

## DIRECTIVES FOR EXTERNAL AUDITING OF DEPARTMENT OF HIGHER EDUCATION 2017 FEE ADJUSTMENT GRANT

Government recommended that a fee adjustment for the 2017 academic year should be determined by universities and should not be above 8%. Government has committed to pay the fee increase through a gap-funding grant on behalf of all poor, working class and so called “missing middle” families (those with a household income of up to R600 000 per annum).

The Department of Higher Education and Training (the Department) after consultation with the Finance Executive Forum task team, Universities South Africa (USAF), registrars and finance executives of Universities developed a process roadmap for the identification and verification of the “missing middle” student cohort. The Department and university officials reached an agreement on the eligibility criteria framework to identify missing middle students, principles, verification and an appeal process (**Annexure A**).

The Department transferred upfront payments equal to 50% of the upfront payments that universities received in January 2016 for the 0% fee increase allocation. Transfer of the balance of funding was done upon receipt of the database of the poor and missing middle cohort (ID, name, student number, 2017 tuition fees, 2017 accommodation fees and fees adjustment) as agreed with the universities and the Department required Universities to complete the Department’s Excel template, signed off by the Vice-Chancellor.

Verification of the information submitted by the student applicant to be eligible for the exemption of the fee adjustment and the allocation of the fee adjustment to the student will need to be included as part of the HEMIS audit process conducted during 2018 for the 2017 academic year as agreed with universities in December 2016

The university should audit according to their standard practices. The scope of the audit pertaining to the submission of data through the 2017 DHET grant template submitted to the Department are as follows:

- Verify that only South African citizens and permanent residents studying towards an undergraduate or postgraduate qualification in 2017 were considered;
- Verify that the grant ONLY covered tuition fees and university managed accommodation (including operational leases for student accommodation between the university and a service provider)
- Verify the submission of students who qualified in terms of the Quintile 1, 2 and 3 criteria in Grade 12 and upon verification of HEMIS data;
- Verify the submission of students who were recipients of internal university merit bursaries were eligible for the 8% grant funding, provided they fall within the R600 000 family income cap.
- Verify the submission of students who qualified for NSFAS funding;
- Verify the submission of registration data (tuition and university managed accommodation costs) submitted to NSFAS in 2017 are consistent with the data submitted to the Department; and
- Verify the submission of missing middle applicants and direct families (mother, father, spouse or legal guardians) who applied and qualified have a combined GROSS family income of no more than R600 000 per annum.