



higher education  
& training

Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA

# DEPARTMENT OF HIGHER EDUCATION AND TRAINING

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HEMIS Institute August 2017

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# UPDATES ON FUNDING REVIEW STATUS, PCS MANUAL, CESH CATEGORIES AND AUDITING

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## FUNDING REVIEW STATUS

- The Ministerial review on the funding formula was completed in 2013
- A Reference Group and Technical Task Team were set up to model the recommendations and develop a revised funding framework which was approved by the Minister in March 2016.
- Draft report went through a Socio Economic Impact Assessment Survey (SEIAS) process with Presidency and was tabled in Cabinet in Nov 2016 who gave approval to DHET to undergo a consultative process
- The Department held a consultative workshop with the universities on the 11<sup>th</sup> and 12<sup>th</sup> May. Universities were then invited to submit inputs to the DHET on the draft funding framework.
- The Department together with Universities South Africa Forum (USAf) is working on a revised draft which will also go to the CHE for advice to the Minister before final approval
- The proposed date for publishing final version in gazette is end of March 2018

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## PROGRAMME CLASSIFICATION STRUCTURE (PCS)

- The revised Programme classification structure was not accepted by delegates at the HEMIS institute
- The Department has been trying to relook the document but has not yet been able to draft a revised document.
- The Department has set up a Sector, Monitoring and Evaluation fund approved by Treasury. The projects for the 2017 financial year are already in place and at this point in time the DHET is unsure of what projects will proceed and which will not. The main activities at this point in time is the finalisation of 5 year contract posts against this fund.
- The proposal therefore is to during the course of 2018 to request assistance for a contractor to assist with finalising the PCS manual by aligning it with the original principles of the PCS.

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## CESM CATEGORIES

- There have been some requests for new cesms but we are not going to create new cesms for qualifiers.
- Any proposal for a new cesm should go to Universities South Africa (USAf) for circulation to **ALL** universities for comment.
- Currently the cesms under review are those for Clinical Technology because the 2008 CESM manual is misleading for this field of study.
- Using the current cesms in the 2008 manual for Clinical Technology implies that students will be medical specialists, e.g cardiologists
- TUT and USAf sent out a request for inputs on the proposed Clinical Technology definitions but unfortunately it was not to all universities.
- The DHET has in sent out a letter to all universities with an extended deadline of July 2017. To date we have received responses from less than half the universities.

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## AUDIT UPDATE

- On 27 November 2003 an audit workshop was held with all universities and their audit managers.
- The two key reasons were given at that time by the external auditors for differences between the expectations of the Department and those of external auditors. These were:-
- The external auditors take their primary function to be that of reviewing institutional procedures and controls around student registrations and the maintenance of student records. They do not take their function to be that of expressing an opinion on the factual accuracy of subsidy tables which are derived from HEMIS submissions.
- The directives appear to assume that an external auditor has a reporting function which is independent of the institution. However, because their contracts are with an institution, the responsibility-line of auditors runs to council through the management of the institution.

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## AUDIT UPDATE

- This implies that if data errors are identified during an audit, the responsibility of the auditor is to report these to council. The onus is then placed on the council to decide what should be reported to the Department of Education.
- The panel of auditors commented that the Department would be able to get the kind of report on student data which it expects only if it, rather than the institution, appoints the external auditors. If it did appoint the auditors, then the Department would be able to issue direct instructions to them and could specify more clearly exactly what they were to do. This should not, however, remove the need for institutions to continue to have audit firms reviewing student record and registration procedures and controls. The auditing of student data should involve two clear and distinct phases:
  - a review of institutional controls and procedures;
  - a verification of the data to be used for government funding

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## AUDIT UPDATE

- Auditors must adhere to their auditing practices.
- Audit guidelines are in addition to these practices.
- Auditor General engaging with DHET because earlier in the year they were talking of not accepting the audit reports and were wanting to audit the universities themselves.
- Cost implications and data would still need the additional audit for the subsidy allocations.
- Data must be fixed prior to submission.
- Once again the issue of duplication of graduates across years where the graduate has been incorrectly identified.

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## AUDIT UPDATE

- DHET on an annual basis is experiencing problems with incorrect reporting of students on Foundation provision programmes. Only students on approved foundation provision programmes may be reported as foundation students and against foundation modules.
- Institutions should now have most of their qualifications aligned to the HEQSF and should therefore be reporting the subsidy units which is equivalent to the old term “formal time”. This is to ensure that the correct subsidy allocation is going to be claimed.
- Report 151 credits should no longer be used. The subsidy units (HEMIS credits) should be aligned to the NQF credits.
- AG is validating the SA ID against the home affairs database so ensure this data are correct.

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## AUDIT UPDATE

- It is realised that the production database is a live database but there must be a way of ensuring consistency between the HEMIS database and the production database. A difference of 1000+ ftes is of serious concern to the department. What happens if the AG does come on site to do a verification?
- The audit guidelines will be updated annually based on feedback from the AG audit.
- The Department will come back to an institution requesting an explanation as to why there has been say for example a significant drop in enrolment numbers or a significant improvement in graduate numbers as this will be required for the AG.
- If the Department is not satisfied with a management response such as “will be fixed for the next submission” we will come back to the institution particularly if it is a repeat error.

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## AUDIT UPDATE

- Timeous submissions and audit reports – the auditors should be made away of the need for the audit report to be sent with the database. Late submissions will be reported in our APP report to parliament and they have requested that we provide the name of the university.
- In this current submission the department has found that a number of institutions have not included the STUDFINAL and CREGFINAL tables. How is this possible as the auditors are required to sign off the tables generated in Valpac and in order for these tables to be created, STUDFINAL and CREGFINAL need to be created first.

**THANK YOU**