



higher education  
& training

Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA

# DEPARTMENT OF HIGHER EDUCATION AND TRAINING

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# REPORTING REGULATIONS

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## REPORTING REGULATIONS

- Regulations for annual reporting by public higher education institutions was published in Gazette 30132 signed by the Minister on the 27<sup>th</sup> May 2014.
- APPLICATION
- 2. (1) These regulations apply to all public higher education institutions.
- (2) Each public higher institution must:
  - (a) produce a Strategic Plan and update it at least every five years;
  - (b) submit an Annual Performance Plan to the Department annually as further provided for in these regulations, which must be consistent with the Medium Term Expenditure Framework (MTEF) period; must contain performance targets, and should be aligned to the Strategic Plan;

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## REPORTING REGULATIONS

- (c) identify core set of indicators it will use to monitor institutional performance;
- (d) adopt a mid-year reporting system and submit a Mid-Year Performance Report as further provided for in these regulations; and
- (e) ensure alignment between the Strategic Plan, Annual Performance Plan, Annual Report, budget documents and Mid-Year Performance report.

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## REPORTING REGULATIONS

- RELATIONSHIPS BETWEEN PLANNING, BUDGETING AND REPORTING
- 3. (1) Each Institution must produce an Annual Performance Plan.
- (2) The Annual Performance Plan must cover planning and budgeting and must be aligned to the Strategic Plan.
- (3) Each public higher education institution must produce an annual Mid-Year report and an Annual Report and these reports must relate to the Annual Performance Plan.

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## REPORTING REGULATIONS

- STRATEGIC PLAN
- 4. (1) Each public higher education institution must prepare a strategic plan setting out the institution's vision, mission, policy, priorities and project plans for at least a fiveyear period and which must be approved by its Council.
- (2) A Strategic Plan must have strategic goals and objectives for the institution, focussing on each of its main service delivery areas supported by the financial plan.
- (3) The Strategic Plan must lay the foundation for the development of the Annual Performance Plan.

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## REPORTING REGULATIONS

- ANNUAL PERFORMANCE PLAN
- 5. (1) A public higher education institution must prepare an Annual Performance Plan setting out its intention for the upcoming financial year (n+1) as outlined below.
- (2) Each public higher education institution must by 15 December of each year n submit to the Department an Annual Performance Plan for year n+1 which must:
  - (a) cover year n+1 and be consistent with and linked to the strategic goals and objectives as stated in the public higher education institution's Strategic Plan;

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## REPORTING REGULATIONS

- (b) include commitments and/or agreements that the Council has made to / with the Minister (such as enrolment targets, funding envelopes and infrastructure projects);
- (c) include plans for meeting the strategic success factors identified by the institution;
- (d) have SMART key performance indicators and performance targets for assessing a public higher education institution's performance in delivering the desired outcomes of the Strategic Plan, including but not limited to:
  - (i) the headcount enrolment;
  - (ii) first time entering enrolment;

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## REPORTING REGULATIONS

- (iii) success rates inclusive of graduate output and throughput rates; and
- (iv) research output inclusive of research output per instructional/research professional staff;
- (e) include appropriate mid-year performance indicators;
- (f) include cash flow projections of revenue and expenditure for year n+1 and for years n+2 and n+3;
- (g) include the public higher education institution's annual budget for the current financial year n and forward projections for the following three financial years (n+1, n+2 and n+3);

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## REPORTING REGULATIONS

- (h) show separately income and budgeted expenditure for:
  - (i) primary activities that is, teaching / learning and research;
  - (ii) student housing; and
  - (iii) other activities;
- (i) include a separate budget/financial plan for items of long-term capital expenditure and the financing of such, with disclosure of any proposed borrowings;
- (j) include an institutional risk register which documents the critical identified risks (typically the top 10 to 20 risks); the likelihood of each such risks occurring; an assessment of the identified risk's potential impact; and the measures put in place to mitigate the risks;

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## REPORTING REGULATIONS

- (k) form the basis for the annual report of a public higher education institution;
  - (1) be updated annually; and
- (m) be approved by the Council.
- (3) Council may not approve a deficit budget, where projected expenditure is above three percent of total income.
- (4) Where the approved budget for year n+1 or the forecast for either years n+2 and/or n+3 shows a deficit the Annual Performance Plan must show how Council plans to fund the budgeted deficit.

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## REPORTING REGULATIONS

- (5) The Annual Performance Plan must be submitted to the Department on or before 15 December of each year with the first Annual Performance Plan to be submitted by 15 January 2015.
- MID-YEAR PERFORMANCE REPORT
- 6. (1) The Mid-Year Performance Report provides a progress update on the enrolment (size and shape) and on financial performance of the institution against the Annual Performance Plan.
- (2) Each public higher education institution must submit to the Department by 30 November of year n a Mid-Year performance report which must:

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## REPORTING REGULATIONS

- (a) include information up to 30 June of year n detailing the financial performance of the institution for the six month period as well as a comparison between the actual and budgeted revenue and expenditure for the period;
- (b) include progress and expenditure with regard to any earmarked funding allocations;
- (c) include enrolment against ministerial approved targets; and
- (d) be approved by Council.

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## REPORTING REGULATIONS

- (3) In order to facilitate effective performance monitoring, evaluation and corrective action within a reporting year, a public higher education institution must establish procedures for mid-year reporting and assessment.
- (4) An institution that fails to submit the report or if the Department, after analysing the mid-year report and/or other information require additional information or information not supplied, the Department may call for the report or additional information from the institution to be submitted by a date it specifies provided that the Department allows a reasonable timeframe for the submission of any additional information.

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## REPORTING REGULATIONS

- ANNUAL REPORT
- 7. (1) The annual report provides information on the performance of a public higher education institution for the preceding calendar and financial year and must be signed by the Chairperson of Council and the Vice-Chancellor.
- (2) The annual report must include a performance report.
- (3) Engagement between the Department and a public higher education institution can be arranged by the Department to discuss the performance as reported in the Annual Report.

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## REPORTING REGULATIONS

- (4) Each public higher education institution must submit to the Department by 30 June of year n three hard copies and an electronic version of its Annual Report for year n-1 which must
  - (a) report on the work of the institution and the extent to which the objectives as set out in the Annual Performance Plan have been met, and the extent to which the institution believes that it has met the objectives and goals of its Strategic Plan;
  - (b) include the following information for year n-1:
    - (i) the report of the Chairperson of Council which must include the Council's assessment of the performance and degree of progress towards achieving the objectives set for the period under review in relation to the targets set for that period in the Annual Performance Plan;

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## REPORTING REGULATIONS

- (ii) list of Council members and their representative constituency, who served during year n-1 as well as a list of the members serving at the date of adoption of the report, indicating in each case the provision of the statute of the institution under which each member served, together with a list of the office bearers of the Council;
- (iii) the statement of Council on governance;
- (iv) the statement of Council on sustainability;
- (v) the statement of Council on transformation;
- (vi) the report of Council on risk assessment and management of risk;

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- (vii) the report of the Vice-Chancellor on management and administration;
- (viii) the report of Senate to the Council;
- (ix) the report of the institutional forum to the Council;
- (x) the statement of the Finance Executive Manager and the Chairperson of the Finance Committee on the financial results;
- (xi) the statement of the Audit Committee on how it has fulfilled its duties;
- (xii) the audited annual financial statements, which must comply with the International Financial Reporting Standards (IFRS) where:

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## REPORTING REGULATIONS

- (aa) the consolidated Statement of Comprehensive Income should differentiate in separate columns between Council controlled unrestricted and designated, restricted, and student and staff accommodation restricted;
- (bb) the annualised gross remuneration for Executive Management is disclosed in a note showing the gross remuneration paid to each individual in their executive capacity and separated gross remuneration paid to him or her by the institution for other services;
- (cc) the gross remuneration of each Council members paid to him or her for his or her work as a Council member disclosed in a note to the annual financial statements; and
- (xiii) the report of the independent auditor on the Annual Report.

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## REPORTING REGULATIONS

- (c) Include any other information such as:
  - (i) supplementary financial data (through a CD, e-mail or other form and as an attachment to the annual report) verified by the external auditor; and
  - (ii) copies of the record of proceedings (approved minutes) for each council meeting, with agendas and attendance registers, held within the past twelve months.
- (5) After analysing the reports or other information, the Department may call for additional information allowing a reasonable timeframe to submit such requested information.

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## REPORTING REGULATIONS

- (an) the consolidated Statement of Comprehensive Income should differentiate in separate columns between Council controlled unrestricted and designated, restricted, and student and staff accommodation restricted;
- (bb) the annualised gross remuneration for Executive Management is disclosed in a note showing the gross remuneration paid to each individual in their executive capacity and separated gross remuneration paid to him or her by the institution for other services;
- (cc) the gross remuneration of each Council members paid to him or her for his or her work as a Council member disclosed in a note to the annual financial statements; and
- (xiii) the report of the independent auditor on the Annual Report.

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## HEMIS AUDIT

- 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.
- Data must be fixed prior to submission.
- Once again the issue of duplication of graduates across years where the graduate has been incorrectly identified.
- Universities will be required to include a table for graduates in initial teacher education

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## EARMARKED GRANTS

- 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.
- Clinical training grants – underspending
- Historically Disadvantaged grant – poor progress reports. Colleagues training on the requirements. Project manager to be appointed to assist in setting up teams to assist the universities to develop.
- Infrastructure grants – oversight taking place and development support being provided to specific universities.

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# THANK YOU

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