guidelines are revised from time to time – most recent **March 2016**
- Submissions that currently needs to be audited:
  - Student submission (see above)
  - Staff submission (see above)
  - Published research outputs submission (separate guideline)

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Content of this session

- Focus of the audit
- Preparation for the audit
- Audit meetings
  - Operational meetings
  - High level stakeholder meetings
- Reports
  - DHET
  - Council (Audit guidelines indicate that the submission of the required external audit reports are the responsibility of Council Management

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Scope of the audit

- Based on good audit practices for ***agreed upon procedures*** following DHET guidelines
- Additional good practice guidelines:
  - Standards
  - Procedures
  - Timelines
- Management report
  - DHET requirements
  - Additional institutional requirements
- Report to DHET

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Institutional preparation

- Use of Valpac program for student and staff validations (audited) and postdoc and space validations (not audited)

- Cross checks of data

- Cross checks of evidence

- Comparative ratios

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Items to be checked:
Qualification, Course & Student files

- Coding of courses – each course a unique code in the course file
- Course census dates – mechanism for assigning census dates (midpoint of academic period, e.g. semester or year) to courses
- Active students – mechanism to ensure that only active students are submitted
- VALPAC error reports – in particular fatal errors
- VALPAC reports – compare VALPAC reports and reports from institutional database

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Items to be checked:
Qualification & Qualification CESM files

- Approved status – approved by Minister of Higher Education, occasional = N
- Qualification type – correct category
- Major field CESM – as per approved PQM
- Minimum total time correct
- Minimum experiential time correct
- HEQF/Legacy indicator correct
- Total subsidy units (funding credits) in accordance with the approved PQM

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Items to be checked:
Course file

- Course approval status – appear in curriculum of at least one qualification approved for funding by MHET, approved by Senate
- Course CESM – assigned correctly
- Course level – assigned correctly, remember lowest level rule
- Experiential training indicator set correctly
- Foundation course – meet definition, approved for foundation by DHET

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Items to be checked:
Credit value file

- Course credit value – calculated in accordance with prescribed procedures

- Completed research course credit value – correct fraction of the total formal time assigned

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Items to be checked:
Student file

- The following corresponds with signed registration form:
  - Qualification code
  - Race
  - Nationality
  - Areas of specialisation
- Secondary education – documentary proof
- Qualification fulfilled status
- NSFAS status
- % research time (Master's/Doctoral qualifications)
- Foundation student

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Items to be checked:
Course registration file

- The following are consistent with signed registration and/or change of registration forms:
  - Course code
  - Attendance mode for the course
- The following are consistent with institutional examination and registration records:
  - Course completion status
  - Examination only indicator
- Funding status – bona fide student, not registered for same course at another institution as part of collaboration agreement

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Items to be checked:
Staff profile file

- Personnel category – staff categories used correctly, particularly "Instruction/research professionals"

- Information corresponds with institution's human resource records:
  - Race
  - Gender
  - Permanent/temporary status
  - On payroll code

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Accountability meetings

- Operational meetings with line managers to discuss queries and findings

- Operational meeting with manager responsible for HEMIS to discuss queries and findings

- High level stakeholder meeting to discuss issues, findings and audit report

- Report to Executive Management

- Report to Council

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Management reports

- Management report to Executive management to highlight findings and identifying issues and risks

- Report to Audit Committee / Audit and Risk Committee of Council

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Interpretation of audit reports

- Were audit guidelines followed?

- When interpreting audit reports it is good practice to keep the following aspects in mind:
  - The **number of issues** identified
  - The **number of exceptions** identified
  - The **potential risk** of the issues identified

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Follow-up

- Are there processes in place to ensure that identified issues are followed up and corrected?

- Action plans?

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Conclusion

- Comprehensive project involving several departments and stakeholders
- Have to be managed as a project
- Need to get the support and buy-in from several stakeholders
- Co-operation between internal and external auditors
- Reporting to various levels of management
- Action plans on identified issues and risks to ensure continuous improvement

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The beginning

… of a better understanding of HEMIS auditing

Thank you

Questions

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