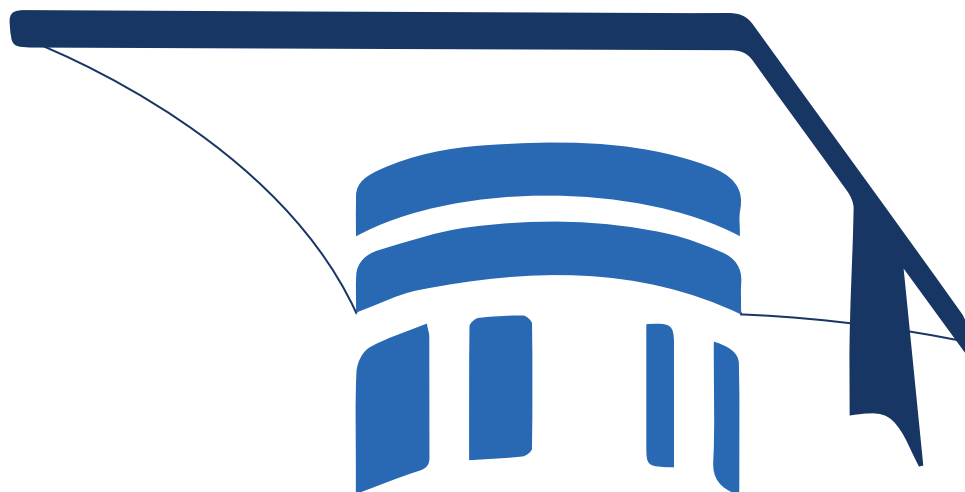


COUNCIL ON HIGHER EDUCATION



ANNUAL REPORT

2020 / 2021 (April – March)

April 2021

FOREWORD



Governance is well-established at CHE with this Council being the fourth since 2008 when the first Council was inaugurated. The organisation has had significant changes in recent times at the leadership level with myself as a new chairperson taking over as the third incumbent. The new Chief Executive, Dr. Litšabako Ntoi came in towards the end of last financial year. So, this reporting period marks her first full year in office. The transition has been managed very well, and organisational operations have been seamless.

CHE has developed a third generation Strategic Plan (2020/21 - 2024/25), and the following are the five key strategic objectives to deliver on during this five-year period:

- 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;*

This report is the first account of how the strategic plan is being implemented. Generally, the implementation started well, albeit, in the mist of COVID-19 Pandemic with its concomitant national restrictions of movement and halting of operations. These key priorities were pursued vigorously during the period under review. It is important to note that the scope of the extended mandate of CHE on managing implementation of the Lesotho Qualifications Framework was increased by MOET. Initially the extended mandate only covered higher education, but now it covers all the three tiers of education, namely, Basic Education, Technical and Vocational, and Higher Education in respect of implementing the LQF. CHE will work towards building the necessary capacity to deliver on this mandate, and to undergo the necessary transformation for the Lesotho Qualifications and Quality Council (LQQC) to be formed in order to take over the responsibility of implementing LQF.

Dr. Mohlalefi Sefika
Chairperson of Council



ACKNOWLEDGEMENTS

On my behalf and that of the Executive Management, I wish to thank the Council for the support and guidance. It is through the Council and its Sub-Committees that Management was able to achieve the plans that it had set for itself. The CHE Management is highly appreciative of all the efforts of Council and that of the Ministry of Education and Training in making it possible for it to execute CHE's mandate.

Among the achievement recorded in the year 2020/2021 by CHE Management, one could indicate the following: the increased budget, increased HR base, slight improvement on ICT infrastructure, improved assets base, acquired funds for Research and ICT infrastructure.

The CHE Management also prioritised the Monitoring and Evaluation of Higher Education, programme reviews and institutional audits. It is clear that as much as Quality Assurance is core mandate of CHE, it also has to focus on the impact of regulating the Higher Education space.

As a result, CHE Management is committed to the Council Strategic Plan as well as focusing on the transformational agenda of Higher Education. It is imperative that Higher Education should respond in precise terms to National Economic priorities as well as closing the skills gap and mismatch between Higher Education and place of work. CHE Management is aware of this alignment of programmes in Higher Education which leads to inefficiency and effectiveness of funding Higher Education in Lesotho.

In the midst of COVID-19 Pandemic, CHE is not an exception and the huge impact has been felt in different ways. May the God Almighty grant us "all" hope in time of global trials.

Dr. Litšabako Ntoi
Chief Executive

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LIST OF ACRONYMS AND ABBREVIATIONS

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

COMPOSITION OF COUNCIL



Dr. Mohlalefi Sefika



Mr. Mangangole Tsikinyane



Advocate Tlhalefo Ntaote



Prof. Tiisetso Makatjane



Dr. Nthabiseng Taole



Dr. Tlotla Shadrack Selialia



Mr. Mofihli Motšetšero



Dr. Elizabeth Nonkosi Tlale



Mrs. Maleshoane Lekomola
Danziger
(Proxy for PS Finance)



Mrs. 'Maselloane Sehlabi
(Proxy for PS Higher Education
MoET)



Dr. Litšabako Ntoi



1.0 INTRODUCTION

This report covers the period from *April 2020* to *March 2021*. The operations of CHE are guided by the Higher Education (HE) Act, Number 1 of 2004 and the third-generation CHE Strategic Plan 2020/21 - 2024/25 together with the Annual Score Card for 2020/2021. 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.

CHE was given additional mandate by the Ministry of Education and Training to implement the Lesotho Qualifications Framework (LQF). This report covers this mandate as well. In addition to the mandate, both original and extended, CHE draws from relevant national policy documents such as the National Vision 2020, National Strategic Development Plan II (NSDP II), MoET Strategic Plan, Higher Education Policy together with Higher Education Strategic Plan.

The report has five sections. The first is an introduction which presents the functions of CHE and the elements of its strategic direction. The second focuses on the performance of the organisation on the five strategic goals as outlined in the Strategic Plan. The third presents challenges that were encountered during implementation of the Annual Score Card, the fourth section provides an overview of how the higher education sub-sector is performing,

2.0 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) Accredite programmes and issue a certificate of accreditation of higher education; and
- h) Monitor and evaluate the performance of academic programmes and higher education institutions.

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 government 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.





Extended Mandate

2.1 Extended Mandate

The Ministry of Education and Training expanded the mandate of CHE in November 2014 to include management of the Lesotho Qualifications Framework (LQF) in so far as higher education is concerned.

However, the scope has since been revised to the effect that CHE is now in charge of implementing LQF in toto while arrangements are underway for the establishment of a body that will be responsible, which is the Lesotho Qualifications and Quality Council (LQQC).

3.0 ELEMENTS OF STRATEGIC DIRECTION FOR CHE

3.1 Mission, Vision and Values

Mission: To provide an environment that promotes quality assurance in higher education, enhances recognition of qualifications, mobility of learners and supports national development.

Vision: By 2030 CHE will be well resourced, with strong quality assurance systems in the HE sub-sector to enable attainment of comparable and competitive qualifications.

Slogan: "Quality education assured!" (*"Tiisetso ka thuto ea boleng!"*)

3.2 Corporate Values

- a) Integrity
- b) Accountability and Transparency
- c) Good Corporate Governance
- d) Commitment to quality education
- e) Professionalism
- f) Open-mindedness and Innovation
- g) Partnerships
- h) Fairness

3.3 Perspectives and Strategic Objectives

Stakeholder Perspective

- a) Establish and nurture partnerships with stakeholders;
- b) Improve the quality of higher education; and
- c) Implement the LQF.

Internal Processes Perspective

- a) Develop and review legal frameworks, policies and procedures;
- b) Conduct operational research to inform policy and key decisions; and
- c) Improve internal operational efficiency.

Organisational Capacity Perspective

- a) To increase staff capacity;
- b) Improve IT infrastructure and its ecosystem; and
- c) Build physical infrastructure for CHE.

Financial Perspective

- a) Diversify revenue sources;
- b) Improve management of costs; and
- c) Motivate for increased Government subvention.

3.4 Goals/Key Performance Areas

The CHE strategic plan has identified the following five strategic goals as the main areas of focus for the next five years:

- i. Forging and nurturing strategic partnerships with stakeholders;
- ii. Developing and implementing QA systems, and managing LQF;
- iii. Building physical infrastructure for CHE, and employing innovative technologies to improve efficiency;
- iv. Strengthening governance, human capital and operations within CHE; and
- v. Diversifying and intensifying mobilisation of resources for CHE.



4.0 PROGRESS UPDATE ON EACH OF THE STRATEGIC GOALS

4.1 Forging and nurturing strategic partnerships with stakeholders

CHE successfully motivated for the Ministry of Education and Training to grant it permission to implement the Lesotho Qualifications Framework (LQF) holistically while arrangements are underway for establishment the Lesotho Qualifications and Quality Council (LQQC) which is the body that will be charged with implementation of LQF. The extended mandate was communicated by the Principal Secretary for Tertiary Education, Dr. John Oliphant in *October 2020*. CHE has since started implementing LQF in full, though demand for the related services by members of the public and employers has been on a small scale.

CHE has initiated partnership with the South African Qualifications Authority (SAQA). The intention is to have a memorandum of understanding that will permit the two bodies to work together on areas of common interest. Arrangements are being made for a strategic meeting to be held between the two organisations early in the first quarter of next financial year. It is envisaged that the agreement will include reciprocal verification of qualifications from each country. Evaluation of qualifications will not be done since national qualifications frameworks of both countries will have been mapped and matched by the two organisations.

CHE held a meeting with the Examinations Council of Lesotho (ECOL) on the implementation of LQF with a view to sensitising them on the need to register LGCSE and other national qualifications under its watch. This was the first initial meeting which will be followed by a few other meetings given the complexity of the issue at hand. Subsequent meetings to pave the way for collaboration between the two organisations will organised next financial year.

This collaborative arrangement between CHE and ECOL is critical because the latter has mature database of all secondary education certificate holders. This is important for verification of qualifications at the Basic Education level.

Moreover, CHE held several meetings with institutions of higher learning in order to understand each institution's strategic direction. When CHE understands where HEIs are envisioning to go in the medium to long term, it then would position itself to optimise its support to them towards achieving their own goals. While there were a number of important issues that emerged from these meetings, key among them were the following:

- *LP was advised to move towards being a university of technology by considering development of degree programmes gradually;*
- *CAS expressed desire to become a business school offering degree programmes in addition to the current accountancy professional programmes;*
- *NHTC and LAC indicated that they were working towards full compliance with the HE Act by coming under MOET and move from where they currently are;*
- *NUL indicated that it had a number of new and old programmes that needed to be submitted for accreditation, but it was unable to meet financial requirements of CHE for accreditation due to being cash strapped.*

Other institutions will be engaged next financial year. CHE pledged to support all institutions in their areas of need. For instance, for those aspiring for higher categories of institutional classification such as moving from a centre to a business school or from polytechnic to university CHE will expedite review of their new programmes once they are submitted for accreditation. CHE will motivate to the relevant authorities for autonomy of those HEIs that are still under government departments.

CHE is also pushing for quality assurance fees to be paid on the basis of enrolment, charged to each student. This will address the problem of HEIs not being able to afford accreditation fees because quality assurance fees under the new arrangement will be paid by the National Manpower Development Secretariat (NMDS) directly to CHE for each sponsored student. Thus, accreditation fees will be phased out.

CHE participated in a number of virtual regional meetings, an example of which is the Webinar of African Continental Qualifications Framework ACQF where it presented the Lesotho Qualifications Framework, and efforts towards its implementation.

4.2 Developing and implementing QA systems, and managing LQF

Quality Assurance

CHE has adopted a new strategy for programme reviews, in response to the changing circumstances due to the COVID-19 pandemic. A total of 22 programmes have been reviewed, with 7 having been approved by Council, while 17 have been presented to HEQAC and yet to be tabled before Council for final determination.

HEIs are generally not meeting the CHE timelines for submission of programmes for reviews. This negatively affects scheduling of CHE for reviews and its turn-around time. Two institutional audits were done during the period under review for Scott College of Nursing and the Lesotho-China College offering Advanced Standard (AS) and A-Levels. The latter was commissioned by MoET, and the report will be finalised early in the first quarter of next financial year. This is the first time CHE takes on a senior secondary school at this school will be done next financial year.

Monitoring and Evaluation of quality assurance initiatives in HEIs is done on an ongoing basis. It is generally informed by programme reviews that CHE undertakes in these institutions. It is done on the basis of improvement reports that institutions develop after their programmes have been reviewed.



Improvement plans and progress reports from a number of institutions were processed during the period under review. Ten programmes from 4 institutions were monitored with M & E reports being issued as necessary.

Open and Distance Learning (ODL) Standards were developed during the reporting period with financial support from the Commonwealth of Learning (COL). The standards will go a long way in affirming ODL as an independent mode of teaching and learning, and to dispel the perception that it is of lower quality compared to face-face. ODL programmes will hence forth be reviewed using these standards.

Lesotho Qualifications Framework

Work was started in earnest on the implementation of LQF in *October 2020*, following a pronouncement by the Principal Secretary for Tertiary Education granting CHE the authority to manage its implementation. Requests for verification of both local and foreign qualifications have picked-up, while requests for evaluation are still very low. Fees for both verification and evaluation have been set and communicated to the public

Effective implementation of LQF requires substantial investment in the development of information technology infrastructure. It is critical therefore, that CHE builds sufficient capacity in this regard. This capacity includes, development of systems, databases, human capital and strong collaborative arrangements inside and outside the country. Initiatives towards building the necessary capacity started this year albeit on a small scale. They will be heightened in the next financial year.

Research

In respect of research, CHE has made arrangements to undertake a country-wide Baseline Study on Skills Audit. The purpose of the study is to identify skills sets that are available in the country, and also to establish areas in which there are skills gaps. Findings of this study will be critical to inform human resources planning and to determine funding priorities for students in higher education among other things. A number of key stakeholders including

Ministry of Labour, NMDS, Ministry of Development Planning, TVD within MoET and Lesotho Employers' Association, have partnered with CHE. Funding for the study to the tune of *4.9 million* has been secured from the Ministry of Development Planning through the Public Sector Investment Committee (PSIC).

A comprehensive Request for Proposals was compiled as a basis for recruitment of a consultancy firm to undertake the study. A selection committee comprising officials from MoET, CHE and the Ministry of Development Planning compiled a preliminary report which was presented to Council as the official tender panel given that a substantial sum of money was involved. The Council provided guidance to the selection committee, and it is scheduled to finalise its work and submit a final report during the first quarter of next financial year.

Statistical Bulletin for *2018/19* was compiled. Statistical data collection for *2019/20* was delayed due to the improvements that were made on the Higher Education Management Information System. Thus, the collection started in *March 2021* instead of October the previous year, and it will end at the end of *April 2021*.



Sub-sectoral Policies

The Higher Education Policy which was developed in 2013 is being reviewed to incorporate new developments in the HE sub-sector including to beef-up the provisions on quality assurance among other things.

The CHE Appeals Policy is also under review with a view to enhancing mechanisms of dealing with appeal cases.

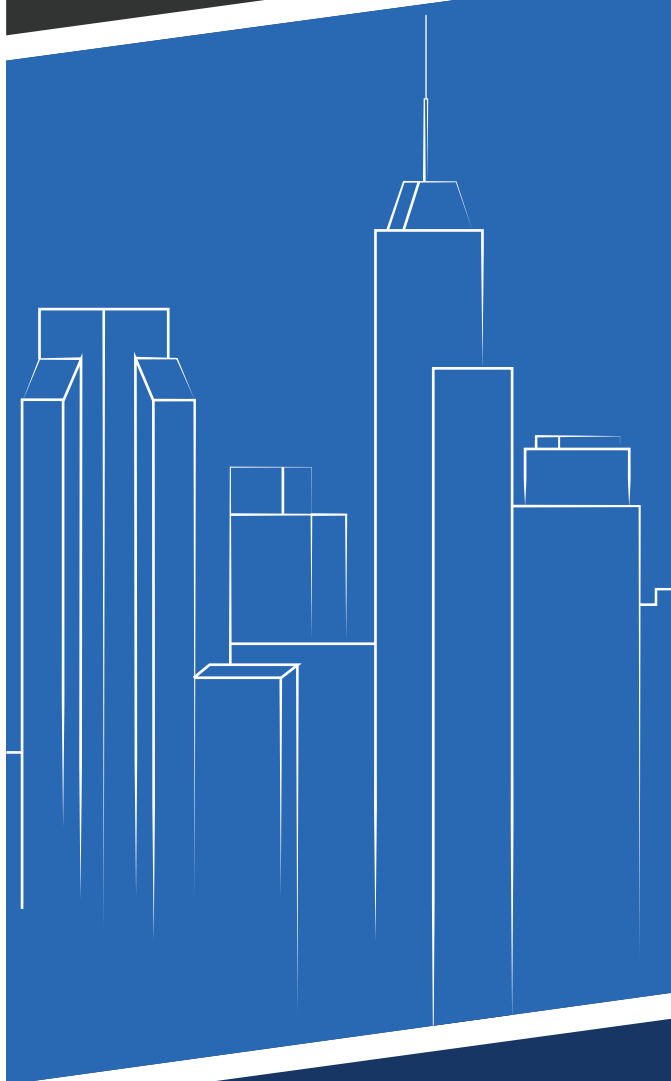


4.3 Building physical infrastructure for CHE, and employing innovative technologies to improve efficiency

CHE worked hard during the year under review to obtain a government site with an old building where it could relocate to. The Ministry of Education and Training was approached to facilitate the request in consultation with the office of the Government Secretary in Cabinet together with the Ministry of Public Works. However, this has not been successful, but efforts continue to be made towards engaging the relevant stakeholders. This initiative is critical, because if it succeeded CHE would be relieved of the rentals that it has to pay at the rented office block. Furthermore, it would be able to develop the requisite elaborate IT systems comfortable knowing that it would not have to move offices. As it is now, the rental for CHE is using funds which could be utilised to drive the core business.

The CHE telephone system experienced major challenges due to aging technology coupled with increase in demand due to the growth of the organisation. Plans are underway to replace it.

The Higher Education Management Information System (HEMIS) was revamped to improve its capabilities to produce statistical reports used to monitor performance of the higher education sub-sector. The upgrade will ease compilation of reports and the turn-around time in issuing such reports to inform decision-making.



4.4 Strengthening governance, human capital and operations within CHE

Governance

The tenure of office for the 3rd Council as a governing body of CHE came to an end in *August 2020*. The new Council was appointed by the Honourable Minister of Education and Training with Professor Tiisetso Makajane as the Acting Chairperson while arrangements were made for appointment of the substantive Chairperson. Dr. Mohlalefi Sefika was later appointed by His Majesty the King in line with the Higher Education Act as the Chairperson of CHE for a period of five years. The Council members were inducted, and council committees have since been instituted, namely, Audit, Finance and Risk Management Committee, Human Resources Management Committee and the Executive Committee.

The third generation Strategic Plan for CHE, covering *2020/2021 - 2024/2025* was approved by Council. It has since been implemented with the annual score card having been developed and implemented. This annual report is based on the performance of the same score card.

Human Resources

An increase of 2.5% was made to staff salaries from *October 2020* and vacant positions were filled for various positions:

A Principal Officer responsible for LQF was engaged as the first incumbent in that position since its establishment, but unfortunately, he did not stay for long as he resigned and returned to his original institution. Although a new officer has since been recruited, and he will start work in *May 2021*, it is important to note that the former LQF officer left because he was not satisfied with the remuneration package offered for the position. There is need for a salary review in order to address staff retention problems. During the course of the year the function pertaining to implementation of LQF was moved from the Directorate of Quality Assurance and Standards back to the Directorate of Policy, Strategy and Information. The rationale for the move was so that the two main areas at the core mandate of CHE are separated for efficiency and maintaining necessary checks and balances. While the move helps to space out the two key priority areas, it has brought additional load to an already understaffed department.

The position of Principal Research Officer which had been vacant for the whole of *2019* due to insufficient financial resources was filled during the year under review. The position of Principal Quality Assurance and Standards Officer (PQASO) was filled following resignation of the previous incumbent. The Accounts Clerk resigned towards the end of the financial year, and arrangements are underway for her replacement.



The organisational structure was reviewed to accommodate implementation of the LQF and transformation of CHE towards the Lesotho Qualifications and Quality Council (LQQC), which will be done in phases over a few years. This suggests an evolving organisational structure.

In response to the above, new positions of Legal and Compliance Manager and Information and Communications Technology Manager have been filled, and the incumbents will start work on *3rd May 2021*. This marks an important growth since CHE had been planning to fill these positions for the past few years without success because of budget constraints.

Director Quality Assurance and Standards, Associate Professor Mokaeanne Polaki passed away during the year under review. His demise has left a gap within the CHE team since he had accumulated a great deal of knowledge and institutional memory.

Finance

The budget for *2020/2021* was approved by Council, and has since been implemented accordingly. Monitoring of the budget was done through reporting to Management, AFRMC and Council quarterly, half-yearly and annually. Audit of CHE books of accounts for *2019/2020* was completed, albeit delayed due to COVID-19 induced national lock down and restriction of movement. CHE has once again obtained an unqualified audit. This is the 7th unqualified one in a row. Arrangements are underway for finalisation of financial statements to be submitted to the Auditor General for audit of *2020/2021*.

In terms of capital budget, a new Toyota Fortune r vehicle was procured during the year under review. This is a major development given the number of times CHE had been planning to buy a vehicle, but could not due to financial constraints. Moreover, a number of laptops were procured to replace old ones and desk tops for secretaries. A total of 10 officers benefited from the purchase. A secure 4 Bay Filing Cabinet to ensure safe keeping of the organisation's files was also purchased.

4.5 Diversifying and intensifying mobilisation of resources for CHE

CHE mobilises resources for both its operations and for the higher education sub-sector. During the reporting period resources were mobilised for Higher Education Institutions through negotiating with the Lesotho Communications Authority (LCA) to zero-rate their IT based educational platforms from June to December to facilitate teaching and learning during COVID-19. This was an important intervention because institutions had to close as a result of national lock-down in response to COVID-19 pandemic. However, teaching and learning still had to continue remotely under these circumstances. The cost of data was very high which made it difficult for most students to access their institutions' educational platforms. HEIs submitted educational platforms which were then zero rated by LCA. A number of institutions took advantage of this arrangement and therefore their students benefited. However, some institutions which did necessary IT infrastructure for on-line teaching and learning fell behind. This points to the need for HEIs to invest in their infrastructure to support both Open and Distance Learning and or blended learning. This will not only help them during crises times, but it will also give them flexibility of provision beyond COVID-19.

A comprehensive motivation for CHE to be given additional funding was done and submitted to MoET. CHE was indeed given *1.4 million* for IT infrastructure to support implementation of LQF. An additional *M1 500 000* was also received from MoET to beef-up the IT infrastructure specifically for development of a system for National Learner Records Database (NLRD). The significance of NLRD is that it will house records of all learners and graduates in the country. This in turn will make it easy for local qualifications to be verified when need arises. Also it supports mobility of learners from one area of study to the other within the same institution or across institutions, through use of Credit Accumulation and Transfer (CAT) system.

Annual fees were received from HEIs to the tune of *M1 800 000*. HEIs are struggling to pay these fees. This negatively affects CHE cash-flow. Accreditation fees amounting to *M652 118* were received from HEIs. CHE is still under staffed generally, but in particular in the area of quality assurance. This makes it difficult for the team to keep up with the demand for QA services. As a result, there are occasions where institutions pay for services and CHE is not able to serve them in time e.g., the current financial year is closed with *M340 000* of prepaid accreditation fees while the previous year was closed with the prepaid accreditation fees amounting to *M370 000*. Plans are underway to implement a strategy that will deal with the backlog and the influx of new programmes that need to be reviewed. This will involve engagement and capacity building of professionals who shall be on standby to support the CHE quality assurance coordination processes including reading of accreditation reports.

HEIs have over time indicated that the CHE fees for quality assurance services are too high for them, and they are not able to submit as many programmes as they would wish. It is for this reason that CHE has requested MoET to include quality assurance fee into the student tuition fees under the NMDS funding. Such QA fee per student once included should be transmitted from NMDS to CHE directly for all state-sponsored students. HEIs will transmit QA fees for self-sponsored students to CHE. Once this new arrangement is approved HEIs will no longer be charged accreditation fees. Significant ground has been covered towards the approval of the new approach.

In an attempt to mobilise resources, the CHE Management is working with the Ministry of Education and Training as well as the Ministry of Works to find a place where CHE can have a permanent office space.

This year the CHE budget was not cut to fit the *M9 144 628* subvention allocation. Instead, the Management submitted *M18 646 000* to MOET as was approved by Council, and motivated that more funding should be made available. A supplementary budget to the tune of *M3 400 000* was received to support implementation of LQF and to increase the staff capacity by two new officers.

CHE managed to mobilise resources to the tune of *M4 900 000* towards a study on Skills Audit. The financial support came from the Ministry of Development Planning. In addition, another successful fundraising initiative to the tune of *M527 262* was received from MOET for institutional audit and review of programmes at Advanced Standard (AS) and A-Levels for the Lesotho-China School.



5.0 HIGHER EDUCATION AT A GLANCE



The higher education is provided through fifteen higher education institutions of which nine are public institutions and six are private institutions. Seven of the institutions are college level institutions, three are universities, four are denominationally owned and administered institutions and one is a centre. The Centre offers a post graduate qualification in Family Medicine for practicing doctors.

5.1 Improving access to higher education

One of the key goals of the higher education policy is to improve access to higher education for all eligible students. On average 17,000 learners leave high school per year and only about 7,000 (41%) get absorbed into Higher Education Institutions. As shown in **Error! Reference source not found.** the number of learners admitted into higher education has increased marginally over the years 6,452 in 2016/17, 6,826 in 2018/18 and 7,315 in 2018/19. On average new entrants into the higher education institutions increased by 7% between 2017/18 and 2018/19. The data presented in **Error! Reference source not found.** show that more females than males get admitted into higher education institutions. The proportion of female entrants into higher education institutions has remained at around 62% over the period 2016/17 to 2018/19.

Figure 1 New Entrants in Higher Education Institutions

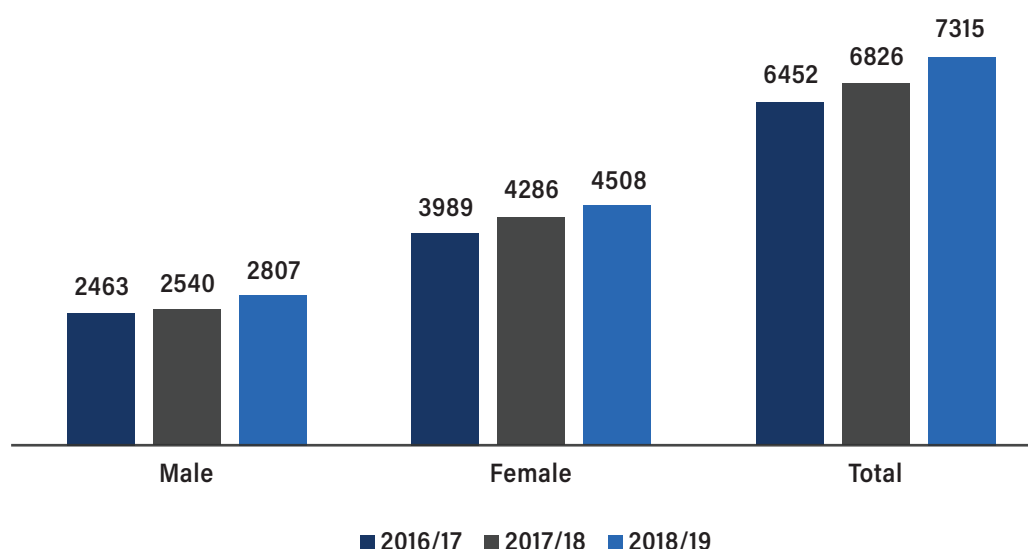


Table 1 presents enrolment in higher education institutions by gender in *2017/18* and *2018/19*. In the *2018/19* academic year 23,832 students were enrolled in higher education institutions in Lesotho. This is a slight (2.5%) increase from 23,252 in *2017/18*.

Table 1 Enrolment in higher education institutions by gender

Gender	2017/18	2018/19	% Change
Male	9012	9073	0.68
Female	14240	14759	3.64
Total	23252	23832	2.49

The higher education gross enrolment ratio (HEGER) for *2018/19* is estimated at 8%, a marginal increase from *2017/18* estimate of 7.2%. This HEGER is relatively low and points to the need to improve the absorptive capacity of the higher education institutions in order to improve access to higher education.

The Higher Education Policy aims to provide access to higher education for people with disability. According to the data for the academic year *2018/19* less than 1% (28 out of 23,832 students) of the students registered in higher education institutions were people with disabilities. The results suggest that higher education institutions provide limited access for students with disabilities. Most HEIs remain inaccessible to students with disabilities both in terms of physical access and in terms of the programmes offered.

Enrolment in some institutions such as nursing colleges has remained low and static at less than 300 students. This is common in institutions that offer practical based courses and it is mainly due to limited infrastructure particularly laboratories. The low enrolment in these institutions can adversely affect their cost-effectiveness given the cost of running an institution relative to its output. The absorptive capacity of the higher education sector remains relatively low. This is primarily due to limited infrastructure which makes it impossible for institutions to increase enrolments without compromising the quality of education.



The standard population eligible for enrolment in higher education is the population in the age range 18 to 25 years. **Error! Not a valid bookmark self-reference.** presents the students enrolled in higher education institutions by institution and age category in terms of eligibility for enrolment in higher education. As depicted in **Error! Not a valid bookmark self-reference.** majority of the students enrolled in higher education institutions are in the age group eligible for enrolment in higher education.

Figure 2 Enrolment in Higher Education by age group

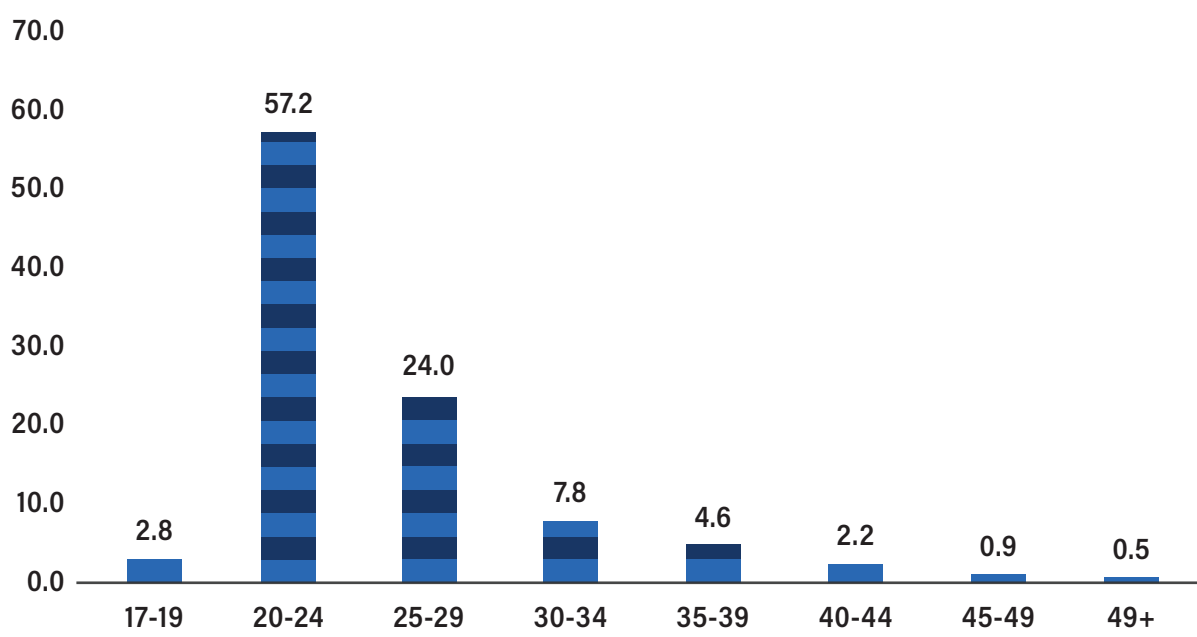


Table 2 presents students enrolled in higher education institutions by mode of study. As shown is this table majority (81%) of the students are fulltime students and 19% are part time students.

Table 2 *Enrolment in higher education institutions by mode of study*

Mode of study	Number	Percent
Fulltime	19,380	81.3
Part-time	4,452	18.7

The distribution of students enrolled in higher education presented in **Table 3** shows that 97% of the students are Lesotho citizens. Students from other African countries constitute less than 1% of the students enrolled. This points to low internationalisation by the institutions, their lack of attractiveness to international students.

Table 3 *Enrolment by nationality*

Nationality	%	Number
Lesotho	99.64	23,747
African Countries	0.35	83
Other Continents	0.01	2
Total	100.00	23,832



Data on outward mobility of Basotho students by field of study presented in **Table 4** shows that Basotho mainly study social sciences, science and engineering.

Table 4 Outward Mobility of Basotho Students by field of study

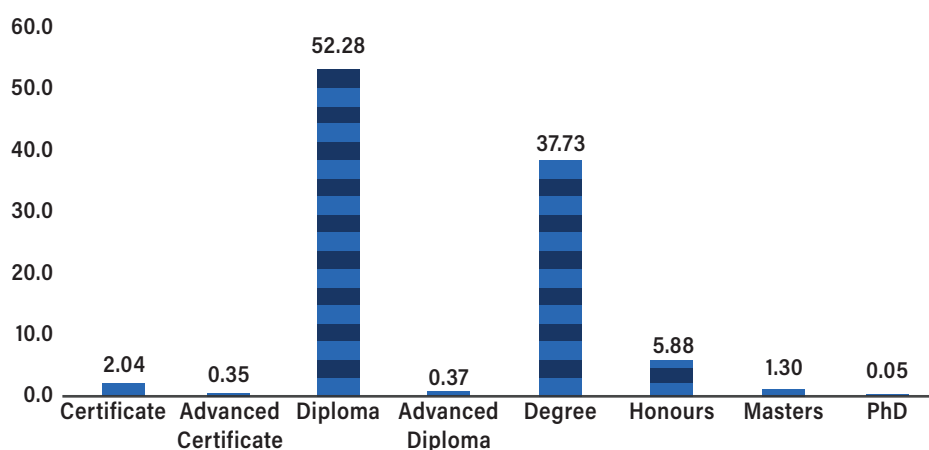
Field of Study	2015/16	2016/17	2017/18
Engineering	144	281	367
Social Sciences	313	407	352
Science	200	307	248
Medicine	127	172	131
Architecture & Construction	17	35	32

5.2 Aligning higher education programmes with national priorities

The higher education policy aims to ensure closer alignment between the output of the higher education sector and needs of Lesotho's labour market. Enrolment in higher education institutions is predominately in undergraduate qualifications. Only about 7% of students are enrolled in post graduate qualifications. Majority (52%) of the students are enrolled in diploma programmes. These data are reflective of the programmes offered in the higher education institutions which are predominately at diploma level as shown in **Figure 5**.

The data presented imply that the higher education sector is currently not effectively responding to the needs of the labour market. To achieve this the higher education sector needs to develop degree programmes and postgraduate programmes as currently the higher education sector in Lesotho offers a limited number of courses at the postgraduate level and therefore most of the graduates go for further studies outside the country.

Figure 3 *Enrolment in Higher Education Institutions by qualification*



For the goal of aligning higher education outcomes to be achieved, it is important to develop and offer degree and higher level programmes that respond to the needs of the Kingdom's economy. CHE is planning to undertake a National Skills Audit which will inform the development of new programmes in terms of providing data on skills gaps and shortages.

5.3 Financing Higher Education

The Higher Education Policy aims to devise an equitable and sustainable approach to financing higher education through, among others, increasing financial contributions made by students and their families to the cost of higher education. Analysis of students in higher education institutions by sponsorship data showed that 81% ($N=23,832$) of the students enrolled in these institutions are dependent on government funding. Only 18% of the students registered in HEIs are self-sponsored indicating that the goal of increasing the contribution made by students towards the cost of higher education is far from being reached. The National Manpower Development Secretariat (NMDS) is working towards introducing Means-Testing of applicants for scholarships so that students are financed in relation to their economic standing. Those who can afford would pay for themselves, those who are able to pay partially would be supported with what they are not able to cover. Collaboration between CHE and NMDS was strengthened during the reporting period with the former consulting CHE in making some important decisions relating to accredited programmes and evaluation of foreign qualifications.

The Higher education sector remains highly dependent on Government support. There is need particularly for public higher education institutions to aggressively work towards diversification of funding so that they can reduce the dependence on subvention from government. The situation has been further worsened by the COVID-19 pandemic which has adversely affected the country's economy.



MOET Officials at a workshop on Lesotho Qualifications Framework (LQF)

5.4 Staff in higher education institutions

Staff employed in higher education institutions are critical to the provision of quality teaching and learning in higher education. The distribution of staff by gender and institutions presented in **Error! Reference source not found.** shows 52% of the 2,333 higher education staff members were females.

Table 5 Percentage distribution of staff in HEIs by gender and total staff by institution

<i>Institution</i>	<i>% Male</i>	<i>% Female</i>	<i>Total Number</i>
BOTHO	50	50	64
CAS	45	55	42
IDM	36	64	55
LP	50	50	204
LAC	41	59	155
LeBoHA	67	33	9
LCE	42	58	242
LIPAM	41	59	59
LUCT	58	42	42
MAC	49	51	51
NHTC	28	72	1,040
NUL	52	48	48
PSN	45	55	51
RCN	33	67	33
SCN	29	71	31
Total	48	52	2,333

The distribution of instructional staff in higher education institutions by qualification presented in **Table 6** shows that on average almost 50% of the 1,124 instructional staff in higher education institutions have Master's Degrees, 15% have PhDs and 25% have Bachelor's Degrees. Majority of the staff teaching diploma level programs have either Bachelor's or Master's degrees, 47% and 36% respectively. About 77% of the staff teaching degree level programs have Master's degrees and 16% have PhDs. The table further shows that 64% of the staff teaching Honours programs have Master's degrees and 12% hold PhDs. About 73% of the staff teaching Masters programs hold PhDs and 27% have Master's degree. The data suggest full compliance with the standard for staff teaching PhD programmes as 95% of the staff teaching at this level hold PhDs¹.

Table 6 Instructional Staff in HEIs by institution and qualification

Institution	Certificate	Diploma	Advanced Diploma	Degree	Honours	Masters	PhD	Total
BOTHO	1	0	0	3	2	24	0	30
CAS	11	0	0	1	4	2	0	18
IDM	0	0	0	4	0	12	0	16
LP	3	12	2	53	4	26	3	103
LAC	0	6	1	27	2	13	0	49
LeBoHA	0	0	0	0	0	4	1	5
LCE	0	2	7	19	16	72	5	121
LIPAM	0	0	3	8	0	16	1	28
LUCT	0	0	0	58	4	46	2	110
MAC	0	2	0	10	2	3	1	18
NHTC	0	2	1	30	4	8	0	45
NUL	0	0	11	34	12	322	153	532
PSN	0	3	2	9	2	5	0	21
RCN	0	0	0	12	1	1	0	14
SCN	0	0	2	10	0	2	0	14
Total	15	27	30	278	53	556	165	1, 124
& of Total Instructional Staff	1	2	3	25	5	49	16	100

¹ Note that the standard allows for 10 per cent of lectures to teach at the same level as their qualifications in special cases such as an IT lecturer with a degree teaching a module on IT in non-IT degree programme.

As part of ensuring competitiveness of the higher education sector, higher education institutions are expected to attract, recruit and retain high quality staff. In 2018/19 16%, (N=372) of the staff left higher education institutions. This is a slight increase from the 2017/18 where 14.8% of the staff left higher education institutions.

Of the 372 staff members who left higher education institutions in 2018/19, 126 were instructional staff and the remainder were management and support staff. This translates into Higher Education Attrition Rate² of 11%.



5.5 Research in Higher Education Institutions

Strengthening research and innovation in higher education institutions is one of the main goals of the higher education policy. Assessment of the research output of the HEIs shows that research output is very low in HEIs. About 105 research reports produced between 2015/16 and 2017/18 and 181 peer reviewed publications were produced in the same period of which 168 were published by NUL. The low research output can in part be due to inadequate funding for research in higher education institutions. Most HEIs do not have a functional Intellectual Property Rights Policy, which is a concern since innovation by both students and staff is not protected. CHE will find ways of supporting HEIs in this regard.

² Proportion of academic staff who left out of the total academic staff

5.6 Implications of COVID-19 Pandemic for the Higher Education Sub-sector

CHE conducted a rapid assessment to assess the HEIs' response to the COVID-19 pandemic. The study showed that most institutions were not adequately equipped for online mode of delivery, yet they were forced into blended teaching by national lock down and restrictions of movement. Designing content for use through online platforms was a challenge for some of the teaching staff and this posed a challenge for ensuring quality teaching. In addition, some institutions did not have enough resources such as laptops for staff members to use for online teaching. Students in some institutions could not access online platforms for various reasons including lack of internet connectivity or electricity in their areas of residence, no access to computers or smartphones or no data.

Components of some programmes such as laboratory-based research and learning activities could not be delivered at NUL. In addition, the current design of some of the programmes makes it difficult to offer them effectively through use of online platforms. In addition, large classes at first year and second year level at NUL could not be effectively assessed using online platforms. The online mode of delivery in HEIs need to be assessed to ensure compliance with higher education teaching and learning standard.



CHE consulted HEIs on a number of areas affecting their operations, particularly the impact of COVID-19 on admissions for next academic year. Institutions pointed to a need for interventions that will enable them to provide access for the current cohort of LGCSE whose quality of education has not only been adversely affected by the COVID-19 pandemic, but also by protracted teachers industrial action in 2018 and 2019. All stakeholders including MOET, CHE and institutions themselves are mindful that whatever intervention is mounted, it should not compromise the quality of higher education.

In the light of these circumstances, HEIs are anticipating that the number of LGCSE learners that will qualify for admission will be limited and that even those that will qualify for admission will not be equipped to cope with the demands of higher education studies. This calls for interventions

that will ensure that the number of new entrants does not decrease drastically. HEIs will most likely need financial support to put in place such interventions. CHE will also need to review these interventions to ensure adherence to quality education standards.

6.0 CHALLENGES



The following is a list of challenges that the organisation had to deal with during the year under review. As indicated in the body of the report, most of them were solved through implementation of various strategies:

- COVID-19 was very disruptive during the year under review with multiple national lock downs which resulted in CHE being closed for a number of weeks.
- CHE has financial constraints, even though they are being addressed with the support of MOET. CHE does not have its own physical office space. This continues to have a negative impact on its operations.
- CHE has limited IT infrastructure which limits its efforts in implementing the LQF and handling matters related to Quality Assurance during the era of COVID-19 and beyond.
- Wage bill for CHE is high, which calls for a strategy to reduce address it, so that the bulk of its budget is directed towards the core business.
- According to the CHE quality assurance reports HEIs are struggling financially under declining government support.

- HEIs have been pushed into blended teaching and learning by COVID-19 without requisite IT infrastructure, and necessary preparation. This has affected quality of higher education negatively.
- Delayed LGCSE examinations together with previous years' teachers' strike present a serious challenge to academic calendar of institutions for the coming year and poses questions on whether there will be enough number of students to be admitted, and their quality.
- The higher education institutions' offerings are skewed towards Diploma programmes.
- Research output in HEIs is very low, and this is a major concern.

7.0 CONCLUSION

Despite the fact that this was a challenging year on a number of fronts, CHE has made progress. The emergence of COVID-19 and the concomitant national lock down, together with diminishing Government subvention have had a negative impact. As indicated in the body of the report, some key milestones have been achieved. That notwithstanding, it is critical that permanent solutions are found to address the challenges listed above for CHE to operate optimally and effectively to deliver fully on its mandate. With LQF being implemented in earnest, it is important that resourcing of CHE is reconsidered by MoET. Implementation of Quality Assurance Fee per student would greatly improve the capacity of CHE in terms of resourcing.

The Higher Education sub-sector presents a mixed bag of results. Generally higher education institutions comply with the higher education quality assurance standards. The major impediment for them to do even better in this regard is poor financial resources. The number of new entrants into HEIs increased slightly, within the context of low absorptive capacity of these institutions. Most institutions offer Diploma level programmes, with less programmes at post graduate level. There is need for more diversification of programme offerings and more investment in higher level qualifications. This will help address the high number of students studying outside the country at great cost to the country. Majority of staff and students in higher education institutions are locals suggesting low rate of internationalisation. The proportion of disabled students enrolled in higher education institutions is very low. Most HEIs remain inaccessible to students with disabilities both in terms of physical access and in terms of assistive devices and support.

The Ministry of Education and Training should consider introducing a pre-university course that would be accredited accordingly in order to mitigate the impact of COVID-19 on prospective HE students.

8.0 LOOKING AHEAD TO NEXT FINANCIAL YEAR (2021/2022)

CHE will continue to work on the following 5 key performance areas outlined in its Strategic Plan:

- ***Forging and nurturing strategic partnerships with stakeholders:*** The main focus here will be building and strengthening partnerships towards effective and efficient implementation of the LQF, in terms of verification and evaluation of qualifications.
- ***Developing and implementing QA systems, and managing LQF:*** Improvement of internal quality assurance processes with a view to positively impacting on CHE's turnaround time on accreditation of programmes; and registration of qualifications on the LQF are some of the key performance areas for the coming financial year.
- ***Building physical infrastructure for CHE, and employing innovative technologies to improve efficiency:*** Efforts towards getting a permanent office block for CHE will continue next financial year together with development new and upgrading existing IT systems.
- ***Strengthening governance, human capital and operations within CHE:*** Capacity of the Council members will be enhanced. Training of staff and their retention will be prioritised next financial year.
- ***Diversifying and intensifying mobilisation of resources for CHE:*** Efforts towards mobilisation of resources for CHE which were started during the year under review will be continued next financial year.

**COUNCIL ON
HIGHER EDUCATION**

18 OCT 2021

CHIEF EXECUTIVE OFFICE

COUNCIL ON
HIGHER EDUCATION

2021-10-18

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GOVERNMENT OF LESOTHO

**AUDIT REPORT
ON THE
ANNUAL FINANCIAL STATEMENTS
OF**

**COUNCIL ON HIGHER EDUCATION
FOR THE YEAR ENDED 31 MARCH 2021**

AUDITOR GENERAL
P.O. BOX 502
MASERU 100
LESOTHO



COUNCIL ON HIGHER EDUCATION

FINANCIAL STATEMENTS FOR THE YEAR 2020/2021

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Council on Higher Education (CHE)

COUNCIL'S REPORT

MEMBERS:

In terms of the Higher Education Act, 2004 the members of the Council of the period under review were:

Dr. Mohlalefi Sefika (Chairperson)
Dr. Elizabeth Nonkosi Tlale
Adv. Tlhalefo Ntaote
Dr. Tlotla Shadrack Selialia
Dr. Nthabiseng Taole
Professor Tiisetso Makatjane
Mr. Mofihli Motšetšero
Mr. Mangangole Tsikinyane
Mrs. 'Maselloane Sehlabi
Mrs. Maleshoane Lekomola-Danziger
Dr. Litšabako Ntoi (Chief Executive)

STATEMENT OF RESPONSIBILITIES AND APPROVAL

This representation is provided in connection with the audit of the financial statements of Council on Higher Education(CHE) for the year ended 31st March 2021 for the purpose of expressing an opinion as to whether or not the financial statements present fairly, in all material respects, the financial position of CHE as at 31st March 2021 and the results of its operations and its Statement of Cash Receipts and Payments for the year then ended in accordance with the requirements of International Public Sector Accounting Standard (IPSAS) Cash Basis and the Higher Education Act 2004.

We acknowledge our responsibility for the accuracy of the accounting records and the fair presentation of the financial statements and we confirm, to the best of our knowledge and belief, the following representations given in connection with the CHE's financial records for the year ended 31st March 2021.

Accounting Policies

The accounting policies used by CHE are as stated in the Financial Statements.

Accounting Records and Transactions

1. We as management are responsible for the design and implementation of internal controls to prevent and detect error, misstatements and fraud.
2. We have made available to you all books of account and supporting documentation and all minutes of meetings and no such information has been withheld.
3. To our knowledge the financial statements are free of material misstatements including omissions. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
4. We have no plans that may alter materially the carrying value or classification of assets and liabilities reflected in the financial statements.
5. Except as disclosed in the financial statements, the results of operations for the year were not materially affected by transactions of an extraordinary or abnormal nature or of a sort not usually undertaken by CHE, or items relating to a prior year.
6. All transfer payments have been properly completed and accounted for and have been recorded in the proper period.
7. The budget has been prepared in accordance with the relevant regulations and instructions and is in line with set criteria and objectives.
8. Personnel Costs represent payments in respect of services which have been rendered to CHE by employees on the payroll of CHE.

Assets

1. We have no plans or intentions that will result in any excess or obsolete inventory.
2. The CHE has satisfactory title to all assets, and there are no liens or encumbrances on the CHE's assets in favour of third parties.
3. All assets were maintained and were stored in good condition during the financial year.
4. The current assets in the financial statements are expected, in our opinion, to produce at least the amounts at which they are stated. Adequate provision, in our opinion, has been made against all amounts owing to the CHE which are known and may be expected to become irrecoverable.

Liabilities

1. The Council on Higher Education has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
2. We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and have disclosed in Note 5 to the financial statements all guarantees that we have given to third parties. We are not aware of any pending or threatened

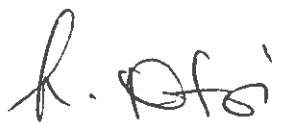
litigation, proceedings, hearings, claims or negotiations which may result in significant loss to the Council on Higher Education.

3. There have been no events subsequent to period end that require adjustment of or disclosure in the financial statements or notes thereto.
4. We are not aware of any capital expenditure projects entered into without a legal contract. There were no purchase commitments in excess of normal requirements or at prices in excess of prevailing market prices.

Other matters

1. There have been no irregularities involving management or employees that have a significant role in the accounting and internal control systems or that could have a material effect on the financial statements.
2. All known, actual or possible, non-compliance with laws and regulations, the effects of which should be considered when preparing financial statements, have been disclosed to the auditors.
3. All the recorded expenditure transactions have been appropriately authorised during the year under review, except as disclosed to the auditors.
4. According to our knowledge there has been no fraud or suspected fraud affecting the financial statements and the operations of the entity.
5. Except as disclosed in the financial statements, no transactions involving management and others requiring disclosure in the financial statements have been entered into. We confirm the completeness of the information provided regarding the identification of related parties. The identity of, and balances and transactions with, related parties have been properly recorded and, when appropriate, adequately disclosed in the financial statements.
6. The required tender procedures have been followed and no commissions have been received by any employee of CHE.

The Financial Statements set out on pages 8 to 18 were approved by Council on
.....13/10/2021.....



Dr. Litšabako Ntoi
CHIEF EXECUTIVE
COUNCIL ON HIGHER EDUCATION



Dr. Mohlalefi Sefika
CHAIRPERSON
COUNCIL ON HIGHER EDUCATION



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

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS
OF COUNCIL ON HIGHER EDUCATION -
MINISTRY OF EDUCATION AND TRAINING
FOR THE YEAR ENDED 31 MARCH 2021**

Opinion

I have audited the financial statements of **Council on Higher Education (the Council)** set on pages 8 to 18 which comprise the statement of cash receipts and payments for the financial year ended 31 March 2021 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 2021, in accordance with International Public Sector Accounting Standards (IPSAS) under the 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 Project in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together 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 and the IESBA Code. 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 to communicate in my report.

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:

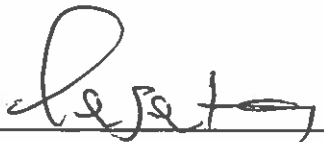
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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 Project'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
ACTING AUDITOR-GENERAL

DATE: 15 OCTOBER 2021

COUNCIL ON HIGHER EDUCATION

STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31 MARCH 2021

	NOTES	2020/2021 CASH RECEIPTS AND PAYMENTS	2020/2021 PAYMENTS BY THIRD PARTIES	2019/2020 CASH RECEIPTS AND PAYMENTS	2019/2020 PAYMENTS BY THIRD PARTIES
Annual Fees		1,650,000	-	1,950,000	-
Quality Assurance Services Fees		1,077,262	-	1,310,000	-
LQF Fees		14,850	-	-	-
Higher Education Fair		-	-	148,000	-
Interest		44,906	-	23,665	-
Resource Mobilisation Activities		128,846	-	137,617	-
Subvention		11,044,628	-	9,080,829	-
Rent		-	-	52,000	-
Collection from Previous Years Debtors		217,337	-	-	-
Other Income		-	-	22,126	-
Direct Payments			128,070		4,922,143
Total Income	2	14,177,829	128,070	12,724,237	4,922,143
Operating Expenses					
Personnel		8,312,822	-	8,095,359	-
Travel and Transport		50,623	-	116,305	-
Office Expenses		1,231,437	-	1,123,988	-
Policy Strategy and Information		130,131	-	456,476	143,566
Quality Assurance and Standards		724,102	128,070	1,108,729	-
Chief Executive Office		164,375	-	442,059	-
Lesotho Qualifications Framework		463,912	-	304,629	-
Capital Expenditure		892,526	-	28,302	4,778,577
Settlement of Previous Year's debts		131,715	-	12,782	-
Total Expenses	3	12,101,643	128,070	11,688,628	4,922,143
Net Increase / (Decrease) in Cash		2,076,186	-	1,035,610	-
Cash at the beginning		1,985,129	-	949,519	-
Cash at the end		4,061,315	-	1,985,129	-

COUNCIL ON HIGHER EDUCATION

STATEMENT OF BUDGET VERSUS ACTUAL

2020/2021				
INCOME	ANNUAL BUDGET	ACTUALS	VARIANCE	COLLECTION LEVEL IN %
SUBVENTION	9,144,628	11,044,628	(1,900,000)	121%
RESOURCE MOBILISATION	5,661,922	128,846	5,533,076	2%
INTEREST	55,000	44,906	10,094	82%
HIGHER EDUCATION FAIR	322,450	-	322,450	0%
ACCREDITATION FEES	945,000	1,077,262	(132,262)	114%
ANNUAL FEES	1,800,000	1,650,000	150,000	92%
RENT	117,000	-	117,000	0%
LQF	600,000	14,850	585,150	2%
COLLECTION FROM PREVIOUS YEAR DEBTORS	-	217,337	(217,337)	0%
TOTAL INCOME	18,646,000	14,177,829	4,468,171	76%
EXPENDITURE	ANNUAL BUDGET	ACTUALS	VARIANCE	SPENDING LEVEL IN %
PERSONNEL	9,519,310	8,312,822	1,206,488	87%
TRAVEL AND TRANSPORT	200,000	50,623	149,377	25%
OFFICE EXPENSES	1,729,538	1,231,437	498,101	71%
QUALITY ASSURANCE AND STANDARDS (QAS)	1,654,667	724,102	930,565	44%
POLICY, STRATEGY AND INFORMATION (PSI)	1,086,669	130,131	511,900	12%
LESOTHO QUALIFICATIONS FRAMEWORK (LQF)	518,060	164,375	353,685	32%
TOTAL RECURRENT EXPENDITURE	17,065,853	11,077,402	5,543,813	65%
CAPITAL EXPENDITURE	917,500	892,526	24,974	97%
SETTLEMENT OF PREVIOUS YEAR DEBTS		131,715		0%
CONTINGENCY	100,000	-	-	0%
GRAND TOTAL EXPENDITURE =	18,083,353	12,101,643	5,568,787	67%

Council on Higher Education (CHE)

NOTE 1 TO FINANCIAL STATEMENTS

Accounting Policies

1.1 CHE Mandate and its functions

The Council on Higher Education (CHE) is a parastatal under the Ministry of Education and Training. The Council was established by an Act of Parliament in 2004 to advise the Minister of Education and Training on any aspect of higher education. Specifically, it is charged with the following responsibilities:

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

In recent years, CHE's mandate has been expanded to include the management and implementation of the Lesotho Qualifications Framework (LQF). The organisation started its operations in 2010. According to the Higher Education Act, it is supposed to be funded mainly by the Government of Lesotho, although it is also permitted to receive funds from other legitimate sources including donations, contributions and fees for services rendered.

1.2 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.

1.2.1 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.

1.3 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.

1.4 Assets

1.4.1 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%

1.4.2 CHE has a site at Matsoatlareng allocated by the Ministry of Education and Training. The plan is to build offices once the construction funds are available.

1.5 Payments by Third Parties

Third party payments received during the year were as follows:

Donors	Direct payment amounts	Descriptions
Commonwealth of Learning	M128 070	Supported the development of ODL standards and activities on dissemination of the Lesotho Qualifications Framework.

1.6 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.

1.7 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 2021 the closing balance of the bank account was M75 635.03

COUNCIL ON HIGHER EDUCATION
NOTE 2 INCOME

	INCOME FOR THE YEAR 2020/2021	PAYMENTS BY THIRD PARTIES - 2020/2021	NOTES	INCOME FOR THE YEAR 2019/2020	PAYMENTS BY THIRD PARTIES - 2019/2020
RECEIPTS					
	M	M		M	M
Annual Fees	1,650,000			1,950,000	
Quality Assurance Services Fees	1,077,262			1,310,000	
LQF Fees	14,850				
Higher Education Fair	-			148,000	
Interest	44,906			23,665	
Resource Mobilisation Activities	128,846			137,617	
Subvention	11,044,628			9,080,829	
Rent	-			52,000	
Collection from Previous Years Debtors	217,337				
Other Income				22,126	
	14,177,829	-	-	12,724,237	-
Direct Payments					
Commonwealth of Learning		128,070			143,566
Ministry of Development Planning		-			4,778,577
TOTAL INCOME	14,177,829	128,070	-	12,724,237	4,922,143

COUNCIL ON HIGHER EDUCATION

NOTE 3 EXPENSES

	EXPENDITURE FOR THE YEAR 2020/2021	2020/2021 PAYMENTS BY THIRD PARTIES	NOTES	EXPENDITURE FOR THE YEAR 2019/2020	2019/2020 PAYMENTS BY THIRD PARTIES
Personnel Costs					
Salaries	5,137,312			4,946,032	
Gratuity	1,034,010			1,008,046	
Allowances	1,557,516			1,506,135	
Wages	6,337			85,038	
Medical aid	280,530			237,795	
Group Life Assurance	70,939			68,856	
Pension / Provident Funds	188,434			181,765	
Staff Training Expenses	-			4,500	
Recruitment Expenses	25,120			45,499	
Staff Welfare	12,623			11,693	
	8,312,822			8,095,359	
Travel and Transport					
Motor Vehicle - Repairs & Maintenance	19,297			3,647	
Fuel	8,279			24,337	
Motor Vehicle Hire	2,641			3,485	
Travel & Subsistence - Local Travel	-			750	
Travel & Subsistence - International	-			62,979	
Motor Vehicle Insurance	20,406			21,108	
	50,623			116,305	
Office Expenses					
Meals & Refreshments	8,132			7,773	
Water & Electricity	76,566			71,262	
Telephone Fax and Internet Services	88,134			81,451	
Repairs & Maintenance	140,906			78,532	
Printing & Stationery	52,747			57,806	
Office Rental	756,000			720,000	
Other Office Expenses	23,462			16,032	
Insurance of Assets	16,229			17,655	
Systems Development & Maintenance	53,371			46,444	
Bank Charges	15,890			27,033	
	1,231,437			1,123,988	
Policy, Strategy and Information					
Workshop, Conferences and Meetings	2,053			230,337	143,566
Professional fees	-			-	
Promotion and Advertising	8,915			27,117	
Website maintenance	39,376			39,376	
Research	65,788			94,932	
Planning, Monitoring and Evaluation	14,000			64,714	
	130,131			456,476	143,566
Quality Assurance and Standards					
Workshop, Conferences and Meetings	62,513			102,344	
Professional fees	-	128,070		7,000	
Promotion and Advertising	-			-	
Sitting Allowance	90,314			148,188	
Accreditation expenses	571,276			851,196	
	724,102	128,070	-	1,108,729	-
Chief Executive Office					
Workshop, Conferences and Meetings	20,500			24,934	
Sitting Allowances- Council	91,395			310,985	
Sitting Allowance -Sub Committees	34,610			50,833	
Professional fees	-			7,571	
Subscriptions	17,420			44,611	
Hospitality	450			3,125	
	164,375			442,059	
LQF					
Workshop, Conferences and Meetings	8,070			304,629	
LQF Personnel	419,852				
Promotion and Advertising	20,170				
Professional Fees	10,500				
LQF Capital Expenditure	5,320				
	463,912			304,629	
Capital Expenditure	892,526	-		28,302	4,778,577
Settlement of previous years' debts	131,715			12,782	
Total Expenses	12,101,643	128,070	-	11,688,628	4,922,143

COUNCIL ON HIGHER EDUCATION

NOTE 4 ASSETS

4.1. NON CURRENT ASSETS

	Cost as at 1st April 2020	2020/2021 Additions	Accumulated Depreciation as at 1st April 2020	2020/2021 Depreciation	NET BOOK VALUE
Motor Vehicle	652,080	589,330	505,139	97,960	638,310
IT Equipment	715,709	257,084	576,974	83,985	311,834
Office Equipment	158,963	6,207	61,630	15,454	88,086
Office Furniture	391,870	45,225	273,170	33,987	129,937
TOTALS	1,918,621	897,846	1,416,914	231,386	1,168,167

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 and Office Furniture consisting of Laptops, Computers and Chairs 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.

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

4.2.1. PREPAYMENTS

	2020/2021	2019/2020
Pre-paid Rent	365,000	350,000
HEMIS support service	-	8,750
TOTALS	365,000	358,750

4.2.2. ACCOUNTS RECEIVABLES

	2020/2021	2019/2020
Sundry Debtors	1,532,730	35,768
Debtors Control Account	84,023	316,000
TOTALS	1,616,753	351,768

TOTAL PREPAYMENTS AND ACCOUNTS RECEIVABLES	1,981,753	710,518
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4.2.3. CASH AND BANK

	2020/2021	2019/2020
Petty cash	3,142	3,937
Cheque account	189,877	55,513
Call account	14,183	1,425,680
Stanlib Money Market	3,839,953	500,000
LQF Account	14,160	-
TOTALS	4,061,315	1,985,129

COUNCIL ON HIGHER EDUCATION

NOTE 5 LIABILITIES

CURRENT LIABILITIES

2020/2021**2019/2020**

PREPAID INCOME

CAS	315,000	100,000
LIPAM	-	70,000
IDM	-	275,000
NUL	-	95,000
NHTC	25,000	-
MOET- Lesotho China School	455,144	-
LQF Services	3,500	-
	798,644	540,000

ACCOUNTS PAYABLES

Sundry Suppliers	62,611	139,775
	62,611	139,775

TOTAL CURRENT LIABILITIES

861,255**679,775**

COUNCIL ON HIGHER EDUCATION

NOTE 6 - VARIANCE EXPLANATIONS

2020/2021					
INCOME	ANNUAL BUDGET	ACTUALS	VARIANCE	COLLECTION LEVEL IN %	EXPLANATION OF VARIANCES
SUBVENTION	9,144,628	11,044,628	(1,900,000)	121%	The Original subvention request was M14.5 Million. The actual allocation was around M9.1 Million. Request for supplementary budget was made and additional amount of M1.9 Million was received. There was also an outstanding M1.5 Million supplementary budget which had not been received by end of the financial year.
RESOURCE MOBILISATION	5,661,922	128,846	5,533,076	2%	Resource Mobilisation activities which were successful include the M128 070 direct payment made by Commonwealth of Learning (CoL) and M4.9 Million from Development Planning for Skills Audit Study which was at procurement stage by end of the financial year.
INTEREST	55,000	44,906	10,094	82%	The estimation was premised from the hope of having the entire M18.646 Million budget in cash however only M14.177 Million was received in cash.
HIGHER EDUCATION STALLS HIRE	322,450	-	322,450	0%	The Higher Education Fair was not possible because of COVID-19 Pandemic
ACCREDITATION FEES	945,000	1,077,262	(132,262)	114%	Part of the money received include a commissioned institutional audit and programme reviews for the Lesotho China School as per the request made by MOET and Development Planning.
ANNUAL FEES	1,800,000	1,650,000	150,000	92%	14 institutions out of fifteen paid the fees. Only LIPAM had an outstanding bill which they were paying for in quarterly instalments. While CAS paid part of their bill in advance in the previous year.
RENT INCOME	117,000	-	117,000	0%	There were no tenants for the extra office space in 2020/2021.
LQF- INCOME	600,000	14,850	585,150	2%	There was no baseline information when making estimates for LQF fee collection. The public was not yet aware that CHE provided the verification and evaluation of qualifications services as 2020/2021 was the first year in which the process started. A lot of work done was mainly in sensitising the stakeholders.
OTHER INCOME (collection of debts)	-	217,337	(217,337)	0%	M217 337 is the money collected from debtors which was owing from previous years.
TOTAL INCOME	18,646,000	14,177,829	4,468,171	76%	The budget of M18.646 Million was not fully funded from the beginning of the year. The Council however approved it as is and management made a commitment to find funding for it. This was successful though most outcomes came towards the end of the year and were therefore not yet received by 31st March 2021. For example CHE received an additional M1.5 Million supplementary budget and M4.9 Million for skills audit.
EXPENDITURE	ANNUAL BUDGET		VARIANCE	SPENDING LEVEL IN %	EXPLANATION OF VARIANCES
PERSONNEL COSTS:					
SALARIES	5,702,596	5,137,312	565,284	90%	The initial plan was to increase salaries by 5.5% cost of living adjustments and also to effect the notching progression. This was not done given that from the M18 Million budget, only about M14 Million was received in cash. The decision was therefore changed to effect only 2.5% cost of living adjustment from October 2020 while notching was not factored in at all. There was also one position which was vacant from May to November 2020.
GRATUITY	1,175,362	1,034,010	141,352	88%	
ALLOWANCES	1,745,861	1,557,516	188,345	89%	
MEDICAL AID	279,072	280,530	(1,458)	101%	
GROUP LIFE ASSURANCE	79,360	70,939	8,421	89%	
PENSION/PROVIDENT FUND	202,059	188,434	13,625	93%	
WAGES	50,000	6,337	43,663	13%	Most time of the year the employees were at home due to COVID-19 therefore temporary employees were not used much.
STAFF TRAINING EXPENSES	200,000	-	200,000	0%	No staff training done during the year. It was decided that the Staff Training Policy should be revised first before any training plans could be developed and implemented.
RECRUITMENT EXPENSES	60,000	25,120	34,880	42%	The 3 positions were put on quarter page adverts and more details provided on the CHE Website intentionally in order to save on costs as CHE was trying to manage cashflow.
STAFF WELFARE	25,000	12,623	12,377	50%	The end of year celebration and world HIV day commemoration were not done due to COVID-19.
TOTAL =	9,519,310	8,312,822	1,206,488	87%	
TRAVEL AND TRANSPORT:					
MOTOR VEHICLE REPAIRS AND MAINTENANCE	30,000	19,297	10,703	64%	Maintenance, fuelling and vehicle hire budget lines spending were affected by COVID-19 and its induced lock-downs.
FUEL	35,000	8,279	26,721	24%	
MOTOR VEHICLE HIRE	6,000	2,641	3,359	44%	
TRAVEL AND SUBSISTENCE - LOCAL TRAVEL	5,000	-	5,000	0%	Due to travel restrictions, there were no travel subsistence claims paid both for local and international travel during the year.
TRAVEL AND SUBSISTENCE - INTERNATIONAL	90,000	-	90,000	0%	
MOTOR VEHICLE INSURANCE	30,000	20,406	9,594	68%	It was anticipated that the budget balance would pay for the new vehicle insurance. The vehicle was bought towards end of the year and therefore its insurance was paid along with other vehicles in April.
MOTOR MILEAGE CLAIMS	4,000	-	4,000	0%	Travel was very minimal in 2020/2021. However this budget line, in the past was used for reimbursement of staff claims where they use their vehicles for business activities. The trend observed is that since CHE has now increased the number of vehicles, this budget line is redundant. The budget allocation has already ceased to happen from the 2021/2022 budget.

TOTAL =	200 000	50 623	149 377	25%	
OFFICE EXPENSES:					
MEALS AND REFRESHMENTS	20 000	8 132	11 868	41%	The budget line is used for office consumables. For most part of the year, employees were not coming to work as such the consumables were not used at high rate.
WATER AND ELECTRICITY	140 653	76 566	64 087	54%	Electricity is highly consumed during winter. In 2020, Lesotho was on lockdown during winter months.
TELEPHONE, FAX AND INTERNET SERVICE	120 000	88 134	31 866	73%	The spending level was affected by the lockdowns, however since internet is on fixed basis account, the spending was able to go as high as 70% unlike in other areas.
PRINTING AND STATIONERY	110 000	52 747	57 253	48%	There was low activity as the employees spent a bigger part of the year at home rather than in office. Meetings were postponed and workshops which normally leads to a lot of printing and photocopying.
OFFICE RENTAL	741 000	756 000	(15 000)	102%	The rent financial year is different from that of the organisation hence the difference between budget and spending.
INSURANCE OF ASSETS	20 000	15 229	3 771	81%	New assets were bought towards the end of the year and their insurance was only paid in the next financial year.
SYSTEMS DEVELOPMENT AND MAINTENANCE	345 000	53 371	291 629	15%	The budget was a provision for ICT systems upgrade, this was not possible since the IT audit was needed first. It was decided that the IT officer and the IT Committee of Council should be in office first before any drastic changes could be made on ICT.
BANK CHARGES	37 000	15 890	21 110	43%	The budget was premised on the spending of M18 Million budget but only about M12 Million was spent. Also the organisation changed the banks and Standard Lesotho bank, bank charges are lower than those of FNB.
REPAIRS & MAINTENANCE	170 000	140 906	29 094	83%	The budget line is used for contractual obligations such as cleaning of premises and guarding and other minor repairs required for the office items since CHE is working from the rented building. Other minor repairs were not much because of lockdowns.
OTHER OFFICE EXPENSES	25 885	23 462	2 423	91%	The spending made here was mostly to cover the COVID-19 related expenses.
TOTAL =	1 729 538	1 231 437	498 101	71%	
DIRECTORATE: QUALITY ASSURANCE AND STANDARDS:					
WORKSHOPS, CONFERENCES AND MEETINGS	247 958	62 513	185 446	25%	Face to Face Meetings and workshops were not possible because of COVID-19 protocols.
PROFESSIONAL FEES	184 000	-	184 000	0%	The spending here was around M128 000. It was a direct payment made by Commonwealth of Learning (Col) as part of their support towards development of Quality Assurance Standards.
PROMOTION AND ADVERTISING	18 368	-	18 368	0%	QAS Directorate advertise for inclusion of new professionals in the database every year. In 2020/2021 the advert was not made because after being recruited they are trained and workshops were not possible because of COVID-19.
SITTING ALLOWANCES - HEQAC	180 946	90 314	90 632	50%	Some of the meetings were postponed because of COVID-19
ACCREDITATIONS & REVIEW OF PROGRAMMES	1 023 395	571 276	452 119	56%	Costs of flights and accommodation and meals were not incurred when reviewing programmes and undertaking institutional audits because of COVID-19. A lot of savings were therefore realised because a new strategy that was implemented as this is the core mandate of CHE and could not be stopped despite COVID-19.
TOTAL =	1 654 667	724 102	930 565	44%	
DIRECTORATE: POLICY, STRATEGY AND INFORMATION:					
WORKSHOPS, CONFERENCES AND MEETINGS	446 690	2 053	444 637	0%	Face to Face Meetings and workshops were not possible because of COVID-19 protocols. Even the Higher Education Fair was not held which is the activity that covers most part of this budget line.
PROFESSIONAL FEES	-	-	-	0%	
PROMOTION AND ADVERTISING	105 362	8 915	96 447	8%	The activities of this cost centre were affected by the budget deficit. It was clear from the plan that research and policy development would only be done if funding permitted. It was also highlighted in the budget documentation that the activities of this cost centre would be done only if fundraising was successful.
BOOKS AND PUBLICATIONS	4 500	-	4 500	0%	
RESEARCH	465 141	65 787,76	399 353	14%	
WEBSITE DEVELOPMENT AND MAINTENANCE	39 376	39 376	-	100%	
STRATEGIC PLAN AND M&E FRAMEWORK	25 600	14 000	11 600	55%	Mid-term review and end of term reviews were held but with no costs due to cash flow problems. It was indicated from the budget documentation that this cost centre activities would be funded only if funding permitted.
TOTAL =	1 086 669	130 131	956 538	12%	
LOF					
WORKSHOPS, CONFERENCES AND MEETINGS	24 693	8 070	16 623	33%	Face to Face Meetings and workshops were not possible because of COVID-19 protocols.
PROFESSIONAL FEES	92 000	10 500	81 500	11%	The funds were meant for procurement of consultants for development of policies and standards but this was not done due to lack of funds. Some of the activities under this cost centre were classified under items which would be done only if funding was possible.
PERSONNEL	583 680	419 852	163 828	72%	One Middle Management employee joined CHE in May 2020 and resigned in January 2021.
PROMOTION AND ADVERTISING	47 236	20 170	27 066	43%	CHE was able to get free platforms at Radio Lesotho, TV Lesotho, other radio stations and Newspapers when sensitising the public about LOF.
EVALUATION OF QUALIFICATIONS	210 000	-	210 000	0%	Verification and Evaluation of qualifications was still at its infancy during this year including systems development and publicity of these new services. It took a while for people to be aware of and access the LOF services.
CAPITAL EXPENDITURE	1 400 000	5 320	1 394 680	0%	The money for the National Learner Records Database was only received towards the end of the year from MOET. It was also decided that it was prudent to have an IT officer first before the database is developed given its technicalities.
TOTAL =	2 357 609	463 912	1 893 697	20%	

CHIEF EXECUTIVE'S OFFICE					
WORKSHOPS, CONFERENCES AND MEETINGS - COUNCIL & SUB-COMMITTEES	78 040	20 500	57 540	26%	Face to Face Meetings and workshops were not possible because of COVID-19 protocols.
SITTING ALLOWANCES - COUNCIL	240 220	91 395	148 825	38%	Some of the meetings were postponed because of COVID-19
ALLOWANCES - SUB COMMITTEES	71 300	34 610	36 690	49%	Some of the meetings were postponed because of COVID-19
PROFESSIONAL FEES	80 000	-	80 000	0%	The funds for this budget line are normally earmarked for support on legal issues as CHE did not have the Legal Officer. It was anticipated that CHE would join ALE but after reviewing the services that ALE provides which did not cover everything which CHE needed it was not joined.
SUBSCRIPTIONS	40 500	17 420	23 080	43%	The membership fees for SAQAN and AFRIQAN were outstanding by end of financial year.
HOSPITALITY	8 000	450	7 550	6%	The funds are used for refreshments for CE's important visitors. Due to COVID-19, this was not possible.
TOTAL =	518 060	164 375	353 685	32%	
TOTAL RECURRENT EXPENDITURE	17 065 853	11 077 402	5 543 813	65%	
CAPITAL EXPENDITURE:					
OFFICE FURNITURE AND FITTINGS	50 000	39 905	10 095	80%	Due to lack of stock in most shops because of COVID 19, efforts to purchase the couch seater for CE's office failed.
IT EQUIPMENT	242 500	257 084	(14 584)	106%	
OFFICE EQUIPMENT	25 000	6 207	18 793	25%	The plan was to upgrade the Telephone Management System. It was decided not to incur further costs on it as the entire telephone system needed to be replaced after it broke down during the year. Request for funding to replace the telephone system was made at MOET but was not successful.
VEHICLE	600 000	589 330	10 670	98%	
LAND & LEASEHOLD IMPROVEMENTS	-	-	-	0%	
TOTAL CAPITAL EXPENDITURE =	917 500	892 526	24 974	97%	
Other -Settlement of previous year debts		131 715			
CONTINGENCY	100 000			0%	
GRAND TOTAL EXPENDITURE =	18 083 353	12 101 643	5 568 787	67%	Since the available money was only around M14 million of which M1.4 Million was for the development of the NLRD, Expenditure could not be allowed to go beyond what was available to spend. This together with the explanations made at different budget line items above explains the cause of the overall spending level of only 67%.

Other Notes

- Cash Balance at the end of the year was M4 061 315. This Balance included some of the following:
 - The previous year balance of about M1.2 Million which the Council decided to use to start the Reserve Account
 - M798 644 owing to institutions for service - they are reported under liabilities as prepaid income
 - The funds amounting to M1 400 000 earmarked for the Development of the NLRD



COUNCIL ON HIGHER EDUCATION