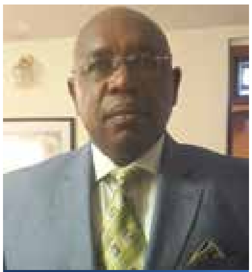
COUNCIL ON HIGHER EDUCATION

2019/20 ANNUAL REPORT



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List of Acronyms and Abbreviations

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AfriQAN	African Quality Assurance Network
AOP	Annual Operational Plan
BSC	Balanced Score Card
BU	Botho University
CAS	Centre for Accounting Studies
CIMA	Chartered Institute of Management Accountants
CIPFA	Chartered Institute of Public Finance and Accountants
CHE	Council on Higher Education
COL	Commonwealth of Learning
DFCS	Director Finance and Corporate Services
DPSI	Director Policy, Strategy and Information
DQAS	Director Quality Assurance and Standards
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
LIA	Lesotho Institute of Accountants
LQF	Lesotho Qualifications Framework
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
NQS	National Qualifications System
NUL	National University of Lesotho
ODL	Open and Distance Learning
PMS	Performance Management System
QF	Qualifications Framework
RSA	Republic of South Africa
SADC	Southern African Development Community
SAQAN	Southern African Quality Assurance Network
UNESCO	United Nations Educational, Scientific and Cultural Organisation

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1.2	To strengthen cooperation with QA agencies, Qualifications bodies, regional and international organisations.			
1.3	To improve the quality of provision of HE.			
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2.2	To manage transformation and change.			
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2.4	Conduct operational research to inform policy and key decisions.			
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3.1	To attract, develop and retain talent.			
3.2	To drive high performance culture.			
4.0	**Financial Perspective**			
4.1	Improve funding sources and manage costs.			

Key: *Good* *Fair* *Poor*

1.0 INTRODUCTION

CHE compiles an annual report every year to track performance on its strategic plan and Annual Score Card. It is a culmination of quarterly and half-year reports. This report covers the financial year 2019/2020 (April 2019 – March 2020). The operations of the Council on Higher Education (CHE) are guided by the Higher Education (HE) Act, 2004 and the Revised Strategic Plan 2019/20 – 2020/20 together with an Annual Score Card. The Score Card implements the strategic plan which in turn executes the provisions of the HE Act. Tracking organisational performance on the Score Card therefore automatically provides an update on the strategic plan.

The report has four sections. The first is an introduction which presents the functions of CHE and theelements of its strategic direction. The second focuses on the performance ofthe organisation on the four perspectives and strategic objectives under each as outlined in the Revised Strategic Plan.The third presents challenges that were encountered during implementation of the Annual Score Card, and the fourth and final section presents the conclusion.

It is during this reporting period that there were major changes in the leadership of the organisation, with the chairperson departing when his tenure of office came to an end in January 2020 after serving for period of 5 years. Furthermore, the Chief Executive who had been with CHE since the establishment of the Secretariat in 2010 also left in March 2020. This has beenthe biggest shake-up of the organisation's leadership since it started operations. The year 2019/2020 also marked the end of the second-generation strategic plan 2015/2020.

1.1 Functions of CHE

CHE was established by an Act of Parliament – Higher Education Act of 2004. Its mandate is to quality assure programmes in the higher education sub-sector and to advise the Minister of Education and Training on matters concerning higher education.

The functions of CHE are to:

a) Monitor implementation of the policy on higher education;
b) Publish information regarding developments in higher education on a regular basis;
c) Promote access of students to higher education institutions;
d) Advise the Minister of Education and Training on any aspect of higher education;
e) Promote quality assurance in higher education;
f) Audit the quality assurance mechanisms of higher education institutions;
g) Accredit programmes and issue a certificate of accreditation of higher education; and
h) Monitor and evaluate the performance of academic programmes and higher education institutions

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Additionally, CHE advises the Minister of Education and Training on the following areas:

i. Quality promotion and quality assurance;
ii. Teaching and research;
iii. The structure and planning of the higher education system;
iv. A mechanism for the allocation of public funds;
v. Appropriate incentives or imposition of sanctions such as diminution or withdrawal of gov ernment
v funding, downgrading, termination of a programme, or even closure of an institution;
vi. Student bursaries; and
vii. Governance of the higher education institutions and higher education systems.

1.2 Mission, Vision and Values

The revised CHE Strategic Plan 2018/19 -2019/20 outlines 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 phahamengeaboleng!)

Corporate Values

a) *Integrity:* We strive for honesty, fairness and objectivity in all our dealings with higher education institutions and other stakeholders.

b) *Professionalism:*We are committed to upholding and maintaining high standards of professionalism when providing services to higher education institutions.

c) *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.

d) *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.

e) *Partnerships:*We value the collective wisdom that emerges from sustainable and beneficial partnerships with public and private organizations both locally and internationally.

f) *Good Corporate Governance:*We dedicate ourselves to good governance by upholding such principles as responsibility, honesty, trust, openness, performance orientation, and respect for others.

g) *Commitment to Quality Higher Education:*We are committed to providing a regulatory environment for higher education institutions to succeed in their business.

1.3 Perspectives and Strategic Objectives

Stakeholder Perspective

a) To enhance collaboration and cooperation with all stakeholders;

b) To strengthen cooperation with QA agencies, Qualifications bodies, regional and international organisations; and

c) To improve the quality of provision of HE.

Internal Processes Perspective

a) To enhance a sound financial, supply chain and facilities management systems within CHE;

b) To manage transformation and change;

c) To strengthen the QA regulatory framework;

d) Conduct operational research to inform policy and key decisions; and

e) To implement the LQF component relating to Higher Education.

Learning and Growth Perspective

a) To attract, develop and retain talent; and

b) To drive a high-performance culture;

Financial Perspective

Improve funding sources and manage costs.

2.0 PERFORMANCE ON PERSPECTIVES AND STRATEGIC OBJECTIVES

2.1 Customer/Stakeholder Perspective

2.1.1 To enhance collaboration and corporation with Stakeholders

Brand Manual and Guidelines

Implementation of the CHE Brand Manual is monitored on an on-going basis particularly in terms of consistent use of the approved fond, usage of corporate templates in Power Point Presentations among other things. However, the monitoring is not yet systematic. There is a need to develop a systematic approach towards dealing with this aspect of the operations.

Publicity of CHE Activities

There were some capacity related challenges due to shortage of staff which resulted in the delay in the updating of the website. This challenge notwithstanding, publicity of CHE activities was doneon a number of media platforms, includingradio stations, newspapers and the Lesotho Television (LTV).

Coordinating HEIs HIV & AIDS Initiatives

CHE has continued to coordinate activities of the Higher Education Institutions' Committee on HIV and AIDS which leads the response to the pandemic in the sub-sector. Two meetings were held by the Committee where, among other things, updates were given on Elizabeth Glazer Paediatric Foundation (EGPAF) support to HEIs, and the Global Fund office briefed Members and outlined initiatives for which the sector could possibly access support. EGPAF was in its second year of supporting HEIs to boost their HIV and AIDS response. However, one of its main worries was that the numbers of people accessing its services through the facilities established within HEIs were too low, and did not justify the investment. This makes renewal of this three-year project highly doubtful when it comes to an end in the next financial year.

Engaging MoET

Engagement with the Ministry of Education and Training as the mother ministry for CHE, and therefore, the main stakeholder, is done on an ongoing basis. A number of meetings were held with MOET Officials, and with PS and Hon. Minister where a number of important issues were discussed, including the draft LQF Alignment Report to the SADC Qualifications Framework, the LQF document itself, accreditation of programmes offered by HEIs, and additional funding for CHE.

Engagement with HEIs

CHE works very closely with HEIs through provision of quality assurance services to HEIs, and it also monitors their performance through compilation of statistical reports. Meetings were held with heads of HEIs in which they were given updates on a number of issues including Revised QA Standards, and the Lesotho Qualifications Framework (LQF) which was approved in June 2019. The heads of institutions participated in the appointment of representatives of HEIs into the Higher Education Quality Assurance Committee (HEQAC), following expiration of tenure of some Members. While this is an important platform where CHE is able to engage institutions at the highest level, the growing tendency among heads to send delegates to these meetings is not very helpful.

CHE also engages students of HEIs through the Student Representative Councils (SRCs). To this end a very fruitful meeting was held with SRCs. They were informed about CHE and its mandate, and a presentation on the LQF was delivered to them. Some of the issues they raised included, the need for CHE to be more vigilant in dealing with HEIs particularly in terms of the tendency of them to offer programmes without requisite human and physical resources. This they said prevails in some institutions, and it compromises the quality of teaching and learning.The students were also invited during the dissemination of State of HE Report and dissemination of LQF to different stakeholders.

Higher Education Fair

The Higher Education Fair was held on 20th and 21st February 2020 at the National Convention Centre. The overall objective of the Higher Education Fair was to provide information to prospective tertiary students about higher education institutions in Lesotho and to provide the institutions with an opportunity to engage with the public on the programmes on offer.The specific objectives of the Higher Education Fair were to:

a) provide higher education institutions with a platform to showcase their programmes;

b) enable prospective tertiary students to obtain necessary information on higher education in one place;

c) give financiers of tertiary students an opportunity to showcase their offerings;

d) provide career guidance to prospective tertiary students with a specific focus on career paths that are within the national priorities;

Students queuing to register to get into the HE Fair

Students visiting stalls during the HE Fair

The Fair went well even though the number of participants was very high and went beyond the capacity of CHE staff. There is need to boost the capacity to handle large numbers in terms of staff deployment and material resources used at the Fair. The institutions and prospective students as the main beneficiaries of the Fair were satisfied. Institutions derive maximum benefit when the number of participants is high. Of the 14 HEIs participating in the Fair, 12 were local and 2 were foreign, with 1from Botswana, and the other from South Africa. The institutions that participated are listed in Table 2 below*:*

Table 2: Institutions participating in 2019 HE Fair

#	Local Institutions	Foreign Institutions
1.	Paray School of Nursing	University of Johannesburg
2.	Scott College of Nursing	University of Botswana (UB)
3.	NUL	
4.	IDM	
5.	LUCT	
6.	LCE	
7.	LP	

CAS	
Botho University	
Maluti Adventist College (MAC)	
LAC	
Lesotho-China School	

For the first time this year, the stalls erected by institutions were not assessed, and therefore, there were no awards for best stalls. This item was excluded from the programme due to budget constraints. However, this did not dampen the spirit of HEIs as reflected in the high-quality stalls erected and the service they provided to participants.

Participants listening attentively during career guidance sessions

In addition to exhibitions by institutions, career guidance sessions were provided as a second stream of the Fair where professionals in different fields had been invited to present on their professions, entry requirements into those professions and career opportunities. CHE had partnered with the Queen 'Mamohato Memorial Hospital (QMMH) for the second year running for different professionals from the hospital to present on their fields of expertise, and for students to tour the hospital and see the various professions in action.About 150Fair participants from different schools got the opportunity to visit the hospital.The third stream of the Higher Education Fair was where financiers of tertiary students presented their offerings. There were three agencies; namely,the National Manpower Development Secretariat (NMDS); Rhodes-Mandela Foundation; and Letšeng Diamond Mine.

2.1.2 To strengthen cooperation with QA agencies, qualifications bodies, regional and international organisations

CHE strives to strengthen its relationships with local, regional and international agencies working in the higher education sector. Forging these partnerships is very helpful for collaboration, information sharing, and it enables other forms of support. In preparation to implement the LQF which is a new area in this country, CHE sought support from the quality assurance agencies in the region on issues pertaining to managing qualifications. Locally the Examinations Council of Lesotho (ECOL) provided useful information for CHE to benchmark its LQF related services. In the SADC region countries such as Zambia, Namibia, Botswana and RSA were approached, and eachprovided information on the fees for-qualifications related services for benchmarking purposes. This enabled development of fees to be charged by CHE in this regard. The fees have since been approved by Council, and they are now operational. Furthermore, SAQA supported CHE and MOET by editing the final LQF document before it could be mass-printed. This support was provided to CHE pro bono or free of chargeas part of the collaboration arrangements.

CHE has established strong collaborative arrangements with a number of national bodies and international organisations in the area of quality assurance. The already established working relationships were maintained with the partner-organisations, while new ones were explored.Important meetings were held withECOL in Lesotho and SAQA in RSA on issues pertaining to implementation of the LQF. Representatives of the Eswatini Council for Higher Education participated in a workshop organized by CHE on managing national qualifications frameworks. Both Lesotho and Eswatini are still at the initial stages of implementing their frameworks hence on a steep learning curve. It is for this reason that they have decided to exchange notes as they go along.

CHE representedthe Ministry of Education and Training (MOET) in the SADC technical committees working on higher education. CHE continued to participate in the on-going SADC qualifications alignment process led by SAQA. The aim of this process is to align national qualifications frameworks of member-states to that of the SADC Qualifications Framework. To date only two countries namely, RSA and Seychelles have their national qualifications frameworks fully aligned to the SADC Qualifications Framework, and approved by the SADC Technical Committee on Certification and Accreditation (TCCA). Once a country’s framework is aligned,students and professionals in that country are able to move across countries in the region for further education and employment. Lesotho’s efforts towards finalisation of its own alignment report which was scheduled to be completed by May 2020 were interrupted by the national response to the COVID-19 Pandemic and the resultant restrictions of movement and prohibition of gatherings.

CHE remains an active member of a number of regional and international organisations including Southern African Quality Assurance Network (SAQAN), African Qualifications Verification Network (AQVN), African Quality Assurance Network (AfriQAN), and International Quality Assurance Agency for Higher Education (INQAAHE). Given that the Chief Executive of CHE is the Treasurer of AQVN financial statements of this organisation were prepared at CHE and presented at the Annual General Meeting.

2.1.3 To improve the quality of provision in higher education

Higher Education Quality Assurance Committee (HEQAC)

HEQAC met a number of times and approved important quality assurance papers including accreditation of programmes. The Revised Minimum Accreditation Standards were one of the QA tools that were approved.Performance of HEQAC gets evaluated on an annual basis. This year the Committee's performance was evaluated with a data collection tool that had been revised to be in line with the CHE Balanced Score Card. The performance evaluation report was compiled and presented to HEQAC for endorsement,and it was later tabled before Council for noting. New HEQAC Members were appointed by Council in its sitting of October 2019. An induction workshop was organised for all Members of HEQACthe following month.

Accreditation of Programmes offered by HEIs

The Higher Education Act of 2004 provides for all post COSC programmes to be accredited by CHE, and be given certificate of accreditation. In execution of this provision of the law, CHE reviews programmes offered by HEIs on an ongoing basis for purposes of granting them accreditation. Table 3 provides a summary of programmes that were reviewed during this reporting period:

Table 3: Summary of Programmes Reviewed during this Reporting Period

Institution	Status of prog	Name of Programme	Date Reviewed	Outcome of Review
NUL	New	Post Graduate Diploma in Higher Education	March 2020	Under Review (completion of review delayed by Covid – 19)
LP	Existing	▪ Diploma in Architectural Technology ▪ Diploma in Civil Engineering ▪ Diploma in Construction Management	October 2019	All three programmes were Granted Probationary Accreditation for 2 years
LCE	New	Diploma in Education (Preschool & Foundation Phase)	October 2019	Allowed to run for 2 years before full review
BU	New	Bachelor of Commerce in Risk Management	March 2020	Under Review

	New	Bachelor of Science in Computer Networking	March 2020	Allowed to run for 2 years before full review
	New	Diploma in Occupational Health & Safety	March 2020	Under review
MAC	Existing	Diploma in Midwifery (ODL)	March 2020	Granted full Accreditation for 5 years.
LUCT	Existing	Bachelor of Arts in Professional Communication [Appeal]	June 2019	Granted Probationary Accreditation for 2 years (won appeal)
		Bachelor of Arts (Honours) in Entrepreneurship [Appeal]	June 2019	Accreditation Not Granted (lost appeal)
		Associate Degree in International Tourism [Appeal]	June 2019	Accreditation not Granted (lost appeal)
		Associate Degree in Architecture Technology	August 2019	Granted Probationary Accreditation for 2 years
		Associate Degree in Tourism Management	August 2019	Granted Probationary Accreditation for 2 years
		Associate Degree in Journalism	August 2019	Granted Probationary Accreditation for 2 years

The National University of Lesotho requested special dispensation from CHE, to offer a new programme, Bachelor of Commerce in Accounting and Finance without having gone through the process of programme review due to some challenges they had. However, their request was not successful since it would compromise the very essence of quality assurance which CHE is responsible for. Thus, NUL continues to offerthe old B. Com Accounting programme.

Institutional Audits of Quality Assurance Mechanisms

Part of the CHE mandate is to conduct institutional audit of higher education institutions quality assurance mechanisms. To this end the National University of Lesotho (NUL) submitted for Audit in November 2019, and their submission was reviewedaccordingly. The university was given feedback on their submission for some improvements to be made, and they are expected to resubmit at the beginning of next financial year.

Scott College of Nursing submitted for Audit in October 2019, and screening of their submission was finalised in February 2020. All the necessary arrangements had been made for the audit to proceed.However, it had to postponed indefinitely due to the national lockdown imposedin response to the COVID-19 Pandemic.

Once an institutional audit has been undertaken, the concerned institution has to develop an improvement plan to address the gaps that would have been identified by the audit. The Lesotho College of Education (LCE)was audited last financial year, and it submitted an Improvement Plan following that audit in June 2019. Implementation of the same plan is monitored by CHE. Thus, the necessary arrangements will be made in the first quarter of next financial year for monitoring and evaluation of the plan.

Support for HEIs to Improve their Quality Assurance Mechanisms and Systems

Capacity Building

CHE provides support on quality assurance to HEIs in a number of different ways. During the period under review a capacity building workshop was held for HEIs in which they were trained on how to compile Quality Assurance related Improvement Plans and Progress Reports.CHE engages professionals in different fields inundertaking its quality assurance mandate which includes accreditation of programmes and audit of institutional quality assurance mechanisms of HEIs. These professionals are recruited, trained and placed on the CHE database of reviewers. Recruitment of professionals was done in July 2019, and their training held in August 2019.

Participants at a capacity building workshop for experts engaged for programme reviews

Databases of professionals and accredited programmes were developed and finalised in May 2019 with technical support from Botho University students who were on attachment. The Database of Professionals is very helpful when review panels and audit teams have to be assembled to do quality assurance related work. The Database of Accredited Programmes enables tracking of programmes that may be offered without having been reviewed by CHE.

QA Inquiries

A number of individuals and representatives of foreign institutions come to CHE to seek guidance and to inquire about requirements for setting up a higher education institution in Lesotho or to run a programme. The Lesotho Revenue Authority (LRA) is one of those institutions which came for such guidance. Meetings would be held and information shared with such agencies. These services were provided free of charge during the period under review. From next year all such inquiries in relation to quality assurance matters will be paid for.

Monitoring &Evaluation of QA Activities

Development and Approval of Improvement Plans

Once accreditation has been granted to a programme and an institutional audit has been finalised, those offering each programme or running an institution, are required to develop an Improvement Plan regardless of the status of accreditation or outcome of the audit. The idea is to develop a plan for addressing any shortcomings identified in the review or audit report. Each improvement plan has to beapproved by CHE, which in turn monitors implementation of the same by institutions.The table below provides a summary of status of improvement plans dealt with in this reporting period.

Table 4: Status of Improvement Plans

Institution	Programme	Status
LUCT	Diploma in Fashion and Apparel	Approved in December 2019
	Diploma Degree in Graphic Design	Approved in December 2019
	Diploma Degree in Creative Advertising	Approved in December 2019
	Diploma Degree in Events Management	Approved in December 2019
	Diploma Degree in Public Relations	Approved in December 2019
IDM	Diploma in Human Resource Development & Management	Approved in November 2019
	Chartered Institute of Procurement and Supply (CIPS)	Approved in November 2019
LP	Diplomain Electrical & Electronic Engineering	Approved in November 2019
	Diplomain Computer Systems	Approved in November 2019
	Diploma in Marketing Management	Approved in November 2019
	Diplomain Hospitality Management	Approved in October 2019
	Diploma Office and Administration Management	Approved in October 2019
	Diploma in Business Management	Approved in October 2019
	Diplomain Tourism Management	Approved in October 2019
NUL	Bachelor of Arts (B.A) in Economics	Under Review
	Bachelor of Science (B.Sc.) in Environmental Health	Under Review
	Bachelor of Education (B.Ed.) Primary	Under Review
	B.Sc. in Education	Under Review
	Post Graduate Diploma in Education (P.G.D.E)	Under Review

Table 5: HEIs Visited on QA Monitoring

Institution	Programme
LUCT	B.Bus (Hons) International Business
	Diploma in Architecture Technology
	Diploma in Tourism Management
	Diploma in Journalism
	Diploma in Broadcasting (Radio & TV)
	B.Sc. (Hons) in Software Engineering with Multimedia
ROMA CON	Diploma in General Nursing
IDM	Chartered Institute of Procurement and Supply (CIPS)
PARAY	Certificate in Nursing Assistant
	Diploma in General Nursing
	Diploma in Midwifery

Table 6: M&E Reports shared with HEIs

Institution	Programme	Period
LUCT	Diploma in Information Technology	July 2019
	Diploma in Business Information	July 2019
	Diploma in Marketing	July 2019
	Diploma in Business Management	July 2019
	Diploma in Retail Management	July 2019
	Diploma in Multimedia and Software Engineering	July 2019
NUL	Bachelor of Commerce (B. Com) in Accounting	July 2019
	Bachelor of Pharmacy (B. Pharm) Honours	July 2019

Of the 20 programmes designated for monitoring and evaluation visitsduring this reporting period, M & E Reports for the following 8 programmes were deferred to the next financial year due to COVID-19 induced disruptions:

i. IDM - Chartered Institute of Procurement and Supply (CIPS);
ii. ROMA CON – Diploma in General Nursing;
iii. LUCT - B. Bus (Hons) International Business;
iv. LUCT - Diploma in Architecture Technology;
v. LUCT - Diploma in Tourism Management;
vi. LUCT - Diploma in Journalism;
vii. LUCT - Diploma in Broadcasting (Radio & TV);
viii. LUCT - B.Sc. (Hons) in Software Engineering with Multimedia.

2.2 Internal Processes Perspective

Council Meetings

Council had four meetings in line with the CHE governance charter. The Executive Committee (EXCO) on the other hand had 3 meetings which was more than usual becauseit was engaged in the process of recruiting a new Chief Executive of CHE.

Some of the main issues that Council made a determination on during this period included the Annual Budget, Accreditation of Programmes, Audit of Quality Assurance Mechanisms of HEIs, Lesotho Qualifications Framework, reviewed Quality Assurance Fees together with new LQF fees, and development of the third generation CHE Strategic Plan.

2.2.1To enhance sound financial, supply chain and facilities management systems within CHE

AFRMC Meetings

Audit, Finance and Risk Management Committee (AFRMC) is a sub-committee of Council responsible for the areas depicted in its name. It advised Council on the budget at the beginning of the financial year. It also reviewed the Risk Management Plan and presented it to Council. During the course of the year,five meetings were held, three ordinary meetings and two special ones. Reports on performance on the budget were presented to the AFRMC which in turn tabled them to Council. A comprehensive report on Risk was compiled showing that inadequate financing of CHE remained one of the major risk factors. Review of the Quality Assurance Fee Structure and the review of Finance Policies were among the major documents presented by the committee to the Council during the year.

Procurement

Procurement processes were done in accordance with CHE policies and procedures. The suppliers' database was revised and implemented to facilitate the processes of procurement.

Budget

The budget was developed and approved by Council at the beginning of the year. Its management was done on an ongoing basis throughout the reporting period. The total income budget for the year was M11 652 526 while the expenditure budget was M11 653 218. An official figure communicated by MOET for subvention allocation was M7 080 829, which represented 22.7% decrease from the previous year's allocation. In December 2019, an additional budget allocation amounting to M2 000 000 requested from the Ministry was approved and received by CHE in January 2020. Following receipt of the additional funding, the budget was reviewed accordingly.

Non-Government subvention funding was at 34% of the annual budget by end of March 2020. During the same period the interest collected was 57% lower than the annual budgeted figure. Following AFRMC advice, Council approved opening of a new Investment Account with Stanlib. The account was opened in February 2020, and was already operational at the end of the financial year. It is expected that this move will help CHE to generate interest even when the organisation is struggling financially as was the case in the previous financial year.

Overall spending level at the end of the financial year was at 87%. The main contributing factor was the lower spending level on LQF Cost Centre. This was due to the fact that the supplementary budget allocation of M2 000 000 which was mostly dedicated to financing LQF related activities was only received in January 2020, two months before end of the financial year.

Cash Flow

Income and Expenditure Reports were presented to Executive Management on a monthly basis, while quarterly reports were presented to AFRMC and Council/EXCO. Projections up to March 2020 were presented to Council in January 2020, and these incorporated the M2 000 000 additional budget allocation.

External Audit

2018/2019 financial statements were prepared and taken through the governing structures. They were also submitted to the Office of the Auditor General for auditing. The audit was completed and an unqualified audit opinion was issued. This was the 6th year in row in which CHE got a clean audit.

Risk Management

Risk Register and Business Continuity Plan were developed and duly approved by Council at the beginning of the financial year. The Risk Register was monitored throughout the year, and risk report presented to Executive Management and AFRMC accordingly. As in the last financial year, inadequate funding for CHE was identified as one of the major risks to the achievement of its mandate.

Administrative Issues

Administrative services that facilitated smooth running of the office were provided as necessary. They included Human Resources related operations, and general office administrative issues which are routine in nature and yet critical for the functioning of the office.

CHE Project Supported by Commonwealth of Learning

CHE implemented a project that was supported by the Commonwealth of Learning (COL). The project entailed capacity building for key stakeholders such as MOET officials, CHE, HEIs and Technical and Vocational Institutions on understating the Lesotho Qualifications Framework so that they could implement it. Dissemination of the same policy document was also part of what had to be done under this project. Furthermore, the other intervention related to development of ODL standards. A consultant was appointed to develop ODL standards for CHE through the support of COL in February 2020. Draft standards were developed, but the exercise could not be completed, and had to be postponed indefinitely due to the COVID-19 Pandemic induced national lock down.Financial report on this project was compiled and submitted to COL.

2.2.2 To manage transformation and change

The third generation CHE Strategic Plan was developed through a highly consultative process. It was informed by a comprehensive report which assessed performance of CHE over the past five years, and the extent to which the 2nd generation strategic plan was implemented. The new strategic plan still follows the Balanced Score Card approach, and has identified the following five strategic goals:

a) Forging and nurturing strategic partnerships with stakeholders;
b) Developing and implementing QA systems, and managing LQF;
c) Building physical infrastructure for CHE, and employing innovative technologies to improve efficiency;
d) Strengthening governance, human capital and operations within CHE; and
e) Diversifying and intensifying mobilisation of resources for CHE;

The strategic plan together with the score card for 2019/2020 will be presented to Council for approval early in the next financial year. Council meeting was delayed due to the national lock down in response to the COVID-19 pandemic.Continuous monitoring of implementation of the annual scorecard was done on an ongoing basis through quarterly and half-year reports. This annual report also contributes towards monitoring the scorecard.

Higher Education Act

The Draft Amendment of the Higher Education Act was recalled from the Law Office through Legal Office of MOET. The joint CHE-MOET Committee assigned to work on the Act decided that the Act should be repealed in the light of new developments, including approval of the LQF together with Lesotho Qualifications and Quality Council (LQQC) as a new structure to be established to manage the LQF. A new Cabinet clearance for development of LQF Act and repeal of HE Act will be sought since the existing clearance is for amendment of the Higher Education Act. Thus, work on the new act to repeal the Higher Education Act will start in earnest once Cabinet clearance has been granted.

Stakeholder engagement framework

The Stakeholder Engagement Framework was revised and restructured to develop a more detailed document, and was approved by Management and disseminated to staff. The framework serves as a general guide on how and at what level various stakeholders should be engaged in the operations of CHE.

2.2.3 To strengthen QA regulatory framework

Accreditation Standards

Accreditation standards for small tuition providers were developed in collaboration with the Lesotho Institute of Accountants (LIA). The standards were benchmarked withtheLIA counterpart in Zambia. They were then presented to the LIA Education Committee and awaits approval by the LIA Council.

Minimum Accreditation Standards were revised and approved by HEQAC and Council.They were disseminated to stakeholders through a workshop in June 2019. The revised standards were shared with heads of HEIs in July 2019 and were also presented to them during a meeting in August 2019.

CHE developed Guidelines for Appointment and Promotion of Teaching Staff in higher education institutions with a view to providing a general framework on appointment and promotion. This was necessitated by the need to standardise the practice in these important areas. The Guidelines were presented to HEQAC in March 2020. However, theywere deferred to the next HEQAC meeting to enable members to make meaningful inputs.

The Common Wealth of Learning (COL) supported a project on Community of Practice in the SADC region. The project comprised capacity building on Open and Distance Learning, and development of standards and indicators for selected SADCcountries. The first workshop during the period under review was held in June 2019. In this workshopGuidelines for employability were developed. This was an improvement of the ODL Guidelines which had been developed under the same project in the previous year. In addition to the development of standards, key employability indicators were finalised on the basis of pilot reports that had been compiled by participating countries.

Student Financing Policy

CHE had planned to develop a policy on Student Financing to provide guidance on how state funding for students should be approached with a specific focus on improving access to higher education for all qualifying Basotho. However, uponconsultations with the Ministry of Development Planning, it emerged that the Ministry was also working on a similar initiative through the National Manpower Development Secretariat (NMDS). CHE together with other sub-sectors of MOET were therefore,advised to support NMDS towards development of the policy.Thus, CHE is a member of a task team led by NMDS working on this project.

Quality Assurance Policy

A Draft Policy on Quality Assurance was developed and presented to Management.However, it was decided that the policy should not be a stand-alone document.Rather it should be subsumed into the Higher Education Policy to beef-up the QA component therein. One consultative workshop resulted in a revised HE policy which is still in a draft form yet to go through another consultative workshop. The consultation process will be completed in the next financial year.

2.2.4 To conduct operational research to inform policy and key decisions

M&E Framework

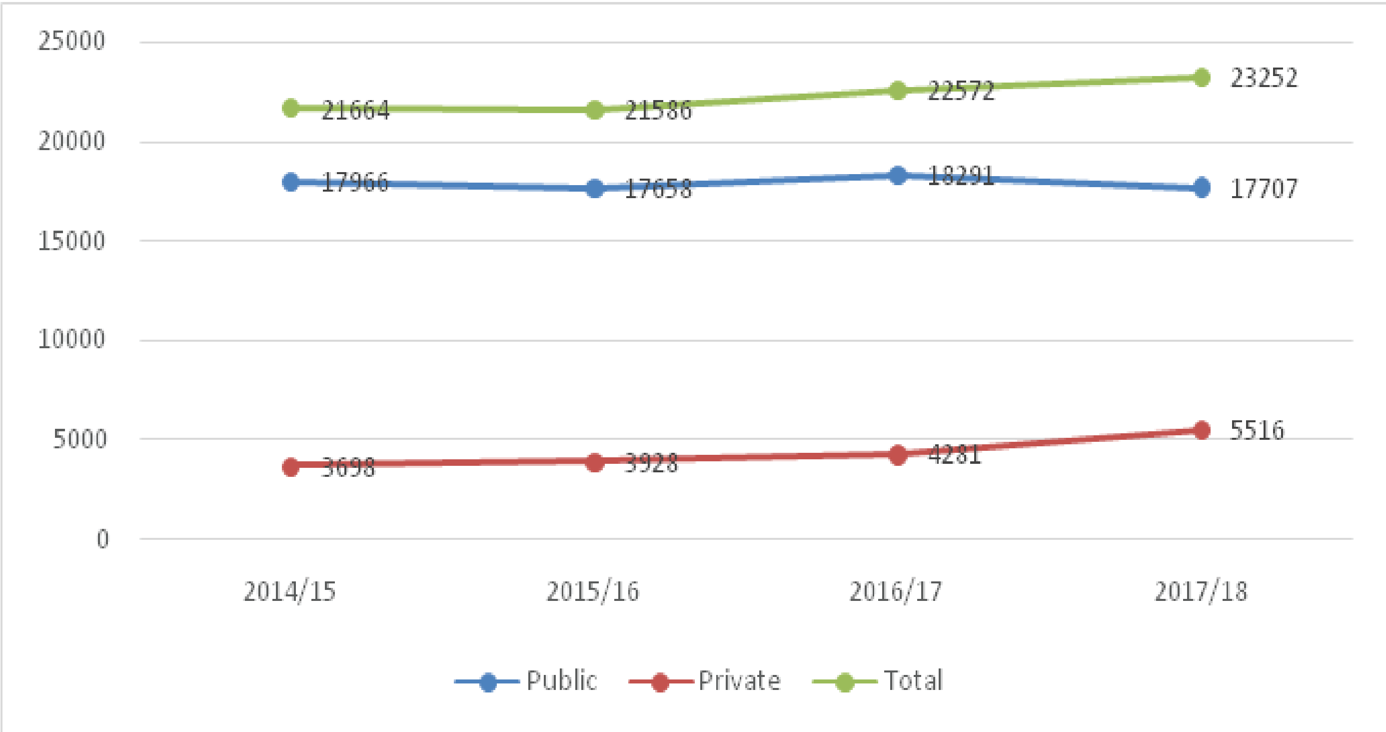
The revised Monitoring and Evaluation Framework for the higher education subsector was approved and disseminated to all key stakeholders following its alignment to the new sub-sectoral strategic plan. This framework outlines performance indicators which have to be tracked to measure performance of the subsector in implementing the strategic plan.

State of Higher Education Report

The State of Higher Education Report is a comprehensive report whose main purpose is to track indicators that have been outlined in the higher education sub-sector M&E Framework. These are output, outcome and impact level indicators used to track the extent to which the higher education policy together with the strategic plan is being implemented. CHE compiled a third issue of the State of Higher Education report covering 2015/16 – 2017/18.The report indicated a mixed bag of results with improvements in some areas and not much progress in others. The following were some of the findings:

a) Enrolment was at 23, 223 students in 2017/18 which was a slight increase from 22,572 students enrolled in 2016/17. There were more females than males enrolled. The majority of students were in the age group of 20 – 24 years of age, followed by age group 25 – 29 years. An important issue to note here is that children start school at age 6 which means they are expected to start tertiary at age 18. Looking at the majority age-group in tertiary there is a two-year delay for most students. This area needs to be investigated further to establish reasons for the delay.

Figure 1: Enrolment Trends by Type of Institution



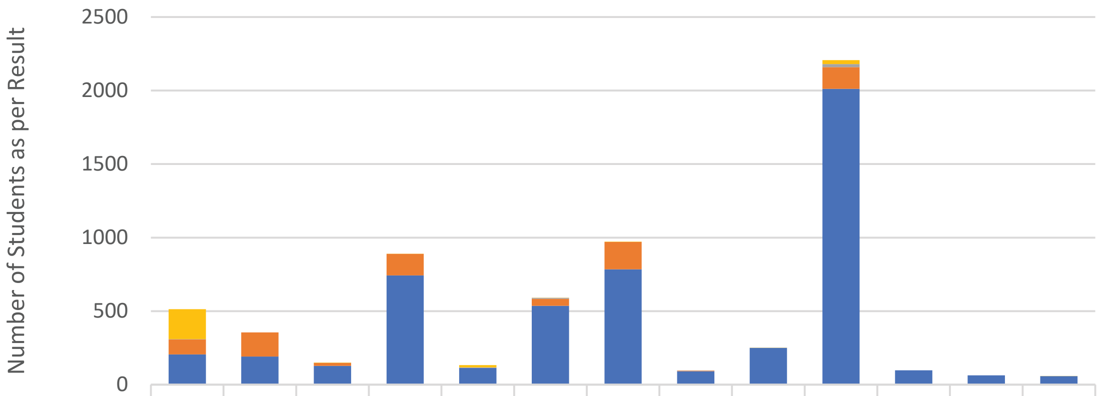
b) The National University of Lesotho (NUL) had highest enrolment estimated at 9,349 in 2017/18, followed by Limkokwing University of Creative Technology (LUCT) with 3, 526 students in the same year.

c) Enrolments by programme across all institutions indicated that most students were studying towards Diploma qualifications followed by those in Bachelor's Degree programmes. There were 9,377 Diploma students and 8,880 Bachelor's Degree students in 2017/18. Of great concern is the fact that there were very few postgraduate programmes and students at both Masters and Doctoral levels were 253 and 11 respectively.

Financial support to students is one of the important catalytic factors for access to higher education. The National Manpower Development Secretariat (NMDS) is still the main sponsor with 16, 897 students supported in 2017/18. Self-sponsorship is the second category with 5,606 students paying for themselves.

d) Slight improvement in the numbers of students with disability at 32 - There were still barriers for people with disabilities in a number of institutions which impeded movement and accessibility to some facilities and amenities.

Figure 2: Completion Rates by Institution – 2017/18



	CAS	IDM	LAC	LCE	LIPAM	LP	LUCT	MAC	NHTC	NUL	PSN	RCN	SCN
Incomplete	203	0	2	2	16	1	2	0	1	27	0	0	1
Withdrew	2	0	1	0	3	6	0	1	0	21	0	0	0
Failed	102	164	20	146	1	48	187	5	0	147	0	0	0
Passed	206	191	128	743	113	536	784	91	250	2012	98	63	58

e) With regard to staff in HEIs, there was a very high attrition rate resulting in fluctuations in staff moving in and out of institutions. For instance, in 2017/18 there were 387 staff members who left from 11 HEIs.

f) Staff quality index was satisfactory in the college-level institutions, but there is need for improvement at the universities, particularly the two private ones.

g) Research output is generally low in HEIs. There were estimated 105 research reports and 181 peer reviewed research publications from 2015/16 to 2017/18.

h) The State of Higher Education Report shows that 91 programmes were reviewed and 78 were granted accreditation. Thirteen programmes from seven HEIs were not granted accreditation during the three-year period covered by the report (2015/16 – 2017/18).

i) The report made the following recommendations:

i. *The Government, through the Ministry of Education and Training (MOET) and Ministry of Development Planning (MoDP), should consider establishing Infrastructure Development Fund for public HEIs.*

ii. *There have been positive strides noted in the area of quality culture within HEIs. CHE should continue to support and guide institutions in this important area.*

iii. *Data indicate that some institutions have teaching staff who teach at the same level as their own qualifications and even above. This is inconsistent with standards, and CHE should follow this up and take the necessary action towards enforcement of its quality assurance standards to ensure that all institutions comply.*

iv. *CHE should implement the Lesotho Qualifications Framework (LQF) in relation to higher education while arrangements are being made for establishing a body that will manage the entire framework.*

v. *HEIs should find innovative ways of generating additional income in the light of declining financial support from Government.*

vi. *It is therefore critical for HEIs to improve their statistical data management systems and data quality.*

vii. *The rate at which staff leave HEIs is very high. HEIs should employ staff retention strategies to address this challenge.*

viii. *There is need for Degree level programmes in technical areas such as engineering. Institutions also need to put more effort towards developing post graduate programmes in various areas.*

ix. *Numbers of students with disability are still very low in HEIs. Institutions should provide the necessary support and facilities for students with disability to enable them to access higher education.*

x. *Institutions should undertake periodic tracer studies and utilize information obtained as necessary.*

xi. *HEIs should work towards aligning their qualifications with the LQF, and implementing its provisions.*

xii. *The Government, through NMDS, should increase student support and focus it specifically on needy students.*

xiii. *NMDS should expedite review of its law and policies in order to pave the way for the introduction of cost-sharing of higher education costs between parents and the state.*

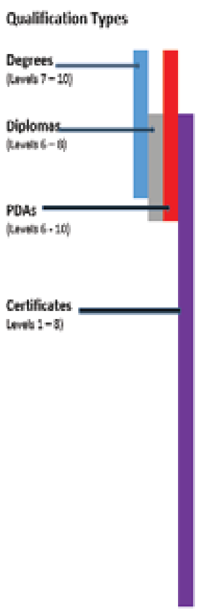
xiv. *Government should increase capital investments into public HEIs so that they can increase their admissions without compromising quality of teaching and learning.*

xv. *MOET should work towards putting LQF on a firm legal footing, and implement it effectively.*

2.2.5 To Implement LQF Component Relating to Higher Education

The long process of reviewing the 2005 Qualifications Framework had started in 2016 led by the Council on Higher Education. The process included a number of highly engaging stakeholder consultations. During the year under review the Lesotho Qualifications Framework was further refined in collaboration with MOET. The LQF was finally approved by Cabinet in June 2019, and it was launched by the Minister of Education and Training Honourable MokotoHloaele in December 2019. The LQF has since been disseminated through the media, and a series of stakeholder workshops. MOET & CHE officials, HEIs and Technical and Vocational institutions were trained on implementation of the LQF. Figure 1 presents a summary of the LQF.

Table 7: LQF Summary Table



Level	Academic / Professional Track		TVET Track *(formal, professional & industry based qualifications)*		Credit Values (Minimum)	Credit Values
10	Doctorate		Doctorate		360	360
9	Masters		Masters		120	240
8	PGC/PGD/Honours Bachelor		PGC/PGD/Honours Bachelor		120	120
7	Bachelor		Bachelor		360	360 - 480
6	Diploma		Diploma		120	240
5	AS Certificate	Technical Education Certificate A	National Craft Certificate	Trade Test A	120	120 - 240
4	O Level / LGCSE Certificate	Technical Education Certificate B	Vocational Education & Training Certificate	Trade Test B	120	
3			Basic Vocational Education & Training Certificate	Trade Test C	120	
2	Junior Certificate	Technical Education Certificate C	Basic Operative Certificate	Trade Test Operative	120	
1	Primary Cert / Basic Adult Education Cert.		Foundation Certificate		120	

Hon. Minister MokotoHloaele launches LQF with Deputy Ministers and Officials looking on. In above pictures, brass band leads LQF launch match, and group photo of delegates who came to the launch.

CHE is also charged with the mandate of verification and evaluation of qualifications. Verification is done for both local and foreign higher education qualifications. Whereas evaluation is only for foreign qualifications to determine the extent to which they are comparable to the LQF levels, local qualifications are verified to determine whether they are authentic when graduates from local institutions go abroad either for work or for studies. During the period under review a number of verifications of local qualifications were done for the South African Qualifications Authority (SAQA) since most people from Lesotho go to South Africa in search of employment or to further their studies. Three requests were received for evaluation of foreign qualifications. One was finalised successfully whiletwo were still outstanding due to low response rate by the authorities from countries in which the qualifications were obtained. The low response is a general challenge with regard to evaluation of foreign qualifications. This area is mostly time sensitive because usually people need evaluation in order to apply for employment, promotion or admission into tertiary institutions.

Participants at one of the LQF Dissemination Workshops.

2.3 Learning and Growth Perspective

2.3.1 To attract, develop and retain talent

CHE has not been able to implement its training plan in recent years due to budget constraints. Some of CHE staff have been exposed to capacity building opportunities through external financial support. For instance, three CHE officials in the QAS Directorate participated in a training course on External Quality Assurance which was organised by the Southern African Quality Assurance Network (SAQAN) with financial support from DAAD. It was delivered through E-Learning and contact over a four-month period from April – July 2019.

Moreover, a few CHE officials were part of capacity building on Implementing National Qualifications Frameworks in preparation for the implementation of the Lesotho Qualifications Framework. The training took place during the last quarter of the year under review, and it was funded by the Commonwealth of Learning.

HRMC MEETINGS

There was no HRMC meeting during the period under review. This was due to the fact that generally there are not many Human Resources related issues given the small size of the organisation.

Recruitment of New Staff
Four positions were filled this financial year; namely, Secretary Receptionist, Principal Research Officer, Chief Executive and Principal LQF Officer.The process of filling these positions was done in the third and fourth quarters.Therefore, the Secretary Receptionist started work in March 2020 while the other three officers were engaged but would only commence work at the beginning of next financial year. The first three positions were old positions which became vacant when the previous incumbents left the organisation.The fourth and last one was a new position created to focus on the implementation of LQF.

Four Information Technology students from Botho University were placed on internship (two at a time) for a period of six months. Their contribution was meaningful particularly because CHE does not have an IT Officer.Two part-time employees were engaged to support both Policy, Strategy and Information, and Quality Assurance and Standards directorates at different times during the course of this year.

CHE's capacity to attract and retain staff is under immense strain because of its diminishing financial resources. Three officers left the organisation this financial year, including the founding Chief Executive, Principal Officer for Quality Assurance and Secretary Receptionist.Two of these were poached by higher education institutions, and this means that if CHE financial fortunes do not improve, this trend will gain momentum to the detriment of its effectiveness.

2.3.2 To drive high performance culture

Performance Management
The Balanced Score Card system (BSC) was implemented fully in respect of management of staff performance. All staff signed performance agreements at the beginning of the year. Performance appraisals of staff are done two times in a year. So, they were done accordingly in September 2019 half-way through the financial year, and at the end of the financial year in March 2020. There was quarterly review of staff performance during the first and third quarters to monitor progress.

Generally, staff performance was in line with the performance of the organisation as a whole.This means that each employee contributed meaningfully towards achievement of the strategic objectives of CHE.The implementation of the BSC has indeed improved the interface between individual staff performance and the overall organisational performance.

2.4 Financial Perspective

2.4.1To improve funding sources and manage costs

Proposals for Funding
Proposals for funding were written and submitted to the Commonwealth of Learning (COL), United Nations Educational & Scientific Children's Organisation(UNESCO), International Labour Organisation (ILO) and Ministry of Development Planning. The one to COL was successful, and CHE received support towards dissemination of LQF, training of all key stakeholders on LQF and development of ODL Standards.

Income Generating Initiatives

Revenue was collected from the quality assurance annual fees and accreditation fees levied on HEIs for QA services.

CHE Corporate Base

Design project for the CHE corporate base wascompleted with the support of the Ministry of Development Planning. New Studio Dimension Studio Architects and Planners were contracted to undertake the assignment. The consulting company submitted the designs and they have since been approved. The next phase of the process is development of a comprehensive proposal to be submitted to the Ministry of Development Planning Public Sector Investment Committee (PSIC) for the construction phase of the project. The proposal writing will be done in collaboration with the MOET Planning Department.

3.0 CHALLENGES

Challenges that CHE faces remain the same as those experienced last year and the previous years, particularly because the biggest challenge relates to funding. The following were the challenges encountered during the year under review:

- Inadequate budget allocation by Government to CHE is the biggest hindrance to optimum delivery on its mandate. During the year under review officers who had to represent CHE on international assignments had to go without the requisite stipend which was only paid at a later stage due to poor cash flow.

- There is inadequate manpower.Thus, CHE has not been able to operate at full capacity with regard to the approved organisational structure;

- Staff retention is increasingly becoming a challenge, with two people having resigned from the employ of CHE this year, namely, Principal Officer for Quality Assurance and Secretary Receptionist while the Chief Executive retired at the end of her employment contract.

- CHE engages independent reviewers for programme reviews and gives them minimal incentives in the form of honorarium. At times they take too long to submit review reports and this negatively affects turn-around time for HEIs.

- Approval processes in MoET for policy documents from CHE take long. This hampers CHE operations.

- CHE collects statistical data from HEIs on an annual basis. Some HEIs are not responsive to the calls to submit their data in time. The quality of data from almost all HEIs is generally poor, and therefore, requires a great deal of back and forth movement between them and CHE before the data can be ready for use. This causes delays in the compilation of reports, and provision of data to stakeholders.

- Lack of resources for implementation of the additional mandate on the LQF remains a major challenge in the face of a great need for services in this area.

CONCLUSION

A great deal of work was done during the year under review with most objectives set at the beginning of the year achieved. The quality assurance regulatory framework was strengthened through revision of standards and development of additional QA instruments. Programmes offered by HEIs were reviewed and granted accreditation accordingly. Institutional audits were undertaken, and provided helpful feedback to the affected institutions. Monitoring and Evaluation of the quality assurance initiatives was done consistently on the basis of improvement plans developed by institutions and their QA reports.

Monitoring of implementation of the Higher Education Policy and the sub-sectoral Strategic Plan was done with compilation of the third issue of the State of Higher Education Report. Some of the findings of this M&E exercise were that research output by HEIs is still very low; staff quality index is satisfactory within college-level institutions, but very low in private universities; and that, not all HEIs fully comply with CHE QA standards.

One of the big achievements during the period under review was the finalisation of the LQF, its approval by Cabinet and its dissemination to key stakeholders in preparation for implementation. This is a very important policy document that will not only help in the improvement of the country's quality assurance regime, but also in ensuring that people who enter the labour market have the requisite qualifications.

CHE has continued to maintain a high standard of financial management with the 6thunqualified audit in a row. This is remarkable and points to the robustness of systems in place and compliance to internal policies and procedures. The third-generation Strategic Plan for CHE was developed through a consultative process. It would be finalised next financial year.

Annex 1: Attendance of Meetings by Members of CHE Governance Structures

COUNCIL AND COUNCIL COMMITTEES ATTENDANCE LIST FOR THE PERIOD 2019/2020

A. COUNCIL MEETINGS
Key: √ means present, * means representative attended, × means absent with apology

Name of Councillor	44th Meeting of 02/05/2019 (Ordinary)	45th meeting of 22/07/2019 (Ordinary)	46th Meeting of 26/09/2019 (Ordinary)	47th Meeting of 22/11/2019 (Special)	48th Meeting of 29/01/2020 (Ordinary)
1. Mr. MatjatoMoteane (**Chairperson)**	×	×	√	√	His term ended on 8th January 2020
2. Dr.CelinahSefako	√	√	×	×	×
3. Dr. None Mokitimi	√	√	√	√	√
4. Dr.MohalefiSefika	√	√	×	√	√
5. Dr. Thabiso Lebese	×	×	√	×	×
6. Prof. TiisetsoMakatjane	√	√	√	×	√

B. EXECUTIVE COMMITTEE (EXCO) MEETINGS

One special meeting was held on 22nd November 2019. The purpose of the meeting was to consider the Psychometric test results reports of the Candidates running for position of Chief Executive.

C. HUMAN RESOURCES MANAGEMENT COMMITTEE (HRMC) MEETINGS

No meetings were held for this period.

D. AUDIT, FINANCE AND RISK MANAGEMENT COMMITTEE (AFRMC) MEETINGS

Key: √ means present, * means representative attended, × means absent with apology

Name of AFRMC Member	31st Meeting of Meeting 24/04/2019 (Ordinary)	32nd Meeting of 26/06/2019 (Special)	33rd Meeting of 17/09/2019 (Ordinary)	34th Meeting of 06/12/2019 (Special)
1.Mrs. Neo Phakoana-Foulo **(Chairperson)**	√	×	√	√
2. Dr.CelinahSefako	√	√	√	√
3. Mrs. 'MamahaoLeuta	√	√	√	√
4. Prof. TiisetsoMakatjane	×	√	√	√

E. HIGHER EDUCATION QUALITY ASSURANCE COMMITTEE (HEQAC) MEETINGS

Key: √ means present, * means representative attended, × means absent with apology

Name of HEQAC Member	31st Meeting 16/07/2019	32nd Meeting 19/12/2019	33rd Meeting 26/03/2020
1. Associate Prof. Thekiso Khati	√	√	√
2. Dr. M. Raselimo	√		
3. Dr. J. Chere – Masopha	√	√	√
4. Mr F. Seme	x		
5. Associate Prof M. P. Ramollo	x		
6. Mrs. M. Ramphoma	√	x	√
7. Dr. N. Mpalami	√		
8. Mr. L. Motšoari	√	√	√
9. Mr. T. Mantutle	√	√	√
10. Ms. M. Hlalele	√	√	x
11. Mr. T. Moneri	x	x	x
12. Mrs M. Sehlabi	*	x	x
13. Mrs M. Seutloali	x	x	x
14. Dr L. Johnson	√	√	x
15. Mr. T. Makhele	*	x	√
16. Dr Moeketsi Letele		√	√
17. Dr MotšelisiMokhethi		√	√
18. Dr Abhishek Ranjan		x	√

COUNCIL ON
HIGHER EDUCATION
30 MAR 2021
CHIEF EXECUTIVE OFFICE

COUNCIL ON
HIGHER EDUCATION
2021 -03- 30
RECEIVED

GOVERNMENT OF LESOTHO

AUDIT REPORT
ON THE
ANNUAL FINANCIAL STATEMENTS
OF

COUNCIL ON HIGHER EDUCATION
FOR THE YEAR ENDED 31 MARCH 2020

AUDITOR GENERAL
P.O. BOX 502
MASERU 100
LESOTHO

COUNCIL ON HIGHER EDUCATION

FINANCIAL STATEMENTS FOR THE YEAR 2019/2020

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Dr. Litšabako Ntoi
CHIEF EXECUTIVE
COUNCIL ON HIGHER EDUCATION

Dr. Mohlalefi Sefika
CHAIRPERSON
COUNCIL ON HIGHER EDUCATION

COUNCIL ON HIGHER EDUCATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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)

Dr. 'Mamoeketsi Ntho

Adv. Tlhalefo Ntaote

Dr. Mohlalefi Sefika

Dr. Nthabiseng Taole

Professor Tiisetso Makatjane

Dr. Celinah Sefako

Mrs. Neo Phakoana-Foulo

Dr. Thabiso Lebese

Mrs. Motena Ts'olo

Dr. None Mokitimi

Mrs. 'Makotelo Teboho Motseko

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

REPORT ON THE AUDITED FINANCIAL STATEMENTS OF COUNCIL ON HIGHER EDUCATION - MINISTRY OF EDUCATION AND TRAINING FOR THE YEAR ENDED 31 MARCH 2020

Opinion

I have audited the financial statements of **Council on Higher Education (the Council)** set on pages 6 to 13 which comprise the statement of cash receipts and payments for the financial year ended 31 March 2020 and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at 31 March 2020, in accordance with International Public Sector Accounting Standards (IPSAS) Cash Basis of Accounting and the Higher Education Act, 2004.

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Council in accordance with the ethical requirements that are relevant to my audit of the financial statements in Lesotho, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period.

There were no key audit matters identified during the course of the audit.

4th floor * Finance House * High Court Road * Maseru * Lesotho
Telephone (+266) 22323904/22314247 * Fax (+266) 22310366

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS Cash Basis Accounting, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit 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 Council's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit 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 Council's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Council to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

MONICA M. BESETSA (MS)
ACTING AUDITOR-GENERAL

OFFICE OF THE AUDITOR GENERAL
AUDITOR GENERAL
DATE: 29 MAR 2021
P.O. BOX 502
MASERU100, LESOTHO

COUNCIL ON HIGHER EDUCATION

STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31 MARCH 2020

	NOTES	2019/2020 CASH RECEIPTS AND PAYMENTS	2019/2020 PAYMENTS BY THIRD PARTIES	2018/2019 CASH RECEIPTS AND PAYMENTS	2018/2019 PAYMENTS BY THIRD PARTIES
Government Subvention	2	9,080,829		11,350,000	
Other Income	2	3,643,408	4,922,143	2,275,478	187,591
Operating Expenses	3	11,688,628	(4,922,143)	13,177,761	(187,591)
Net Increase / (Decrease) in Cash		**1,035,610**	-	**447,717**	-
Cash at the beginning		949,519	-	501,802	-
Cash at the end		**1,985,129**	-	**949,519**	-

NOTE 1 TO FINANCIAL STATEMENTS

Accounting Policies

1.1 CHE Mandate and its functions

The Council on Higher Education (CHE) is established as a body corporate set up by the Higher Education Act of 2004 of the Parliament of Lesotho. It is mandated to regulate the higher education sub-sector in Lesotho and its functions are as follows:

- Monitor implementation of the policy on higher education;
- Publish information regarding developments in higher education on a regular basis;
- Promote access of students to higher education institutions;
- Advise the Minister of Education and Training on any aspect of higher education;
- Promote quality assurance in higher education;
- Audit the quality assurance mechanisms of higher education institutions;
- Accredit programmes and issue a certificate of accreditation of higher education; and
- Monitor and evaluate the performance of academic programmes and higher education institutions.

It has a range of stakeholders that include the Lesotho Government, all the Higher Education Institutions operating in Lesotho, other regulatory bodies and potential financiers and agencies that have interest in higher education.

1.2 Funding

CHE is funded mainly by the Government of Lesotho and may also receive funds from other legitimate sources, including donations, contributions or fees for services rendered.

1.3 Basis of Preparation

The financial statements are prepared in accordance with International Public Sector Accounting Standards (IPSAS) cash basis in compliance with the Public Financial Management and Accountability Act, 2011. The Accounting policies have been applied consistently throughout the period.

1.3.1 **Definition of Accounting Terminology**

- **Cash basis**: basis of accounting that recognizes transactions and other events only when cash is received or paid.
- **Cash**: comprises cash on hand, demand deposits and cash equivalents. Demand deposits and cash equivalents consist of balances with banks and investments in short-term money market.
- **Accrual basis**: basis of accounting that recognises transactions and other events when they are incurred not when actual cash flows.

1.4 Foreign Currencies

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

1.5 Assets

1.5.1 CHE currently does not have fixed assets such as building infrastructure. Non-Current Assets are stated at cost and depreciated using straight line method at the rates set out below:

- Motor Vehicle at 20%;
- Office Furniture at 10%
- IT Equipment at 25%
- Office Equipment at 10%

1.5.2 CHE is in the process of acquiring an office infrastructure. It was allocated a site at Matsoatlareng by the Ministry of Education and Training. A user certificate was received in February 2019. A capital project was approved by Ministry of Development Planning through a funding project of consultancy study to design the CHE offices. The Design Project was at 60% completion rate by the end of March 2020.

1.6 Payments by Third Parties

Third party payments received during the year were as follows:

Donors	Direct payment amounts	Descriptions
Commonwealth of Learning	M143 566	Supported the activities on dissemination of the Lesotho Qualifications Framework.
Ministry of Development Planning	M4 778 577	Design of CHE offices to be developed at Matsoatlareg Ministry of Education and Training site.

1.7 Risk Management

CHE is exposed to a diverse range of risks; as a result, risk management culture is embedded within the entire organisational processes from strategic planning, annual plans, daily operations, reporting, and monitoring and evaluation. The risk management framework is used to ensure that the day-to-day decisions are made in line with the organisation's risk appetite and comprehensive reports are produced regularly for management; Audit, Finance and Risk Management Committee (AFRMC) and Council to assess and review the organisational risk profile.

1.8 African Qualifications Verifications Network (AQVN) Bank Account

CHE is the member of AQVN and holds a treasury position of the AQVN Executive Committee. As such a bank account was opened which receives and pays expenses for the AQVN activities. By end of March 2020 the closing balance of the bank account was M36 712.29

COUNCIL ON HIGHER EDUCATION
NOTE 2 INCOME

	INCOME FOR THE YEAR 2019/2020	PAYMENTS BY THIRD PARTIES - 2019/2020	NOTES	INCOME FOR THE YEAR 2018/2019	PAYMENTS BY THIRD PARTIES - 2018/2019
RECEIPTS					
	M	M		M	M
Annual Fees	1,950,000			1,550,000	
Quality Assurance Services Fees	1,310,000			85,000	
Higher Education Fair	148,000			170,000	
Interest	23,665			54,002	
Resource Mobilisation Activities	137,617			61,636	
Subvention	9,080,829			11,350,000	
Rent	52,000				
SAQAN Conference					
Other income	22,126			354,840	
	12,724,237	-	-	**13,625,478**	-
Direct Payments					
Metropolitan					79,996
Ministry of Gender, Youth, Sports and Recreation					17,600
DAAD					89,995
Commonwealth of Learning		143,566			
Ministry of Development Planning		4,778,577			
TOTAL INCOME	**12,724,237**	**4,922,143**	-	**13,625,478**	**187,591**

COUNCIL ON HIGHER EDUCATION

NOTE 4 ASSETS

4.1. NON CURRENT ASSETS

	Cost as at 1st April 2019	2019/2020 Additions	Accumulated Depreciation as at 1st April 2019	2019/2020 Depreciation	NET BOOK VALUE
Motor Vehicle	652,080	-	407,179.36	97,960.00	146,940
IT Equipment	765,420	25,191	533,192.22	108,119.00	149,300
Office Equipment	158,963	-	45,734.12	15,896.00	97,333
Office Furniture	365,270	26,600	236,020.40	37,150.00	118,699
TOTALS	**1,941,732**	**51,791**	**1,222,126.10**	**259,125.00**	**512,272**

4.1.1 One of the vehicles was donated by Metropolitan Lesotho in 2016/2017 at the value of M489 800.
4.1.2 Toyota Yaris purchased in 2010 has reached its economic life, however it is still in good working condition and still useful to the office. It is retained in the financial statements at M1.00
4.1.3 Some IT Equipment consisting of Laptops and Computers have also reached economic life. They are still useful and therefore are retained in the records at M1.00
4.1.4 CHE has been allocated a site by MOET at Matsoatlareng. The site user certificate was received in February 2019. The plans to develop the site are underway and the design project funded by the Ministry of Development Planning to the tune of M7 964 295,35 is in progress. By end of March 2020, the project was at 60% completion amounting to M4 778 577,21

4.1.5 Non Current Assets are recorded using cost model and are depreciated on straight line basis as follows:
Motor vehicle is depreciated at 20%
Office furniture is depreciated at 10%
IT Equipment is depreciated at 25%
Office Equipment is depreciated at 10%

4.2. CURRENT ASSETS	2019/2020	2018/2019
4.2.1. PREPAYMENTS		
Pre-paid Rent	350,000	325,625
HEMIS support service	8,750	10,208
	358,750	**335,833**
4.2.2. ACCOUNTS RECEIVABLES		
Sundry Debtors	35,768	70,678
Debtors Control Account	316,000	306,000
	351,768	**376,678**
TOTAL PREPAYMENTS AND ACCOUNTS RECEIVABLES	**710,518**	**712,511**
4.2.3. CASH AND BANK		
Petty cash	3,937	5,000
Cheque account	55,513	105,457
Call account	1,425,680	839,062
Stanlib Money Market	500,000	-
TOTALS	**1,985,129**	**949,519**

COUNCIL ON HIGHER EDUCATION

NOTE 5 LIABILITIES

CURRENT LIABILITIES	2019/2020	2018/2019
PREPAID INCOME		
CAS	100,000	-
LIPAM	70,000	70,000
IDM	275,000	-
NUL	95,000	13,000
	540,000	**83,000**
ACCOUNTS PAYABLES		
Sundry Suppliers	139,775	13,765
	139,775	**13,765**
TOTAL CURRENT LIABILITIES	**679,775**	**96,765**

COUNCIL ON HIGHER EDUCATION