

Council on Higher Education (CHE)

ANNUAL REPORT

2016



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Foreword

Chairman of Council

The year under review has witnessed the Council on Higher Education (CHE) becoming stronger and being more sure-footed in executing its mandate. This year the number of programmes reviewed by CHE was higher than those reviewed in the previous years. Most of them were granted accreditation at different levels, with only a few not being granted accreditation. One of the major decisions was recommendation for closure of the Medical School after a thorough process of review had been done by CHE. This was because there were major shortcomings in the manner in which the school was established and run.

The recommendation was accepted by Government and arrangements were made for students to be placed in well established universities within the SADC region. While there is a dire need for Lesotho to train its own doctors, it is also critical that the foundation and other fundamentals for such training are not compromised. We stand ready as CHE to support initiatives in this regard that are well planned, thought through and well executed through an institution that has the wherewithal to run such an important programme.

The second State of Higher Education Report was produced tracking performance indicators for the sub-sector. It points to the fact that there are improvements in some areas, but there is stagnation in others. A highly successful biennial conference was held with well researched papers covering key issues relating to the sub-sector. It is through these efforts among others that CHE contributes towards debates that ultimately inform policy and strategies for growth and development.

CHE had a clean audit for the third year in a row. This speaks to the soundness of our financial management systems and practices. We are however, constrained



by limited budget to reach the sky in terms of scope and coverage of our mandate. We would cover much ground within a short time if we could get a substantial increase in the annual budget. We are hopeful that the revised quality assurance fees that Council approved during this year will go some way in addressing this problem.

We are gearing ourselves for the new mandate of managing qualifications pertaining to higher education as delegated to CHE by the Ministry of Education and Training. The next financial year will see development of necessary policy frameworks and systems towards provision of services on verification and evaluation of qualifications and other related issues.

Finally, I wish to bid farewell to my fellow Council members who have served CHE with dedication, diligence and professionalism as their tour of duty comes to an end. They have built this organisation from scratch and leave it as a reputable player in higher education. Farewell dear colleagues! You should walk tall, for your contribution is like a mountain for everyone to see. This annual report presents the organisation's performance for the year 2015/16

Matjato Moteane (Mr)
Chairman of Council

Acknowledgements

Chief Executive

We wish to acknowledge the financial support from our Ministry of Education and Training without which we would not be able to operate. Higher education institutions are some of our main stakeholders and partners and we continue to work very well with them. We thank them for their cooperation and efforts towards improving quality in this country despite their financial challenges. CHE engages local and foreign professionals for reviewing programmes. We remain indebted to them for their support and hope that they will continue to avail themselves in future.

Through our partnerships with other regulatory bodies we continuously learn about the trends, challenges and achievements in the subsector. This has contributed a lot to improve our practice. We are therefore grateful for the formation of the Southern African Quality Assurance Network (SAQAN) and we remain indebted to it. We recognise the support of some development partners such as European Union (EU) and United Nations Educational, Scientific and Cultural Organisation (UNESCO) for affording us opportunities to participate in international conferences and workshops. These activities have indeed provided exposure and built capacity of staff



in quality assurance issues, an area of dire need.

There are many other organisations and individuals who have contributed to our success this year and we wish to thank them all. The staff of CHE continue to do a sterling job at times under trying circumstances. Colleagues, I am very proud to be leading men and women of stature, commitment and who can be relied on no matter what! Keep the home fires burning!

We wish to thank the Council members whose term of office will be coming to an end. They have nurtured and guided us for the past eight years. They have indeed left their footprints in the sands of time and will be sorely missed.

'Makotelo Teboho Motseko (Mrs)
Chief Executive

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List of Acronyms and Abbreviations

AOP	Annual Operational Plan
CAS	Centre for Accounting Studies
CHE	Council on Higher Education
DFCS	Director Finance and Corporate Services
DPSI	Director Policy, Strategy and Information
DQAS	Director Quality Assurance and Standards
ECoL	Examination Council of Lesotho
EU	European Union
EXCO	Executive Committee
HEIs	Higher Education Institutions
HEQAC	Higher Education Quality Assurance Committee
HHRA	Head Human Resources and Administration
HR	Human Resources
IDM	Institute of Development Management
LCE	Lesotho College of Education
LeBoHA	Lesotho Boston Health Alliance
LNDC	Lesotho National Development Corporation
LRA	Lesotho Revenue Authority
LUCT	Limkokwing University of Creative Technology
M&E	Monitoring and Evaluation
MoET	Ministry of Education and Training
MOU	Memorandum of Understanding
NHTC	National Health Training College
NMDS	National Manpower Development Secretariat
NUL	National University of Lesotho
PMS	Performance Management System
RSA	Republic of South Africa
UNESCO	United Nations Educational, Scientific and Cultural Organisation

1.0 Introduction

This report presents performance of the Council on Higher Education (CHE) for financial year 2015/16 (April – March). The operations of the Council and the Secretariat are guided by the Higher Education Act, 2004 and the second generation CHE Strategic Plan 2015/16 - 2019/20. This is the first annual report tracking performance on the new strategic plan.

The report has four sections. The first is an introduction which presents functions of CHE and its strategic direction; while the second looks at the performance of the organisation on the eleven goals articulated in the strategic plan; the third section discusses challenges that were encountered during this period; and the fourth and final section outlines key priorities for the next financial year – 2016/2017.

1.1 Functions of CHE

CHE has the following functions as outlined in Section 5 of the Higher Education Act, 2004:

- a) Monitor the implementation of policy on Higher Education Institutions (HEIs);
- b) Publish information on developments in higher education;
- c) Promote the access of students to higher education institutions;
- d) Advise the Minister of Education and Training on any aspect of higher education including:
 - Quality promotion and quality assurance;

- Teaching and research;
- Structure and planning of higher education;
- Mechanism for allocation of public funds;
- Appropriate incentives or imposition of sanctions as and when the need arises such as, diminution or withdrawal of Government funding, downgrading, termination of a programme or even closure of an institution;
- Students bursaries; and
- Governance of Higher Education Institutions and higher education systems.

1.2 Elements of Strategic Direction for CHE

The CHE Strategic Plan 2015/16-2019/20 articulates the following as the key elements of its strategic direction:

Mission Statement: To provide an enabling environment that defines, monitors and promotes academic excellence in Higher Education in order to enhance national development.

Vision Statement: By 2020, the Council on Higher Education will have developed a system of Higher Education that is effectively regulated, comparable, accessible, equitable and relevant to the development needs of Lesotho.

Slogan: “Building quality higher education system!” (Thuto e phahameng ea boleng!)

Corporate Values

- **Integrity:** We strive for honesty, fairness and objectivity in all our dealings with higher education institutions and other stakeholders.
- **Professionalism:** We are committed to upholding and maintaining high standards of professionalism when providing services to higher education institutions.
- **Accountability and Transparency:** We are committed to being fully accountable to those we serve, and strive to become transparent, tolerant, respectful, and sensitive in leading the transformation of higher education in the country.
- **Teamwork and Innovation:** We endeavour to be a learning organisation which values the combined strength of its team as well as other points of view in pursuit of quality and creativity in higher education.
- **Partnerships:** We value the collective wisdom that emerges from sustainable and beneficial partnerships with public and private organizations both locally and internationally.
- **Good Corporate Governance:** We dedicate ourselves to good governance by upholding such principles as responsibility, honesty, trust, openness, performance orientation, and respect for others.
- **Commitment to Quality Higher Education:** We are committed to providing a regulatory environment for higher education institutions to succeed in their business.



CHE Staff

Goals

- 1) Enhancing the governance capacity of CHE;
- 2) Strengthening the capacity of the CHE secretariat;
- 3) Developing, implementing & reviewing quality assurance systems & mechanisms;
- 4) Developing and implementing mechanisms for effective communication with HEIs, Government, other stakeholders and the public on developments and priorities in the HE sub-sector;
- 5) Mobilizing financial resources for CHE, including intensification of alternative sources of funding;
- 6) Developing, implementing & reviewing regulatory policies and legislative framework for the higher education sub-sector;
- 7) Collaborating & cooperating with relevant organizations and stakeholders;
- 8) Ensuring that HEIs integrate HIV and AIDS and emerging issues into their policies;
- 9) Promoting research within the Higher Education Sub-sector;
- 10) Developing & Implementing the Qualifications Framework for HE in line with the Qualifications Framework for Lesotho (QFL); and
- 11) Monitoring & evaluating the strategic plan.

2.0 PERFORMANCE ON THE GOALS

This part of the report discusses progress made on each of the eleven goals.

2.1 Goal 1: Enhancing the Governance Capacity of CHE

The CHE adheres to good corporate governance as guided by the Higher Education Act of 2004, the CHE Governance Policy and Council Charter and Policies and Procedures. At the apex of CHE is the Council that consists of twelve members inclusive of the Chief Executive who is an ex-officio member and Secretary of Council.

The CHE is supported by the Higher Education Quality Assurance Committee (HEQAC), established through the Higher Education Act of 2004, to carry out the quality promotion and quality assurance functions. In order to function effectively the CHE has also established the Executive Committee (EXCO); the Audit, Finance and Risk Management Committee (AFRMC) and the Human Resources Management Committee (HRMC).

During the reporting period Council held five meetings while the Executive Committee met twice. The following are some of the key resolutions made by Council and its Executive Committee during this period:

- Approved the Annual Report for 2014/2015 and submitted the report to the Minister of Education and Training and shared with stakeholders;
- Approved the Council Performance Evaluation Report and submitted to the Minister;
- Approved the Performance review report of the Chief Executive in line with the Performance Management and Development Policy presented by the Chairperson;
- Approved the 2015/2016 Revised Budget following allocation of subvention by the MOET;

- Approved Draft Budget for 2016/2017 and submitted to the MoET with motivation for increased subvention allocation;
- Approved Strategic Plan Budget covering a period of 5 years from 2016/2017 and made a submission to MOET to guide long-term planning;
- Approved financial statements for 2014/2015 for submission to the office of the Auditor General for auditing purposes;
- Approved review of some policies including Finance Policy, Reward Policy, Performance Management and Development Policy, and Human Resources Rules and Regulations;
- Approved review of Quality Assurance Fees to be effective from 1st April 2016;
- Approved accreditation of programmes;
- Advised the Minister on the closure of the Medical School and transfer of students to other accredited programmes;
- Approved the CHE Monitoring and Evaluation Framework to monitor the New CHE Strategic Plan;
- Approved the Risk Register and Risk Management Plan for implementation;
- Approved the State of Higher Education Report;
- The Executive Committee advised the Minister on the potential candidates who could be considered for appointment to serve as Council members;

In order to improve the capacity of Council to deliver on its mandate HRMC and AFRMC meetings were held.

2.1.1 HRMC Meetings

Two meetings were held and some of the issues considered by the committee include, the review of Performance Management Policy and Manual and Performance pack, review of retirement age and management of gifts and rewards under the Human Resources Rules and Regulations.

2.1.2 AFRMC Meetings

Four ordinary meetings were held. Some of the issues considered by the committee during the year include; risk management half year report, risk profile, quarterly financial reports, 2015/2016 revised budget, strategic plan budget, 2016/2017 budget, 2014/2015 financial statements and audit report and the review of Finance Policies and Procedures.

2.2 Goal 2: Strengthening the Capacity of the CHE Secretariat

2.2.1 To populate the required organizational structure of CHE

2.2.1.1 Recruitment of New Staff

No new appointments were made in 2015/2016 even though the original plan was to fill in at least six new positions which among them was the position earmarked for the execution of the new mandate, implementation of the Qualifications Framework for Lesotho (QFL) in so far as the higher education is concerned. The difficulty in filling new positions over the years was as a result of lack of sufficient financial

resources. Part time officers were engaged several times to help ease the workload during peak periods especially in the QAS and PSI Directorates. CHE had a staff compliment of fourteen employees and there were no resignations during the year.

2.2.1.2 Renewal of Contracts

Four contracts were renewed during the reporting period. Three of these contracts: Director Quality Assurance and Standards (DQAS); Director Policy, Strategy and Information (DPSI); and Head Human Resources and Administration (HHRA) were renewed

in July 2015 while that of the Principal Research Officer (PRO) came to an end in March 2016 was renewed.

2.2.2 Staff Training and Development

Training plan was developed and approved for implementation. Some of the interventions made during the financial year include an in-house training for staff on performance management and the Accounts Clerk attended a short course on Procurement and Supply Chain Management. Other means of capacity building for staff was through attendance of international conferences and workshops. Chief Executive, DQAS and Principal Quality Assurance and Standards Officer (PQASO) attended international conferences which were sponsored by different development partners such as the Embassy of China, United Nations Educational, Scientific and Cultural Organisation (UNESCO), Botswana Qualifications Authority (BQA) and European Union (EU).

2.2.3 To provide a Conducive Working Environment and Supportive Operational Policies and Systems

2.2.3.1 Operational Policies

The Human Resources Rules and Regulations, Performance Management and Development Policy, Manual and Performance Pack, and Finance Policies and Procedures were reviewed. Roll-out of policies to staff during the year covered the Risk Management Policy, Procurement Policy and the Retirement Fund Scheme. Guidelines on management of gifts and rewards and the ICT guidelines were developed during the year.

2.2.3.2 Staff Welfare

In an effort to enhance staff morale and provide conducive working environment, a number of sessions were held for staff, facilitated by different stakeholder-organisations. These were on different areas including first aid, HIV and AIDS, medical services, banking services and facilities. A team building session was also arranged for staff. Employees were given condoms on a regular basis throughout the year to enhance reduction of HIV and AIDS pandemic.

2.2.3.3 Performance Management

A refresher course on performance management and staff development was organised for staff facilitated by the Institute of Development Management (IDM).

This led to the review of the operational plans and the performance pack. A number of lessons were learned which include proper rating, use of baseline information for planning, aligning individual plans with the strategic plan and annual operational plans. Moreover, job profiles for all staff were reviewed which in turn informed the annual performance agreements which were signed subsequently. A resolution to plan individual performance agreements half yearly to reduce the amount of work involved in undertaking performance management was made. Staff performance tracking would however continue to be done quarterly though with reduced intensity and pressure.

2.2.3.4 Administrative Issues

Services that facilitated smooth running of the office were provided through the Directorate of Finance and Corporate Services. These include procurement and maintenance of office equipment as well as management of office transport.

2.2.4 To review and Implement Finance and Risk Management Policies

2.2.4.1 External Audit

2014/2015 financial statements were prepared and subjected to audit. A clean audit report was received from the Auditor General. This was the third year in succession in which CHE got an unqualified audit.

2.2.4.2 Procurement

Finance Policies were observed and adhered to for procurement processes. Several tender panel meetings were held for procurement of services above M100, 000.00. Suppliers' database was reviewed and approved for use by management.

2.2.4.3 Budget

2015/2016 revised budget was compiled and presented to Council. Implementation was done and monitoring made through monthly Income and Expenditure reports to MANCO, Quarterly reports to AFRMC and EXCO and half yearly to Council. Financial resources continue to diminish, and the year 2015/2016 was not an exception as only M9, 000 000 subvention allocation was received while the request made was M14 250 000. Supplementary budget was requested which unfortunately did not succeed. This led to yet another budget cutting and revision within one year. Allocation of M9 000 000 subvention stayed the same for three consecutive years.

Draft 2016/2017 budget was compiled and presented to Council for approval and was also submitted to MoET in September 2015 as per the provisions of the Higher Education Act.

As 2015/2016 marked the beginning of the second five year strategic plan, costing of the strategic plan was made to project the resources required to implement the approved strategic plan. The strategic plan costing was approved by Council and subsequently submitted to MoET for information. Also a separate budget requesting funds for implementation of QFL was submitted to MoET though it did not yield any positive results.

2.2.4.4 Cash Flow

Quarterly cash flow projections were made and replenishments requested on time from MoET. Where possible the excess was invested with Central Bank of Lesotho Treasury bills. Other revenue collected was mainly from the accreditation fees.

2.2.4.5 Risk Management

A comprehensive risk register was approved by Council in June 2015. Half year report was presented to AFRMC in September 2015. Annual risk management report was compiled and presented to MANCO and AFRMC. A detailed risk profile showing the changes in risk profile over the year is attached as Appendix A to the report.

2.3 Goal 3: Developing, Implementing & Reviewing QA Systems

2.3.1 Enhancing the Capacity of HEQAC

- The performance of the Higher Education Quality Assurance Committee (HEQAC) was evaluated, and feedback was shared with the members.
- The HEQAC retreat to reflect on their roles, responsibilities and activities was postponed to the next financial year due to financial constraints.
- All 4 HEQAC meetings took place as scheduled including 2 additional meetings on representations that were held in October 2015 and March 2016.
- Training and recruitment of new professionals to update CHE Database was postponed to the next financial year due to financial constraints.

2.3.2 Review of Bachelor of Science in Medicine & Surgery (MBChB)

The review report for the MBChB programme from

NHTC was presented at the HEQAC and Council meetings held in October 2015. The decision was not to grant accreditation for the programme. Following representations by the NHTC on this decision, the Minister of Education and Training was advised to facilitate transfer of the programme to a suitable institution in the country while students are transferred to suitable programmes in the region.

2.3.3 Partial Review of Programmes

Eight (8) health programmes were partially reviewed and the following outcomes were obtained:

- Seven (7) were granted Extended Probationary Accreditation for a period of 5 years;
- One (1) is awaiting presentation to HEQAC and Council.



Lesotho delegates at a Quality Assurance Conference in Botswana

2.3.4 Follow-up Review of Programmes at one Institution

Following the review of 32 programmes from one institution in 2013 to determine, amongst other things the level of qualifications for programmes offered, the institution was requested to revise 14 programmes internally while continuing to offer them. The institution developed and implemented an improvement plan monitored by CHE. The follow-up review by CHE yielded the following outcomes that have been approved by Council:

- Six (6) programmes were granted Extended Probationary Accreditation for 5 years;
- For the remaining Eight (8) programmes, the institution was allowed one year to revise them and re-submit to CHE.

2.3.5 Review of New Programmes

Eight (8) new programmes from different institutions were reviewed and the following outcomes were obtained:

- Three (3) were Admitted to Candidacy Phase and allowed to run for a period of two years before being subjected to a second round of review;
- Two (2) are under review;
- One (1) was not admitted to Candidacy Phase and is expected to be re-submitted for another round of review not earlier than 6 months after notification ;
- One (1) was not accredited; the programme has been terminated and the students have been transferred to suitable programmes

- One (1) programme was withdrawn by the institution, and will be re-submitted for review.

2.3.6 Review of Existing Programmes

Seven (7) existing programmes were reviewed, and the following outcomes were obtained:

- One (1) was granted Full Accreditation for 5 years;
- One (1) was granted Probationary Accreditation for 2 years;
- Five (5) were granted Extended Probationary Accreditation for 5 years.

2.3.7 Implementation of Improvement Plans for Reviewed Programmes

Of the 12 Improvement Plans for programmes that were received:

- Four (4) were accepted by the CHE Secretariat;
- Eight (8) are under review, following feedback from CHE Secretariat.

Progress reports on the implementation of Improvement Plans for 5 programmes were received by the CHE Secretariat. Of these programmes, three (3) are being revised for resubmission.

Monitoring and evaluation visits were conducted on eleven (11) programmes for which improvement plans were being implemented, following reviews.

2.3.8 New Programmes Submitted for Review

Two (2) new programmes have been submitted for review. Following the screening of submissions, the concerned institutions are revising their submissions in preparation for resubmission.

2.3.9 Institutional Audit Framework

The Institutional Audit Framework for Higher Education Institutions and its implementation plan were disseminated to institutions during the workshop held in November 2015. The plan is to conduct institutional audits, starting with one private institution and one public institution in the 2016/17 financial year.

2.3.10 Development of Quality Assurance Guidelines and Tools

A policy on the regulation of professional programmes was developed, discussed and approved at the HEQAC and Council meetings held in March 2016.

The following internal operational tools have been developed:

- Checklist for Screening Self Evaluation Reports (SER) and Reviewers Reports;
- Checklist for Screening Improvement Plans; and
- Template for Reporting M&E Visits.

Higher Education Regulations were revised and submitted for gazetting. But these have been put on hold pending amendment of the Higher Education Act, 2004.

2.4 Goal 4: Developing and Implementing Mechanisms for Communication

Under this goal the report focuses on a number of different issues relating to information and different platforms of communication. Areas covered include the CHE Resource Centre, interaction with the media and the public, CHE website, engagement with Government Ministries and HEIs.

- The Resource Centre is managed on an ongoing basis. Inventory of documents was updated twice during the year under review.
- A media conference was held in December where progress on accredited programmes was given. It was followed-up with an announcement in one of the News Papers listing the status of all programmes that had been subjected to review.
- The website was updated regularly as necessary. There was a facelift, even though it did not amount to much improvement due to its limited scope.
- When the Honourable Minister, Deputy Minister and other high ranking officials within the Ministry of Education and Training assumed office they were briefed about the mandate of CHE, its milestones and challenges.

- A calendar of key events for CHE was developed for 2015/16 and disseminated to all HEIs.
- Meetings were also held with different government departments/agencies to brief them on the mandate of CHE, progress made and discuss key issues that affect implementation of the mandate including budget constraints for CHE and establishment of a research council.
- Management visited HEIs. The purpose of the visits was to engage with institutions on a one-on-one basis and remind them of the CHE mandate and key higher education policy documents. A comprehensive report on the visits was compiled.
- In order to promote access to higher education institutions, a higher education Fair was held successfully in February 2016 to provide information to prospective tertiary students about HEIs in Lesotho. The number of participants in terms of exhibitors and students had increased from the previous year. Stalls erected by HEIs were rated for the first time this year.



Dean of Botho University receives an award from Chairman of Council for the best stall.

2.5 Goal 5: Mobilizing Financial Resources for CHE

In order to mobilise resources for CHE, proposals were submitted to various potential local and international financiers. Follow ups are being made with those that are promising such as American Peace Corps and Commonwealth of Learning.

Efforts were also made by MoET to acquire a corporate base for CHE. A number of sites were identified and are being pursued. Proposals were also submitted to MoET to facilitate construction of CHE building.

2.6 Goal 6: Developing, Implementing & Reviewing Regulatory Policies for HE

The Ministry of Education and Training has been granted permission to amend the Higher Education Act by Cabinet. A consultant was therefore engaged to amend the Act. It is envisaged that stakeholder consultations and preparing instructions for the Parliamentary Counsel will be completed by end of August 2016. Furthermore, the draft HE Regulations were presented to the Minister of Education and Training in August 2015. However, it has been decided that they would be processed after the Act has been amended.

The check list of key issues to consider in monitoring implementation of the HE Policy was developed and used in conjunction with the M&E Framework and informed the State of Higher Education Report. Relevant Government Departments and agencies

were requested to provide additional data as per the check list which they presented at the workshop to validate the State of HE Report.

Statistical Data for 2013/14 was collected from HEIs, databases developed and a statistical bulletin produced. Such data was also provided to UNESCO and has since been included in the UNESCO databases and Global report on education. There are still challenges with timeliness and quality of data from HEIs which delay compilation of reports by CHE. The data management system has been developed and representatives of institutions were trained on the use of the system. The system will be used for collection of 2014/15 data which was deferred due to improvements being made on the system.

2.7 Goal 7: Collaborating & Cooperating with Relevant Organizations

Two members of the Lesotho Nursing Council were appointed to serve in the panels to partially review clusters of Midwifery programmes, General Nursing and Nursing Assistant programmes offered in health

Institutions. CHE has continued to engage with the Lesotho Institute of Accountants (LIA) with a view to ultimately signing a memorandum of understanding.

2.8 Goal 8: Ensuring that HEIs Integrate HIV and AIDS into their Policies

Two meetings were held for the HEIs HIV and AIDS Committee during the reporting period. Some of the main issues discussed in the first meeting included HIV interventions on campuses by various HEIs and how collaboration between them could be enhanced. Generally, interventions undertaken by HEIs relate

to testing and counselling, distribution of condoms and providing information on male circumcision. The second meeting focused mostly on Global Fund related issues so that HEIs have a clear understanding of how the Global Fund works and how they can tap on its resources.

2.9 Goal 9: Promoting Research within the Higher Education Sub-sector

A number of initiatives were undertaken to promote research undertaken on higher education sub-sector and related activities.

2.9.1 Studies Undertaken

In an effort to implement the research agenda, five studies were planned to be undertaken during the reporting period. These include the A-Levels study, the Rapid Assessment of HEIs which informed the State of HE Report, the Scarce Skills study, Outbound Mobility and the study to assess the impact of CHE initiatives towards capacity building and track progress on implementation of quality assurance processes in higher education institutions. Out of the five, three were completed while the last two are still on-going.

2.9.2 The Biennial Conference

The conference was organised in fulfilment of CHE's mandate to disseminate information on developments pertaining to the sub-sector and related activities that have a bearing on higher education. The conference was very successful with four well researched papers presented in addition to the State of Higher Education Report. Attendance was also very good with participants coming from different spheres of the economy comprising representatives of HEIs, select Government Ministries, parastatals, civil society organisations, private sector and individual researchers.



2016 Biennial Conference Participants

2.9.3 Funding Model

The funding model has been presented to the top management of MoET. It has yet to be tabled before Cabinet for approval.

2.9.4 Research Platform

Two research platforms were planned. However, due to non-availability of papers, one research forum was organised in which four presentations were made as follows:

- Overview of MoET Plans towards introducing A-Levels by Examinations Council of Lesotho (ECoL);
- The Study on Introduction of Advanced Subsidiary (AS) and/or Advanced (A) Levels: Implications for

Higher Education Institutions and Readiness of Senior Secondary School System to Offer AS and/or A Levels in Lesotho by CHE;

- Presentation of a paper on "Assessing the level of resources for teaching and learning of Chemistry education at secondary school level in Lesotho" by Dr. M. George; and
- Quality Assurance within Teacher Education at the University of Zimbabwe: Building a Community of Practice within the Scheme of Association by Dr. T. Nyabanyaba, All the presentations were received very well and generated energised discussions.

2.10 Goal 10: Developing & Implementing the Qualifications Framework for HE

A team comprising officials from CHE and MoET went on a three-day study tour to the South African Qualifications Authority (SAQA) to learn about how qualifications are managed. They came back with rich lessons which will inform planning and execution of the new mandate. A comprehensive

report was compiled on the study tour. Advice was sought from both SAQA and Namibian Qualification Authority on whether they would be able to assist CHE with capacity building of its staff, and systems development for management of qualifications.

2.11 Goal 11: Monitoring & Evaluating the Strategic Plan

The CHE Monitoring and Evaluation Framework which is used to monitor implementation of the CHE strategic plan was revised following the development of the second generation strategic plan. The new M&E framework was approved by Council. In accordance with the CHE reporting requirements as articulated in the M&E Framework, the first quarter, half year and third quarter reports were compiled as necessary and presented to the relevant authorities. The Annual Operational Plan (AOP) for 2015/16 was developed

using a new template and was approved by Council at the beginning of the year. Midterm review of the AOP took place in September 2015. There were a number of activities which were dropped from the plan due to insufficient budget. This had an adverse effect on the delivery by CHE on its mandate. Only two activities were reinstated at the end of the third quarter, namely the Biennial Conference on Higher Education and a study on the Impact of CHE Quality Assurance Interventions on HEIs.

3.0 CHALLENGES

The challenges that CHE encountered during this reporting period were as follows:

- Inadequate budget for CHE which resulted in positions not being filled and thereby leading to inadequate capacity within the Secretariat. Some important activities planned for the year had to be cancelled at the beginning of the year and during the mid-term review of the AOP because of limited budget;
- Government Ministries and institutions which offer programmes without following the law and due process cause problems for CHE; It takes long to assemble review panels when undertaking programme reviews due to unavailability of sufficiently qualified people to undertake quality assurance assignments in-country. This does not only make CHE processes expensive, but also makes them to take long before programmes can be reviewed;
- Inadequate capacity within MoET in the office responsible for tertiary education is a challenge for both the Ministry and CHE;
- Poor quality of statistical data from HEIs and lack of responsiveness by some HEIs make it difficult for CHE to compile reports on time;
- Inadequate funding for public higher education institutions affects the pace at which quality can be improved in HEIs;
- Lack of specific funding geared towards research for CHE and HEIs remains a challenge;
- There is general reluctance by development partners and the private sector to support higher education financially. Thus, efforts made by CHE towards resource mobilisation in most cases do not yield positive results; and
- While education in general including allocation for student bursaries receives high budget from the Ministry of Finance, a large part of it is allocated to basic education at the expense of the higher education sub-sector. There is need for Government to reconsider its priorities in this regard. Students studying outside the country cost Government substantial amount of money each year since fees in foreign universities are significantly higher than what local institutions charge. Government should invest more in local public institutions so that they can increase their programme offerings.

4.0 CHE PRIORITIES FOR FINANCIAL YEAR 2016/2017

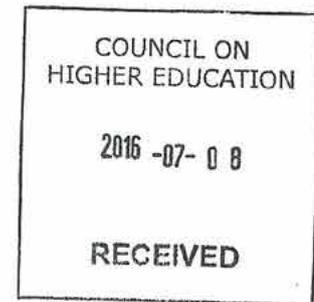
Directorate	Activities
<p>Office of the Chief Executive</p>	<ul style="list-style-type: none"> • Provide intensive induction for newly appointed Councillors; • Ensure evaluation of Council members' performance is conducted annually and a report is produced; • Prepare and circulate Council documents and minutes; • Prepare Council reports from Secretariat and Council Committees, including Annual Report; • Implement decisions of Council; • Provide strategic direction to the Secretariat; • Identify areas of the CHE mandate that have been overlooked and develop plans to implement them; • Ensure good corporate governance and that CHE operations are in line with policies; • Ensure that staff is familiar with all CHE policies and act in accordance with them; • Develop necessary structures for implementing the Qualifications Framework for higher education; and • Develop a policy framework and tools for managing qualifications.

Directorate	Activities
Directorate of Finance	<ul style="list-style-type: none"> • Employ a full complement of competent, resourceful, and innovative staff; priority positions for 2016/2017 are two positions (two Principal Officers) to undertake the implementation of QFL mandate, subject to availability of funds • Develop and implement an annual Training Plan for the secretariat; • Ensure implementation and compliance with Finance and Human Resources policies; • Procure necessary assets to enable smooth operations and maintain conducive work environment; • Coordinate implementation of the Performance Management System; • Ensure adherence to Finance policies and procedures and internal controls; • Prepare and submit annual Financial statements for auditing; • Compile and maintain annual Budget; • Analyse budget versus expenditure and provide variance explanations; • Ensure adherence to the Risk Management Policy; • Manage procurement processes to ensure that execution of work is done economically and with transparency; • Utilise financial software package (Pastel) to capture financial transactions and draw financial reports; • Put in place and review processes and mechanisms to ensure that CHE assets are safe-guarded; • Ensure adherence to the cost saving mechanisms; • Undertake income generating initiatives through implementation of revised fee schedule for quality assurance services; and • Acquire a corporate base for CHE.

Directorate	Activities
Directorate of Quality Assurance and Standards	<p>Enhance capacity and operations of HEQAC</p> <ul style="list-style-type: none"> • Facilitate the performance evaluation for HEQAC; • Develop and share QAS AOP with the HEQAC; • Facilitate HEQAC ordinary meetings – at least one meeting every quarter; • Finalise recruitment of HEQAC members; • Facilitate orientation/induction for HEQAC; • Facilitate recruitment of new professionals to update CHE database; • Facilitate training of new professionals in database on QA related issues, subject to availability of annual fees; <p>Accredit programmes offered by HEIs</p> <ul style="list-style-type: none"> • Facilitate partial review for phase II institutions programmes, i.e. for LCE, LP, NUL, LAC & IDM; • Facilitate review of at least 4 programmes designated for accreditation at LUCT; • Facilitate validation of 6 programmes from Phase I health institutions; • Facilitate 2nd validation of 8 LUCT programmes, 3 clusters; • Facilitate review of at least 4 programmes from 2 institutions in partial fulfilment of registration requirements; • Facilitate review of at least 3 new programmes from existing institutions; • Facilitate the development and implementation of improvement plans for programmes that have been reviewed; and • Conduct M&E visits to monitor progress on the implementation of the improvement plans.

Directorate	Activities
	<p>Conduct Institutional Audits in HEIs;</p> <ul style="list-style-type: none"> • Facilitate the training of institutions in preparation for Institutional Audits; • Facilitate auditing of two (2) institutions; Develop quality assurance tools and guidelines • Facilitate development of norms and standards for establishment of HEIs; • Facilitate the development of guidelines for programme design; • Train representatives of HEIs on programme design; • Develop minimum standards for providers of professional programmes; • Develop minimum standards for new programmes;

Directorate	Activities
<p>Directorate of Policy, Strategy and Information</p>	<ul style="list-style-type: none"> • Manage the CHE Resource Centre, publicise CHE activities and update the website; • Keep key officials of the MoET (Minister and PS) as well as officials of other ministries well informed about CHE activities; • Mobilise resources for CHE; • Present the amended Higher Education Act to the Minister and liaise with Parliamentary Counsel on drafting; • Support drafting of the Standard Statute for institutions without their own in liaison with MoET & Parliamentary Counsel; • Convene a meeting of HEIs' governing structures to discuss compliance to HEA and other critical issues; • Implement CHE activities pertaining to the Higher Education Strategic Plan; • Monitor implementation of the Higher Education Policy; • Establish a forum with key Principal Secretaries on monitoring implementation of the HE policy; • Develop a Quality Assurance Policy for new, public and private HEIs; • Facilitate establishment of formal linkages with local and external bodies on quality assurance and research; • Support implementation of the male circumcision scale-up project by Ministry of Health & HEIs; • Conduct a study to assess the impact of CHE QA initiatives and track progress on implementation of quality assurance processes in higher education institutions; • Provide training of HEIs on governance, subject to availability of annual fees; • Facilitate approval, disseminate and monitor implementation of the Funding Model in collaboration with MoET; • Collect statistical data from HEIs and other institutions to compile a Statistical Bulletin on Higher Education; and • Monitor and Evaluate CHE Strategic Plan.



**REPORT OF THE AUDITOR-GENERAL
ON THE FINANCIAL STATEMENTS OF
COUNCIL ON HIGHER EDUCATION
FOR THE PERIOD ENDED 31 MARCH 2016**



**COUNCIL ON HIGHER EDUCATION
FINANCIAL STATEMENTS FOR THE YEAR 2015/2016**

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These Financial Statements set out on pages 5 to 12 were approved on 29th June 2016 and signed by:

Mrs. M. T. Motseko
CHIEF EXECUTIVE
COUNCIL ON HIGHER EDUCATION

Mr. M. MOTEANE
CHAIRPERSON
COUNCIL ON HIGHER EDUCATION

COUNCIL ON HIGHER EDUCATION**FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 March 2016****COUNCIL MEMBERS' REPORT****MEMBERS:**

In terms of the HIGHER EDUCATION ACT, 2004 the members of the Council of the period under review were:

Mr. Matjato Moteane (Chairperson)

Ms. Thandiwe Metsing

Ms. Puleng Lebitsa

Professor Mashupye Ratale Kgaphola

Dr. John Dzimba

Mrs. Tšepang Mosena

Dr. Celinah Sefako

Dr. Pulane Lefoka

Mrs. 'Mapaseka Kolotsane

Mrs. 'Mapalesa Rapapa

Dr. None Mokitimi

Mrs. 'Makotelo Teboho Motseko



**OFFICE OF THE AUDITOR GENERAL
P.O. BOX 502, MASERU 100
LESOTHO**

REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF COUNCIL ON HIGHER EDUCATION FOR THE PERIOD ENDED 31 MARCH 2016

I have audited the accompanying financial statements of the Council on Higher Education, which comprise of the Statement of Financial Position as at 31 March 2016, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow for the year then ended, and summary of significant accounting policies and other explanatory notes as set out on pages 9 to 13.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on the audit. The audit has been conducted in accordance with International Standards of Supreme Audit Institutions. The standards require auditors to comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Audit opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Council on Higher Education as at 31 March 2016, and in accordance with International Financial Reporting Standards and Higher Education Act of 2004.



LUCY LIPHAF A (MRS)
AUDITOR-GENERAL



COUNCIL ON HIGHER EDUCATION

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	NOTE	2015/2016	2014/2015
Government Subvention		9,000,000	9,000,000
Other Income		642,474	1,584,718
Operating Expenses		10,230,879	11,369,533
Operating Surplus (Deficit) for the period	4	(588,406)	(784,815)

	NOTES	2015/2016	2014/2015
ASSETS			
Non Current Assets	2	439,100	398,009
		439,100	398,009
CURRENT ASSETS			
Cash & Bank	2	1,458,611	2,452,309
Accounts receivables	2	374,234	407,811
		1,832,845	2,860,120
Total Assets		2,271,945	3,258,130
CAPITAL FUND, RESERVES AND LIABILITIES			
CAPITAL FUND AND RESERVES			
Accumulated Surplus/(Deficit)	4	1,778,787	2,369,097
		1,778,787	2,369,097
CURRENT LIABILITIES			
Accounts Payable and Prepaid income	3	493,158	889,033
		493,158	889,033
Total Capital Fund, Reserves and Liabilities		2,271,945	3,258,130

COUNCIL ON HIGHER EDUCATION**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2016**

	NOTES	2015/2016	2014/2015
Cash flows from operating activities			
Surplus/(Deficit)	4	(588,406)	(784,815)
Adjustment for:			
Depreciation	2	112,465	106,075
Prepaid Expenses			
Loss/(Gain) on sale of assets		6,977	574
		(468,964)	(678,166)
Movement in working capital			
Decrease/Increase in receivables		33,577	(255,943)
Decrease/Increase in payables		(395,875)	(193,365)
		(362,298)	(449,308)
Cash flows from operating activities		(831,262)	(1,127,474)
Cash flows from investing activities			
Acquisition of fixed assets	2	(162,438)	(253,080)
Proceeds from Disposal			2,250
		(162,438)	(250,830)
Increase in cash and cash equivalents		(993,698)	(1,378,304)
Cash and cash equivalents at beginning of the year		2,452,309	3,830,613
Cash and cash equivalents at end of the year		1,458,611	2,452,309

NOTE:

For the purpose of the cash flow statement, cash and cash equivalents comprise bank balances and cash on hand.

COUNCIL ON HIGHER EDUCATION**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016**

	NOTES	RETAINED EARNINGS
Balance as at 1st April 2015		2,369,097
Deficit for the year		(588,406)
Movement in retained Earnings		(1,904)
Balance as at 31st March 2016		1,778,787

COUNCIL ON HIGHER EDUCATION NOTE 1 (INCOME)

1.1 Government Subvention

Subvention is 2, 2500, 000.00 per quarter for 4 Quarters	9,000,000
	9,000,000

1.2 OTHER INCOME

INCOME GENERATING ACTIVITIES	AMOUNT
1.2.1 ACCREDITATION FEES:	
NHTC - MBCHB	70,000
NHTC - Dental therapy and partial reviews	64,000
National University of Lesotho- Pharmacy and partial reviews	90,000
Ministry of Finance - Accounting and Procurement programmes	156,705
Scott College of Nursing	6,000
Roma College of Nursing	4,000
Lesotho Institute of Accountants - LePAP Programme	60,000
Total Accreditation fees	450,705
1.2.2 EDUCATION FAIR:	
Revenue from sale of stalls	110,000
TOTALS	560,705

1.2.3 DONATIONS

BQA	8,385
EU	52,118
	<u>60,503</u>

1.2.4 INTEREST RECEIVED

Interest from Call account	17,042
Interest from Treasury Bills	7,107
	<u>24,149</u>

1.2.5 MISCELLENEOUS

Disposal of assets	(6,977)
Other	4,094
	<u>(2,883)</u>

TOTAL OTHER INCOME	642,474
TOTAL INCOME	9,642,474

COUNCIL ON HIGHER EDUCATION**NOTE 2 (ASSETS)****2.1 NON CURRENT ASSETS**

	Cost as at 31st March 2015	2015/2016 Additions	2015/2016 Disposals	Accumulated Depreciation as at 31st March 2015	2015/2016 Depreciation	2015/2016 Disposals	NET BOOK VALUE
Motor Vehicle	162,280	-	-	148,756	13,524	-	(1)
IT Equipment	344,287	124,877	(11,548)	203,282	63,072	(11,548)	202,810
Office Equipment	38,572	32,617	(11,792)	9,177	4,086	(4,815)	50,949
Office Furniture	317,834	4,944	(3,264)	103,749	31,783	(1,360)	185,342
TOTALS	862,973	162,438	(26,604)	464,965	112,465	(17,723)	439,100

2.2 CURRENT ASSETS**2015/2016****2014/2015****2.2.1 PREPAYMENTS**

Pre-paid Assets Insurance	1,163	6,519
Pre-paid Vehicle Insurance	2,826	230
Pre-paid workmen's compensation	4,864	-
Pre-paid Internet Subscription	-	440
Pre-paid Medical Aid	-	13,715
	8,852	20,904

2.2.2 ACCOUNTS RECEIVABLES

LNDC rent security deposit	306,517	185,392
Sundry Debtors	58,865	201,515
	365,382	386,907

TOTAL CURRENT ASSETS**374,234****407,811****NET DECREASE IN RECEIVABLES****(33,577)****2.3 CASH AND BANK**

Petty cash	260	1,129
Cheque account	157,687	128,157
Call account	1,300,664	1,823,956
Treasury Bills	-	499,068
TOTALS	1,458,611	2,452,309

NON CURRENT ASSETS ARE DEPRECIATED ON A STRAIGHT LINE BASIS AS FOLLOWS

Motor vehicle is depreciated at 20%
Office furniture is depreciated at 10%
IT Equipment is depreciated at 33.33%
Office Equipment is depreciated at 10%

COUNCIL ON HIGHER EDUCATION**NOTE 3 (LIABILITIES)****3.0 CURRENT LIABILITIES****2015/2016****2014/2015****3.1 PREPAID INCOME**

National University of Lesotho	80,000	80,000
NHTC	18,000	
Lerotholi Politechnich	44,000	-
Eagles Paramedics	70,000	-
LIPAM	70,000	70,000
Scott		6,000
Roma College of Nursing		4,000
	<u>282,000</u>	<u>160,000</u>

3.2 ACCOUNTS PAYABLES

Suppliers' control account	-	8,059
Accruals	211,158	720,974
PAYE, FBT and withholding tax	-	-
	<u>211,158</u>	<u>729,033</u>

TOTAL CURRENT LIABILITIES**493,158****889,033****NET DECREASE IN PAYABLES****(395,875)**

COUNCIL ON HIGHER EDUCATION

NOTE 4 (DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2016)

INCOME	NOTE	2015/2016	2014/2015
		Maloti	Maloti
Government Subvention for the year		9,000,000	9,000,000
Other Income	1	642,474	1,584,718
TOTAL INCOME		9,642,474	10,584,718
OPERATING EXPENSES			
Allowances		1,379,360	1,346,467
Bank Charges		23,050	21,013
Books & Publications		-	1,780
Courier & Postage		2,099	3,992
Depreciation		112,465	106,075
Fuel		18,050	21,399
Gratuity		928,532	877,704
Group Life Assurance		59,188	54,693
Hospitality		3,895	4,175
Insurance of Assets		15,643	9,824
Meals & Refreshments		21,037	18,975
Medical aid		166,920	140,595
Motor Mileage Claims		8,859	5,629
Motor Vehicle - Repairs & Maintenance		7,623	6,849
Motor Vehicle Hire		5,683	7,426
Motor Vehicle Insurance		7,858	5,463
Repairs & Maintenance (Furniture, equip, etc)		9,434	23,148
Office Rental		822,410	656,749
Other Office Expenses		1,807	21,268
Pension / Provident Funds		114,892	104,730
Printing & Stationery		95,154	107,853
Professional fees		32,305	534,047
Promotion and Advertising		55,588	56,429
Recruitment Expenses		10,550	12,644
Research		201,627	927,599
Salaries		4,244,447	3,921,555
Sitting Allowance		452,000	344,000
Staff Training Expenses		78,000	136,924
Staff Welfare		19,158	47,827
Subscriptions		29,781	21,094
Systems Development		36,443	36,996
Telephone Fax and Internet Services		55,240	89,332
Travel & Substistence - International		234,103	165,327
Travel & Substistence - Local Travel		6,615	5,237
Wages		49,691	58,870
Water & Electricity		51,041	36,811
Workshop,Conferences and Meetings		133,898	295,943
Accreditation expenses		694,452	1,029,889
Website maintenance		28,614	23,940
Planning, Monitoring and Evaluation		13,366	79,259
		10,230,879	11,369,533
OPERATING SURPLUS FOR THE YEAR		(588,406)	(784,815)
Opening retained earnings		2,369,097	3,196,942
Movement in Retained earnings		(1,904)	(43,030)
Closing retained earnings		1,778,787	2,369,097

COUNCIL ON HIGHER EDUCATION**NOTE 5 (NOTES)****FINANCIAL POLICIES FOR THE YEAR ENDED 31 March 2016**

In preparation of these Financial Statements, the following principal financial policies were adopted:

BASIS OF PREPARATION

The financial statements are prepared under the Historical Cost Convention and on the Accrual Basis Principle. These financial statements are prepared in accordance with the requirements of Generally Accepted Accounting Practices (GAAP) and in conformity to International Financial Reporting Standards (IFRS) and the Higher Education Act 2004.

FUNDING AND REVENUE

CHE is financed by the Government of Lesotho through the Ministry of Education and Training (MOET). It also raises funds from Accreditation fees charged from the Higher Education Institutions and from the resources mobilisation activities. Government subvention is recognised in the Income Statement when the funds are committed by the MOET. The MOET communicates the funds allocation for the financial year at the beginning of the financial year, however the subvention is received quarterly in equal portions.

RECURRENT EXPENDITURE

Expenses are stated at cost and recognised when they are incurred not when actual cash flows.

CASH AND CASH EQUIVALENT

Cash and cash equivalents comprise of cash on hand and the bank balances at financial year end.

NON-CURRENT ASSETS

CHE does not have fixed assets such as land and buildings. Non-current Assets are stated at cost. Depreciation is calculated on a straight line basis at rates as set out below:

Motor vehicle is depreciated at 20%
Office furniture is depreciated at 10%
IT Equipment is depreciated at 33.33%
Office Equipment is depreciated at 10%

PROVISIONS

Provisions are recognised when and where there is an obligation as a result of past events for which the value is not yet known with certainty hence the use of estimates.

FOREIGN CURRENCIES

Transactions of foreign currency nature are recognised and recorded at the prevailing rates of foreign exchange to Maloti on the dates of such transactions.

RISK MANAGEMENT**Financial Risk**

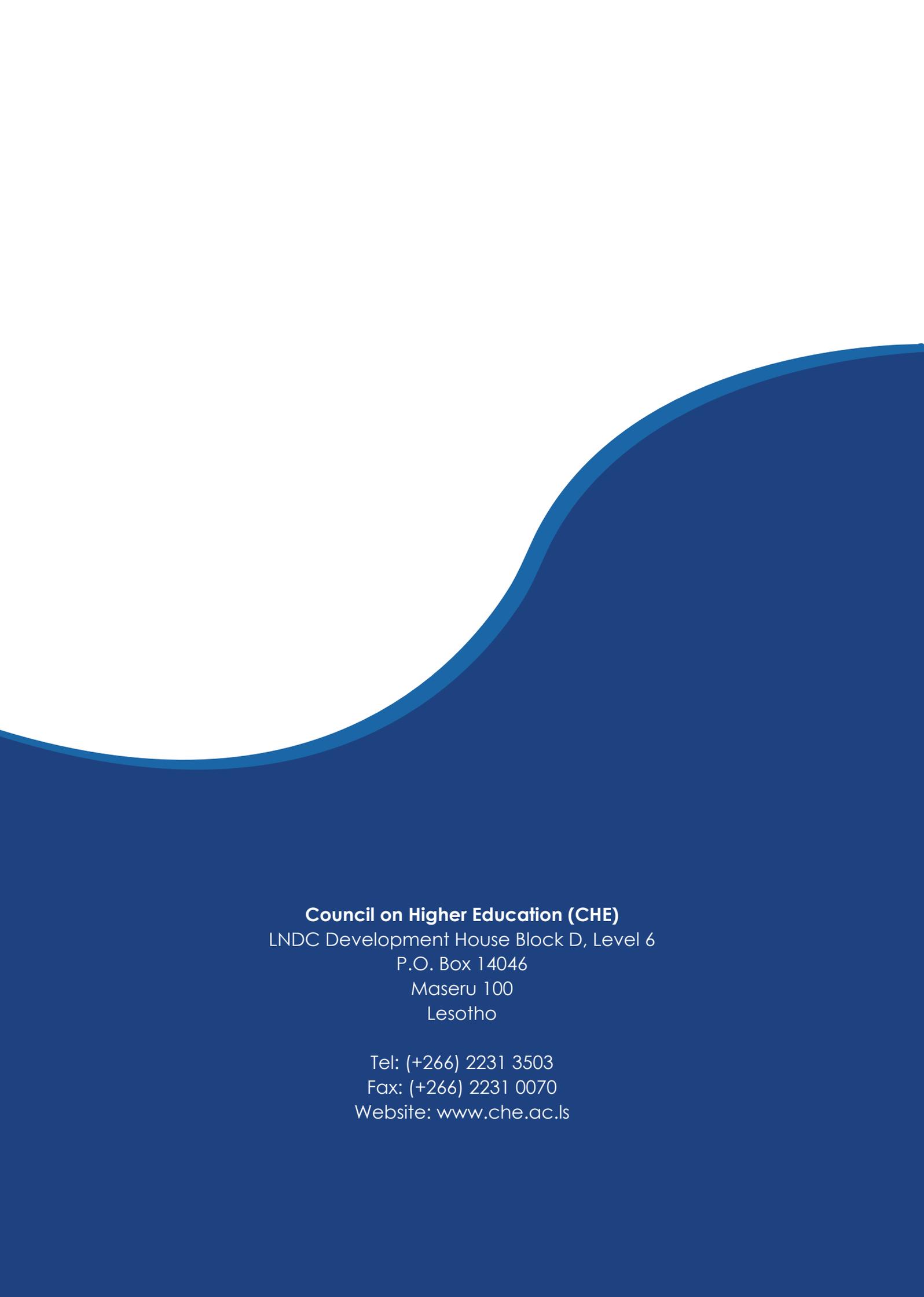
The financial resources of the CHE are mainly cash kept in a bank account with a reputable bank. Bank reconciliations are prepared to ensure that all transactions going through the bank account are accounted for and investigated.

Insurance

The assets of CHE are covered under an insurance policy with a reputable Insurance Company.

Risk Management Policy

Risk Management Policy was developed and approved for implementation in August 2014



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