

## DEPARTMENT OF HIGHER EDUCATION AND TRAINING

NO. 1013

22 SEPTEMBER 2017

**CALL FOR COMMENTS: DRAFT NATIONAL POLICY ON ANNUAL REPORTING AND  
SUBMISSION OF ANNUAL PERFORMANCE REPORTS BY COMMUNITY EDUCATION  
AND TRAINING COLLEGES AS CONTEMPLATED IN SECTION 41A (b) OF THE  
CONTINUING EDUCATION AND TRAINING ACT, 2006 (ACT NO. 16 OF 2006) AS  
AMENDED**

I, Bonginkosi Emmanuel Nzimande, Minister of Higher Education and Training, hereby invite, in accordance with Section 41A (b) of the *Continuing Education and Training Act, 2006 (Act No. 16 of 2006)* as amended, the draft *National Policy on Annual Reporting for Community Education and Training Colleges*.

All interested persons and organisations are invited to comment on the draft *National Policy on Annual Reporting for Community Education and Training Colleges* in writing and direct their comments to The Director-General, Private Bag X174, Pretoria, 0001 for Attention: The Deputy Director-General-General, Dr EB Mahlobo, email: [Mahlobo.B@dhet.gov.za](mailto:Mahlobo.B@dhet.gov.za) or by fax to 0123242059.

Kindly provide the name, telephone number, fax number and e-mail address of the person or organisation when submitting comments. The draft policy is available on the website of the Department at [www.dhet.gov.za](http://www.dhet.gov.za). The comments on the draft *National Policy on Annual Reporting for Community Education and Training Colleges* should reach the Department within 21 calendar days after publication of this Notice.



Dr BE Nzimande, MP

Minister of Higher Education and Training

Date: 12/09/2017





higher education  
& training

---

Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA

**DRAFT NATIONAL POLICY ON ANNUAL REPORTING FOR COMMUNITY  
EDUCATION AND TRAINING COLLEGES**

Department of Higher Education and Training  
117-123 Francis Baard Street  
Private Bag X174  
Pretoria  
0001  
South Africa

Tel: +27 12 312 5911  
Fax: +27 12 321 6770

[www.dhet.gov.za](http://www.dhet.gov.za)

© 2016 Department of Higher Education and Training



# TABLE OF CONTENTS

ABBREVIATIONS/ ACRONYMS.....	4
POLICY AND LEGISLATIVE CONTEXT.....	5
APPLICATION AND OBJECTS OF THIS POLICY .....	7
Application .....	7
Object of this policy .....	7
LINKING PLANNING TO REPORTING.....	7
Strategic Plan.....	7
Annual Performance Plan .....	7
ANNUAL REPORTING.....	8
Annual cycle of reporting.....	8
Schedule of reporting requirements .....	8
SHORT TITLE AND DATE OF COMMENCEMENT .....	9



## **ABBREVIATIONS/ ACRONYMS**

AFS	Audited Financial Statements
APP	Annual Performance Plan
CET	Community Education and Training
CET Act	Continuing Education and Training Act, 2006 (Act No. 16 of 2006)
IFRS	International Financial Reporting Standards
MTEF	Medium Term Expenditure Framework
SP	Strategic Plan
SMART	Specific, Measurable, Achievable, Relevant and Time-bound
Year n	Current academic year
Year n+1	Next or the following academic year
Year n-1	Last or previous academic year



## POLICY AND LEGISLATIVE CONTEXT

1. In order to understand the context of this policy, it must be read in conjunction with the following pieces of legislation and other policies:

- a) ***Framework for Strategic Plans and Annual Performance Plans, and Framework for Managing Programme Performance Information***

1.1 This framework provides that strategic outcomes oriented goals should focus on impacts and outcomes, but in exceptional circumstances may deal with other aspects of performance. It also maintains that a "strategic outcomes oriented goal should ideally be written as a statement of intent that is specific, measurable, achievable, relevant and time-bound (SMART). If the indicators or targets in the APP are written in this way, it makes it easier to manage institutional performance and to report thereon in the annual report. This approach is also articulated in the *Framework for Managing Programme Performance Information*. The *Framework for Strategic Plans and Annual Performance Plans* views the Annual Report as a tool for the institution to account on its performance and the use of resources as outlined the Year-1 APP.

- b) ***Continuing Education and Training Act, 2006 (Act No. 16 of 2006)***

1.2 With regard to the development of the Strategic Plan, which is a 5-year basis for the development of the Annual Performance Plans, section 10(2)(a) of the CET Act provides that the CET College council must, with the concurrence of the Academic Board, develop a strategic plan that must:

- i) *Incorporate the mission, vision, goals and planning for funding;*
- ii) *Address past imbalances as well as gender and disability;*
- iii) *Include safety measures for a safe environment for the students, lecturers and support staff; and*
- iv) *Be approved by the Minister.*

1.3 The annual performance plan forms the basis for the development of the annual report for the year n-1.



1.4 Section 25(3) of the *CET Act 16 of 2006* (as amended) stipulates that community education and training colleges are also required to produce annual financial reports, and to comply with any reasonable additional reporting requirement determined by the Minister. In addition, section 42 of the CET Act requires the Director-General of the Department of Higher Education and Training to assess and report on the quality of education and training offered in CET colleges throughout the country. This policy creates a framework of reporting by CET colleges to enable the Director-General to report as required by the Act.

1.5 Further, section 44(2) of the CET Act stipulates that a public college must prepare and submit to the Minister an annual report in respect of-

- (a) its performance; and
- (b) its use of available resources

1.6 As indicated above, this policy aims to standardise how the CET colleges report their performance and utilisation of resources allocated to them by the State.

**c) *National Policy on Community Colleges, 2015***

1.7 In terms of sections 18.1 and 18.2 of the *National Policy on Community Colleges* every college must submit reports with information that is required by the Director-General at the intervals determined by the Director-General.

**d) *National Policy for the Monitoring and Evaluation of Community Education and Training Colleges***

1.8 The *National Policy for the Monitoring and Evaluation of Community Education and Training Colleges* provides for the necessity and the usefulness of institutional annual reports. It maintains that "the annual report and the audited annual financial statements of the college must include overall management and governance of the college; student performance on education and training programmes; an audited statement of income and expenditure; and a balance sheet and cash flow statement indicating the institution's financial health. Therefore, both the annual report and the audited



annual financial statements of a CET college are some of the instruments for monitoring and evaluating the CET system on a summative basis.

## **APPLICATION AND OBJECTS OF THIS POLICY**

### **Application**

2. This policy applies to all CET colleges established or declared by the Minister in terms of the *Continuing Education and Training Act, 2006* (Act No. 16 of 2006).

### **Object of this policy**

3. The object of this policy is to show a link between planning and annual reporting and it also aims to standardise the reporting requirements and procedures by all CET colleges to ensure uniformity.

## **LINKING PLANNING TO REPORTING**

### **Strategic Plan**

4. As indicated in the policy and legal provisions above, each CET College must prepare a strategic plan setting out the institution's vision, mission, policy, priorities and project plans for at least a five-year period. Both the APP and the Strategic Plan (SP) must be developed by the college council and must be submitted to the Minister for approval. The Strategic Plan must have strategic goals and objectives for the institution, focussing on each of its main service delivery areas. It must lay the foundation for the development of the APP.

### **Annual Performance Plan**

5. Each CET College must prepare an APP that covers planning and budgeting that are aligned to the Strategic Plan. The APP must set out the college's intentions for the upcoming financial year (n+1) as outlined below. Each CET college must submit its APP for **year n + 1** by no later than 31 October of **year n** to the Department for the Minister 's approval.
6. The APP must:
  - (a) cover year **n+1** and be consistent with and linked to the strategic goals and objectives as stated in the CET College's Strategic Plan;



- (b) have SMART key performance indicators and performance targets for assessing the institution's performance in delivering the desired outcomes of the Strategic Plan, including but not limited to:
  - i) the headcount enrolment;
  - ii) success rates;
  - iii) throughput rates; and
  - iv) certification rates.
- (c) form the basis for the annual report of the CET college;
- (d) be updated annually; and
- (e) be developed by Council and approved by the Minister.

## **ANNUAL REPORTING**

### **Annual cycle of reporting**

- 7. The annual reports of colleges for **year n – 1** must be submitted to the Department on or before the last day of September of each year. The reports, which are referred to in section 25(2) of the CET Act must include audited annual financial statements and any additional information required by the Minister.

### **Schedule of reporting requirements**

- 8. The annual report must provide information on the performance of a CET college during the financial year **n-1** and must be signed by the chairperson of the college council and the principal.
- 9. Each CET college must submit two signed hard copies and an electronic version of its annual report for Year **n-1** to the Department by no later than 30 September of **year n**.
- 10. The annual report must report on the performance of the college and the extent to which the objectives as set out in the APP of the college have been achieved, including the extent to which the college believes that it has met the objectives and goals of its strategic plan.
- 11. The annual report must include the following information for year **n-1**:



- (i) the report of the chairperson of the college council which must include the council's assessment of the performance and the 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 of the college;
- (ii) a 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
- (iii) council attendance register, reflecting council attendance;
- (iv) report, indicating in each case the statute of the institution under which each member served, together with a list of the office bearers of the Council;
- (v) the statement of Council on governance;
- (vi) the statement of Council on college functionality;
- (vii) the report of Council on risk assessment and management of risks;
- (viii) the report of the principal on management and administration including the names of the executive management of the college;
- (ix) report of the principal on the performance information of the college;
- (x) the audited annual financial statements (AFS), which must comply with the International Financial Reporting Standards (IFRS) where the gross remuneration of all Council members paid to them for their work as a Council member is disclosed in a note to the annual financial statements;  
and
- (xi) the report of the independent auditor on the annual report, the annual financial statements and the performance information of the college.

## **SHORT TITLE AND DATE OF COMMENCEMENT**

12. This policy shall be cited as the National Policy on Annual Reporting for Community Education and Training Colleges and shall come into effect on the date of publication by Notice in the Government Gazette.



## **TABLE OF CONTENTS**

### **ABBREVIATION AND ACRONYMS**

#### **PART A: GENERAL OVERVIEW**

- 1. MESSAGE FROM THE COUNCIL CHAIRPERSON**
- 2. OVERVIEW BY THE ACCOUNTING OFFICER**
- 3. STATEMENT OF RESPONSIBILITY AND CONFIRM OF ACCURACY**
- 4. STRATEGIC OVERVIEW**
  - 4.1. VISSION, MISSION AND VALUE STATEMENT
  - 4.2. STRATEGIC OBJECTIVES
- 5. LEGISLATIVE AND OTHER MANDATES**
  - 5.1. LEGISLATIVE FRAMEWORK
  - 5.2. ANNUAL CYCLE OF REPORTING
- 6. HIGH LEVEL ORGANISATION STRUCTURE**

#### **PART B: PERFORMANCE INFORMATION**

- 7. PERFORMANCE REPORT**
  - 7.1. Significant achieiment during the 2015 academic year
  - 7.2. Annual performance achievement
  - 7.3. College achievement in terms of expected outcomes
  - 7.4. Strategy to deal with underperformance

#### **PART C: GOVERNANCE**

- 8. CONSTITUTION OF THE COLLEGE COUNCIL AND GOVERNANCE STRUCTURES**
  - 8.1. Audit and risk
  - 8.2. Finance
  - 8.3. Human resource
  - 8.4. Planning and resource
- 9. COLLEGE PERFORMANCE IN TERMS OF STRATEGIC OBJECTIVES**
- 10. RISK MANAGEMENT**
- 11. REPORT BY COMMITTEES OF COUNCIL**



**12. ACADEMIC BOARD REPORT**

**13. STUDENT REPRESENTATIVE COUNCIL REPORT**

**PART D: FINANCIAL INFORMATION**

**14. COUNCIL RESPONSIBILITY AND APPROVAL**

**15. REPORT OF THE ACCOUNTING OFFICER**

**16. REPORT OF THE AUDIT AND RISK COMMITTEE**

**17. AUDITED ANNUAL FINANCIAL STATEMENT**

- 17.1. Report of the external auditors
- 17.2. Statement of financial position
- 17.3. Statement of financial performance
- 17.4. Statement of change in net assets
- 17.5. Cashflow statement
- 17.6. Accounting
- 17.7. Notes to the annual financial statement