



OUR LOGO EMBODIES THE FOLLOWING:

The 'hut' symbolises a pyramid of which the 'sticks' represent the different academic streams which lead to excellence;
The different academic streams join and guarantee 'shelter' for the nation;
The 'hut' symbolises unity through binding the different academic streams together; and
This unified effort emphasises coordination among our higher education institutions.

National Council for Higher Education (NCHE)

All correspondence should be addressed to the:

Executive Director
NCHE Secretariat

Tel: +264 61 307 012
Fax: +264 61 307 016
P.O. Box 90890
Klein Windhoek
Website: www.nche.org.na



TABLE OF CONTENTS

	Page
1. <i>High Level Statements</i>	3
2. <i>Abbreviations/Acronyms</i>	4
3. <i>Governance Structure</i>	5
4. <i>Message from the Chairperson</i>	8
5. <i>Executive Director's Report</i>	11
6. <i>Additional Activities</i>	14
7. <i>Council Committee Meetings</i>	16
8. <i>Council Meetings</i>	17
9. <i>Council Decisions</i>	17
10. <i>Challenges/Constraints</i>	19
11. <i>Annual Financial Statements</i>	20
20. <i>Notes</i>	36

1. HIGH LEVEL STATEMENTS

Vision Statement

A leader in coordinating higher education in pursuit of a knowledge based society.

Mission Statement

To ensure a coordinated and excellent higher education system through equitable access and quality service delivery.

Core Values

Integrity

Professionalism

Accountability

Justice

Commitment

Teamwork



2. ABBREVIATIONS/ACRONYMS

AAU	Association of African Universities
ACTET	Advisory Council on Teachers' Education and Training
AfriQAN	African Quality Assurance Network
AG	Attorney General
CHE	Council on Higher Education
DoE	Department of Education
ETSIP	Education and Training Sector Improvement Programme
IT	Information Technology
IUCEA	Inter-University Council for East Africa
IUM	International University of Management
HEIs	Higher Education Institutions
HEMIS	Higher Education Management Information System
MoA	Memorandum of Agreement
NCHE	National Council for Higher Education
NQA	Namibia Qualifications Authority
NTA	Namibia Training Authority
OATF	Ongwediva Annual Trade Fair
PoN	Polytechnic of Namibia
QA	Quality Assurance
SADC	Southern Africa Development Community
UNAM	University of Namibia
WAIS	Windhoek Agricultural & Industrial Show

3. GOVERNANCE STRUCTURE

3.1 Background

The National Council for Higher Education (NCHE) is a statutory body in terms of Section 4 of the Higher Education Act, 2003 (Act No. 26 of 2003), established to advise the Minister of Education on higher education related matters.

3.2 Objectives of the NCHE

The objectives of the Council are to:

- Promote:
 - the establishment of a coordinated higher education system;
 - the access of students to higher education institutions; and
 - quality assurance in higher education.
- Advise on the allocation of funds to public higher education institutions.

3.3 Functions of the NCHE

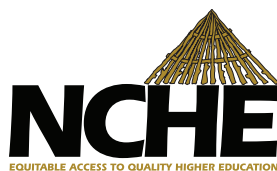
The NCHE may, subject to the Higher Education Act, 2003 (Act No. 26 of 2003), do all things necessary or reasonably required to carry into effect its objects and must more specifically-

- Accredite, with the concurrence of the Namibia Qualifications Authority (NQA) programmes of higher education provided at higher education institutions;
- Monitor the quality assurance mechanisms of higher education institutions;
- Take measures to promote access of students to higher education institutions;
- Undertake such research with regard to its objects as it may deem necessary or as the Minister may require; and
- Advise the Minister of its own accord or at the request of the Minister on all issues related to higher education.

3.4 Composition of the NCHE

Section 7 (1) of the Higher Education Act, 2003 (Act No. 26 of 2003), provides for the membership of the NCHE drawn from government, public and private higher education institutions, organised labour, churches, people with disabilities, students, academic and non-academic organisations, teachers' education institutions, organised business, vocational training sector and experts appointed by the Minister of Education on account of their special knowledge, skills or expertise in education matters.

The members are appointed by the Minister for a term of three (3) years. In total, the NCHE comprises nineteen (19) substantive members and sixteen (16) alternate members. The Second Council was appointed in November 2008 and its term of office will expire in November 2011.



3.4.1 The following distinguished personalities substantively served on the 2nd NCHE:

1. Dr. Z. Ngavirue, Chairperson, Minister's appointee;
2. Mr. E. Mueller, Vice Chairperson, Namibia Qualifications Authority (NQA) Council;
3. Dr. L. Haoses-Gorases, Minister's appointee;
4. Prof. A. du Pisani, Minister's appointee;
5. Hon. C. Schlettwein, Ministry of Finance, replaced by Ms. E. Shafudah;
6. Prof. L. Hangula, University of Namibia (UNAM) Council;
7. Mr. E. Manga, Organised Labour;
8. Ms. S. Daries, Academic Employees;
9. Dr. T. Tjivikua, Polytechnic of Namibia (PoN) Council;
10. Ms. M. Nangolo-Rukoro, Namibia Training Authority (NTA);
11. Dr. F. Nyathi, Business & Industry;
12. Mr. M. Tjivera, People with Disabilities, replaced by Ms. M. Sam;
13. Ms. B. Nakaambo, Students, replaced by Mr. M. Shilongo;
14. Mr. E. T. Erago, Non-Academic Employees;
15. Ms. F. Uahengo, Teachers' Education Colleges;
16. Dr. D. Namwandi, Private Higher Education Institutions, replaced by Dr. D. Wolfaardt;
17. Mr. M. Shivute, National Planning Commission, replaced by Mr. A. Hungamo;
18. Mr. V. Ankama, Ministry of Education replaced, by Mr. A. Ilukena; and
19. Rev. C. Nel, Churches.

3.5 NCHE Committees

Section 14 of the Higher Education Act, 2003 (Act No. 26 of 2003), provides for the establishment of committees to advise the NCHE on matters relating to its functions and to assist the NCHE in the performance of its functions. During the period under review, the NCHE had eight Committees:

- Executive Committee;
- Finance & Logistics;
- Human Resources;
- Legal Matters;
- Registration;
- Research & Publications;
- Capacity Building; and
- Accreditation & Quality Assurance.

These committees consist of NCHE members and/or other co-opted members.

3.6 The Secretariat

The NCHE is served by an Interim Secretariat and seconded staff members from the

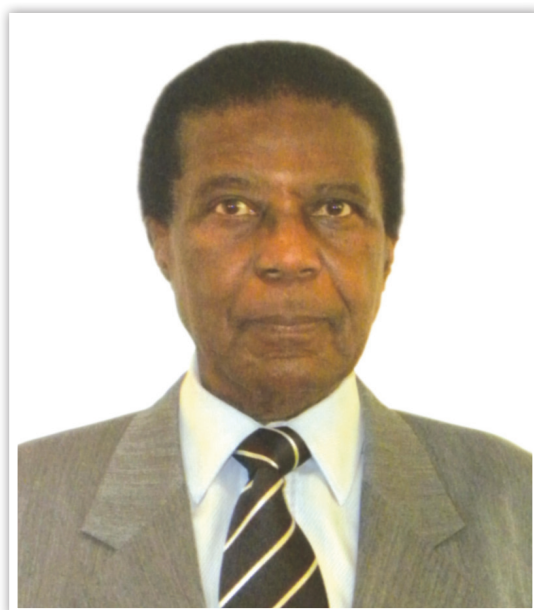
Ministry of Education, Directorate of Higher Education. It is headed by an Executive Director, who is its Accounting Officer. The NCHE Secretariat staff complement is twelve (12). The Secretariat, being the backbone of the Council, continues to provide administrative and technical assistance, as well as render secretarial services to the NCHE and its Committees to enable the NCHE to effectively and efficiently deliver on its mandate.

3.6.1 Approved temporary units for the Secretariat

- 1 x Grade 6A (Executive Director)
- 1 x Grade 4A (Deputy Director of Finance)
- 1 x Grade T4C (Higher Education Officer)
- 3 x Grade T4B (Higher Education Officer)
- 1 x Grade 3B Level 1 (Analysts Programmer)
- 1 x Grade 3B Level 1 (Clerk)
- 1 x Grade 2C Level 1 (Clerk)
- 1 x Grade SP2 (Statistician)
- 1 x Grade SP2 (Private Secretary)
- 2 x Grade 2A Level 1 (Clerk)
- 1 x Grade 1C Level 2 (Clerical Assistant)
- 1 x Grade 1B Level 3 (Driver)
- 1 x Grade 1A Level 1 (Cleaner)



Secretariat



Dr. Zedekia Ngavirue

4. MESSAGE FROM THE CHAIRPERSON

The Annual Report for 2011 is of particular significance for two reasons. The Government and the nation to which we are accountable expect us to report not only on the past year's programme of work but also on the achievements of the Council's entire three-year term which has, coincidentally, just ended. Furthermore, the year itself began against a background of radical changes which had both direct and indirect impacts on the functioning of the NCHE.

The changes were the appointment of a new Minister, a new Deputy Minister, and a new Permanent Secretary at the level of the Ministry of Education, as well as a new Executive Director at the level of the NCHE Secretariat.

The new leadership of the Ministry stepped onto the stage at a time when the whole nation was screaming for reforms in education in view of the high failure rates at secondary/high school levels and the perceived inadequate preparation of school leavers and graduates for the job market. Consequently, both the Minister and his Deputy were obviously compelled to take these challenges head on. It would appear that their prime focus and concentration were on strengthening the foundation of our education system at the primary and secondary levels which culminated in the highly successful National Conference on Education held during our reporting year.

In light of the above elected area of concentration by the Minister and his Deputy, the Chairperson and the Executive Director of the NCHE had limited chances of meeting with them for consultation.

Taken as a whole, the above-stated changes limited the scope for the introduction of new projects.

Thus, the NCHE concentrated on the finalisation and implementation of projects it had worked on since its existence. On that score, it piloted the draft amendment to the Higher Education Act of 2003; it followed up its reports on the funding formula; its recommendations on the Polytechnic of Namibia's application for university status and its negotiations on the Memorandum of Agreement aimed at facilitating co-operation between the NCHE and NQA, which is now ready for signing.

Other projects of the NCHE which saw the light of day are the Quality Assurance (QA) System for Higher Education in Namibia, The Coordination of the Higher Education System of Namibia and The Pursuit of Access with Equity in the Higher Education System of Namibia. An exciting novelty in the work of the NCHE during the period under review was the successful undertaking of a Tracer Study of students who graduated from the University of Namibia and the Polytechnic of Namibia from 1999 - 2008.

In terms of internal improvements, 2011 saw the streamlining of the NCHE's financial procedures and the raising of the institution's profile in the eyes of the public at large through the NCHE's participation in trade fairs and the development of an eye-catching logo, thanks to the new Executive Director's public relations skills obviously honed when he was a Permanent Secretary in the Ministry of Information and Broadcasting.

It should, however, be borne in mind that the prime objectives of the NCHE, of quality assurance and the coordination of the Higher Education system would be realised largely through a practical and sturdy support to and co-operations with the institutions of higher education themselves. Among others, the much sought-after upgrading of the Polytechnic of Namibia to a full-fledged University of Science and Technology would be a case in point. The Asian countries that are fast closing the technological gap between themselves and the West are doing so through science and technology. We, in Africa, should take their examples.

I take this opportunity to express my sincere thanks to the Government of the Republic of Namibia and the Ministers of Education, under whom I worked, for the honour and privilege they accorded me to serve my country as Chairperson of the National Council for Higher Education for two successive terms. Last but not least, I thank my colleagues on the Council for their kind co-operation and support. It will go on record that the second Council was characterised by guaranteed quorums and an economic use of time. My tribute also goes to our small but dedicated and efficient Secretariat.

In conclusion, it is the humble conviction of the present outgoing Chairperson that the future of the NCHE and its general effectiveness would depend largely on the improved Higher Education Act of 2003 which should result in adequate provision of material and human resources.



Farewell and God bless the Namibian nation.



Mr. M. Shivute

5. EXECUTIVE DIRECTOR'S REPORT

NCHE Activities April 2010 - March 2011

Tracer Study

The Tracer Study that the NCHE undertook targeted students who graduated from the two public higher education institutions during the period 1999 - 2008.

The national study, the first of its kind, took several steps in pursuit of a high number of responses. Most importantly, the study aimed at ensuring fair national coverage of the regions. To achieve this, the Tracer Study consultants, together with the Secretariat, went out in the regions and interviewed employees of the targeted graduates in February 2011. In order to reach unemployed graduates, the team also tried practical approaches by using regional centres where unemployed graduates were invited to participate in the study.

The NCHE rewarded ten of the respondents with a prize of N\$1000 each.

A report of this elementary study will be published in the media, as well as on the NCHE website. A hard copy will also be available at the NCHE Secretariat's Offices.

Pilot Programme Accreditation

After the successful development of the National Quality Assurance System, the NCHE deemed it necessary to first pilot the Programme Accreditation Sub-system as a means of validating the instrument.

NCHE conveniently chose to pilot this particular Sub-system at the newly established Faculty of Engineering & IT (Electronics & Telecommunications Programme) at the University of Namibia.

A pool of experts from the Southern African Region was appointed to validate the Faculty's self-evaluation of the programme against the NCHE's criteria for the accreditation of new programmes and to determine whether the requirements have been met. In addition to the experts, a good number of stakeholders were invited as observers. The main purpose of the observers was to ensure continuous capacity building in quality assurance.

Pilot Institutional Audit

The second Sub-system of the National Quality Assurance System (Institutional Audit) will be piloted at the Polytechnic of Namibia in July 2011. Like the pilot accreditation, the pilot audit will also have a pool of experts to ensure a well piloted exercise that can correctly inform implementation thereof.

Ongwediva Annual Trade Fair



As a way of reaching out to the community, the NCHE has prioritised participation in annual trade fairs.

The popular Ongwediva Annual Trade Fair (OATF) is one of them. The NCHE has adopted a norm of securing strategic places at the OATF. A lot of trade fair attendees visited the NCHE stand showing much interest in the services of the relatively new Council. One can say the participation of the NCHE has been evidently appreciated. Calls requesting for the NCHE's services are ever increasing.

With only one office based in Windhoek, it is crucial that the NCHE's services are taken all over the country at respective peak times, such as the end of every August, targeting the ever well attended OATF. The NCHE markets itself by means of information materials, radio interviews at the show,

promotional gifts and face-to-face interactions with the public.

Windhoek Agricultural and Industrial Show (WAIS)

This is another activity the NCHE partakes in annually. So far, the NCHE's participation in the WAIS has been valuable. The fact that the largest population of the higher education institutions is in Windhoek could be the reason. The NCHE managed to secure a stand in the popular International Hall and its stand was ever busy. Students, academics and the general public flocked to the stand for information on the crucial aspects of higher education. As with other shows, such as the OATF, similarly at the WAIS, the NCHE promoted its services through information materials, radio interviews, promotional gifts, as well as face-to-face interactions with the public.

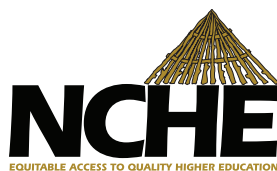
Participation in the African Quality Assurance Network (AfriQAN)

The NCHE participated in a seminar organised by the AfriQAN, under the auspices of the Association of Africa Universities (AAU) and in collaboration with the Inter-University Council for East Africa (IUCEA) in Arusha, Tanzania on 29 November to 3rd December 2010. The conference covered amongst other aspects: Capacity Building Seminar on Functional Aspects of Existing Sub-regional Quality Assurance systems in Africa; AfriQAN Quality Assurance Forum and AfriQAN General Assembly. The salient objectives of the seminar were to enhance quality assurance capacity in the Southern African Development Community (SADC) region and overall, to fulfil the networks' (AfriQAN, AAU and IUCEA) intentions of enhancing the quality of higher education in collaboration with similar organisations beyond Africa.

Memorandum of Agreement (MoA) between National Council for Higher Education and Namibia Qualifications Authority



The NCHE and NQA are ready to sign a Memorandum of Agreement pertaining to the function of the accreditation of Higher Education Programmes provided at higher education institutions.



The MoA was necessitated by the Acts of the two institutions, particularly the Higher Education Act, which compels NCHE to accredit higher education programmes in concurrence with the NQA. The institutions have agreed on areas of cooperation which make it possible for the accreditation of higher education programmes to continue under the NCHE as custodian.

Website meeting

The NCHE is preparing to have its website up and running after it has been down for some time. On 2 February 2011, the NCHE held its first meeting to discuss the revamping of its website. The website is envisaged to be alive before the end of 2011. The main aim of the website is to provide easy access to information about the NCHE. The NCHE aims to continuously provide an educative, informative and interactive website.

Website: www.nche.org.na

Logo development

The NCHE has worked on a logo for some time. But it was only in 2011 that the logo was realised. The NCHE placed adverts in the local newspapers, inviting creative minds to assist in formulating the logo, with rewards to three best attempts.

Second Public Lecture

The 2nd Public lecture on “Access to and Funding of Higher Education – A General Overview” was held on 19 May 2010 to amongst others bring higher education to the public domain by discussing and debating issues related to higher education and to learn from experiences and expertise of a variety of academic personalities in higher education.

Education and Training Sector Improvement Programme (ETSIP) funding to academic staff at public Higher Education Institutions

Twenty-five academic staff at public Higher Education Institutions (HEIs) received funding from ETSIP through the NCHE during the period under review to improve their qualifications which would enhance their productivity and effectiveness in order to improve quality in teaching, research and learning achievements of students.

6. ADDITIONAL ACTIVITIES

- 6.1 Two Secretariat staff members visited the Department of Education, the University of Pretoria and the Council on Higher Education (CHE) of South Africa to gain more insight in the registration process/procedures of the private HEIs and in QA related aspects.**
- 6.2 Two staff members attended a training workshop in Cape Town on programme accreditation and institutional audits.**

6.3 The Capacity Building Committee visited UNAM and PoN to:

- solicit fresh ideas which could be used effectively to build capacity at the two public higher education institutions;
- acquaint itself with the process and challenges as they pertain to the implementation and coordination of strategic plans at the two public higher education institutions;
- obtain insight into possible areas of networking in terms of partnership between the two public higher education institutions and other institutions/organisations locally, regionally and internationally for capacity building purposes; and
- explore other aspects of capacity building.

6.4. The Research and Publications Committee held a one-day workshop at the UNAM Northern Campus in Oshakati of which the key objectives were:

- to explain what research is and what it is not, the criteria for research and the different types of research approaches;
- to present some aspects of the debate about the nature of scientific knowledge and the value of scientific methods;
- to introduce the concept at the heart of any research project and proposal, the research problem, and discuss what a researchable problem is;
- to describe how a research problem is found and stated;
- to explain the logical structure and sequence of a good research proposal;
- to help participants to develop their skills of academic reading and note-taking;
- to provide practical advice on how to craft a quality research proposal;
- to examine the role and nature of data; and
- to describe the differences between quantitative and qualitative research designs.

6.5 The Secretariat also presented the QA System to the Hon. Minister of Education and his Deputy for consideration and recommendation to Cabinet for approval.

7. COUNCIL COMMITTEE MEETINGS

COMMITTEES	No.	ORDINARY MEETINGS	No.	EXTRA-ORDINARY MEETINGS
Executive	16th	28 May 2010	3rd	11 June 2010
	17th	20 August 2010		
	18th	12 November 2010		
	19th	11 March 2011		
Finance & Logistics	16th	10 May 2010		
	17th	25 October 2010		
	18th	21 February 2011		
Human Resources	14th	10 May 2010		
	15th	25 October 2010		
	16th	21 February 2011		
Legal Matters	19th	11 May 2010		
	20th	26 October 2010		
	21st	22 February 2011		
Registration	6th	11 May 2010		
	7th	26 October 2010		
	8th	22 February 2011		
Research & Publications	16th	12 May 2010		
	17th	29 October 2010		
	18th	23 February 2011		
Capacity Building	19th	12 May 2010		
	20th	05 November 2010		
	21st	23 February 2011		
Accreditation & Quality Assurance	15th	18 May 2010	5th	10 June 2010
	16th	05 August 2010	6th	04 February 2011
	17th	28 October 2010		
	18th	24 February 2011		

8. COUNCIL MEETINGS

	No.	ORDINARY MEETINGS	No.	EXTRA-ORDINARY MEETINGS
	17th	15 June 2010		
	18th	05 October 2010		
	19th	23 November 2010		
	20th	29 March 2011		



Council Members

9. COUNCIL DECISIONS

17th Meeting: 15 June 2010

- Requested additional positions, i.e. Registration Officer, Accreditation Officer and Audit Officer, required for the effective implementation of the QA System; as well as the positions for Accountant, Assistant Accountant, Statistician, Human Resources Practitioner and Assistant Human Resources Practitioner, and approved to be filled as the need arises.
- Regularised the driver's position.
- Agreed that Committees should only meet if they have crucial issues to discuss (the Secretariat should liaise with the chair of the respective committees in this regard).



- Reduced the number of people going on study tours to three (one committee member and two Secretariat staff members).
- Decided to pilot the QA System at the two public Higher Education Institutions.
- Decided to participate in the Ongwediva Annual Trade Fair and the Windhoek Agricultural and Industrial Show.
- Decided not to invest Council's funds in a unit trust, but to retain the call account.
- Re-activated the study visit of the Accreditation & Quality Assurance Committee to Finland and Sweden.
- Consulted UNAM and the PoN about an expansion plan to avoid these institutions expanding in the same direction.
- Developed Policy Issue Papers on the two Research Reports, i.e. "Access with Equity in the Higher Education System of Namibia" and "The Quest for Coordination of the Higher Education System in Namibia", to be presented to the Minister for consideration.
- Agreed that the Research & Publications Committee should develop an executive format to present key implementable recommendations.
- Agreed to finalise the Strategic Plan for the NCHE with the assistance of the Office of the Prime Minister (OPM).
- Agreed to acquire permanent office accommodation for the Secretariat.

18th Meeting: 05 October 2010

- Agreed that the Secretariat together with the HR Committee should be involved in the process of setting up the Higher Education Management Information System (HEMIS).
- Tasked the Secretariat to request the Office of the Attorney-General (AG) for a legal opinion on the draft MoA between the NCHE and the NQA. Council decided to sign the MoA in the presence of the media.
- Prepared and dispatched a new submission on the authorisation for a bank account for the NCHE to the Ministry of Finance through the Ministry of Education.
- Agreed that there was a need to develop a Customer Service Charter for the NCHE.
- Decided to make provision in the draft Higher Education Bill to remunerate Council members for additional work done.
- Decided to officially launch the two Research Reports, i.e. "In Pursuit of Access with Equity in the Higher Education System of Namibia" and "The Quest for Coordination

of the Higher Education System in Namibia”, as well as the 2nd Public Lecture Report on “Access to and Funding of the Higher Education System – a General Overview”.

- Decided to reactivate the Vice-Chancellors’/Rectors’ Forum.

19th Meeting: 23 November 2010

- Agreed to design a template to present the statistical information obtained from UNAM and PoN. Decided to develop tables for the Annual Institutional Regime which will be used until such time that the HEMIS is developed.
- Decided to request for the repeal of the Teachers’ Education Colleges Act, 2003 (Act No. 25 of 2003), and the dissolution of ACTET as the Colleges of Education were merged with the UNAM Faculty of Education.
- Agreed to request for the transfer of the money, allocated for the upgrading of the former Colleges of Education’s libraries and for the emerging subjects, to UNAM.
- Decided to call on interested members of the public to transform the National Policy on Higher Education working document into a policy document.
- Decided to launch and popularise the NCHE logo.

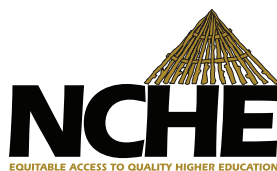
20th Meeting: 29 March 2011

- Decided to request UNAM, PoN and the International University of Management (IUM) to develop an institutional framework for ethics in research.
- Agreed that it was imperative to capacitate the Secretariat, especially in quality assurance related matters.

10. CHALLENGES/CONSTRAINTS

While noticing these achievements, the NCHE’s effectiveness is hampered by the following constraints:

- Absence of the HEMIS
- Misunderstanding of the NCHE mandate
- Overlapping functions of the NCHE and NQA
- Temporary structure
- Slow responses from the line Ministry
- Short-comings in the Higher Education Act, 2003 (Act No. 26 of 2003)
- Lack of office accommodation
- Lack of expertise
- Staffing
- Limitations to attract highly qualified staff



**NATIONAL COUNCIL FOR HIGHER EDUCATION AND ADVISORY COUNCIL ON TEACHERS EDUCATION AND TRAINING
ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2011

GENERAL INFORMATION

Councils registration number and Applicable Acts:

Higher Education Act, 2003
Teachers Education Colleges Act, 2003

Country of registration or domicile:

Namibia

Registered address:

No.6, Newton Street
Windhoek
Namibia

Postal address:

P.O.Box 90890
Klein - Windhoek
Namibia

Auditors:

EDB & Associates

Bankers:

First National Bank of Namibia Limited

NATIONAL COUNCIL FOR HIGHER EDUCATION AND ADVISORY COUNCIL ON TEACHERS EDUCATION AND TRAINING

STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

for the year ended 31 March 2011

1. The Council members are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The auditors are responsible to report on the fair presentation of the financial statements. The financial statements have been prepared in accordance with International Financial Reporting Standard for Small Medium-sized Entities and in the manner required by the Higher Education Act, 2003 and Teachers Education Colleges Act, 2003.
2. The Council members are also responsible for the councils' system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets and to prevent and detect misstatements and deficit. Nothing has come to the attention of the Council members to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.
3. The financial statements have been prepared on the going concern basis, since the Council members have every reason to believe that the Councils have adequate resources in place to continue in operation for the foreseeable future.

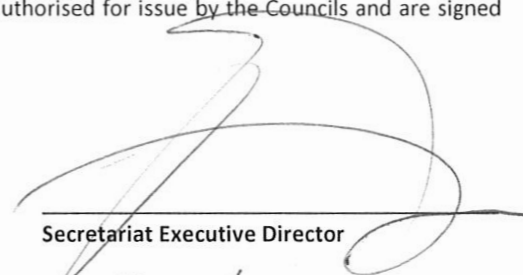
The financial statements set out on pages 6 to 17 were approved and authorised for issue by the Councils and are signed on their behalf by:


Council Chairperson - NCHE

22/11/11
Date


(*) Council Chairperson - ACTET

22/11/2011
Date

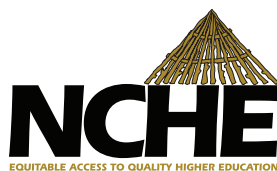

Secretariat Executive Director

22/11/11
Date


Director: Finance

22/11/2011
Date

(*) ACTET was dormant for the period under review.



CHARTERED ACCOUNTANTS , AUDITORS AND BUSINESS ADVISORS

REPORT OF THE INDEPENDENT AUDITORS

To the council members of the

NATIONAL COUNCIL FOR HIGHER EDUCATION AND ADVISORY COUNCIL ON TEACHERS EDUCATION AND TRAINING

We have audited the financial statements of the National Council for Higher Education and Advisory Council on Teachers' Education and Training, which comprise the report of the Council members, the balance sheet as at 31 March 2011, and the income statement, the statements of changes in funds and cash flow statement for the year ended 31 March 2011, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 17.

Council members' responsibility for the financial statements

The Council members are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standard for Small Medium-sized Entities and in the manner required by the Higher Education Act, 2003 and Teachers Education Colleges Act, 2003. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion, the financial statements present fairly, in all material respects, the position of the councils at 31 March 2011 and its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standard for Small Medium-sized Entities and in the manner required by the Higher Education Act, 2003 and Teachers Education Colleges Act, 2003.



Tel: +264 (61) 225 024, Fax: +264 (61) 228 052, E-mail: harmonias@iwayna
105 John Meinert Street, Windhoek, Republic of Namibia · P.O. Box 22563, Windhoek, Republic of Namibia
Partner: E. Beukes - BCompt. (Hons.), MBA, PG Dipl. Auditing, CA (Nam)

REPORT OF THE INDEPENDENT AUDITORS

To the council members of the

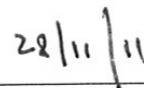
NATIONAL COUNCIL FOR HIGHER EDUCATION AND ADVISORY COUNCIL ON TEACHERS EDUCATION AND TRAINING

Accounting services

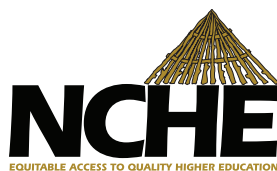
With the consent of management, we have performed certain accounting duties.



EDB AND ASSOCIATES
Registered Auditors
Chartered Accountants (Namibia)



DATE
Windhoek



NATIONAL COUNCIL FOR HIGHER EDUCATION AND ADVISORY COUNCIL ON TEACHERS EDUCATION AND TRAINING

COUNCIL MEMBERS' REPORT

for the year ended 31 March 2011

-
1. The council members present their annual report which forms part of the audited financial statements of the Councils for the year ended 31 March 2011.

General review

2. The activities of the Councils comprise:

National Council for Higher Education:

- * to promote the establishment of a co-ordinated higher education systems;
- * to promote the access of students to higher education institutions;
- * to promote quality assurance in higher education;
- * to advise on the allocation of moneys to public higher education institutions

Advisory Council on Teachers' Education and Training:

- * advise Ministry on general policy to be pursued in respect of the education and training of teachers;
- * to advise on the establishment, governance and funding of teachers' education colleges;
- * to advise on the establishment of diploma and certificate courses at teachers' education colleges, including the determination of the curricula of such courses;
- * to advise on the education and training standards or qualifications to be maintained by teachers' education colleges and;
- * to advise on any other matter with regard to teachers' education colleges that is referred to it by the Minister.

3. No matter which is material to the financial affairs of the Councils have occurred between 31 March 2011 and the date of approval of the annual financial statements.

Financial results and dividends

4. Full details of the financial results of the Councils are set out on pages 8 to 17.

Plant and equipment

5. The Councils acquired plant and equipment at a cost of N\$ 54 165 (2010: N\$ 398 113) during the year under review.

NATIONAL COUNCIL FOR HIGHER EDUCATION AND ADVISORY COUNCIL ON TEACHERS EDUCATION AND TRAINING

COUNCIL MEMBERS' REPORT (continued)

for the year ended 31 March 2011

Council members

- 6 The council members during the year are as set out below:

NCHE Council members:

Dr. Z Ngavirue (Chairperson)
 Mr. E Mueller (Vice-chairperson)
 Prof. L Hangula
 Prof. A Du Pisani
 Dr. T Tjivikua
 Dr. L Haoses-Gorases
 Dr. FS Nyathi
 Dr. DR Namwandi
 Rev. C Nel
 Ms. S Daries
 Mr. J Ellis
 Mr. V Ankama
 Ms. FB Uahengo
 Ms. B Nakaambo
 Mr. EHM Manga
 Mr. C Schlettwein
 Mr. M Shivute
 Mr. M Tjivera
 Mr. E Erago

ACTET Council members:

Mr. A Agapitus - (Chairperson)
 Dr. H Pomuti (Vice-chairperson)
 Prof. R Auala
 Dr. B Kangumu
 Ms. E Kirchner
 Mr. R Simanga
 Ms. F Uahengo
 Ms. E Mbuye
 Mr. M Kavihuha
 Mr. M Katewa

Events subsequent to year end

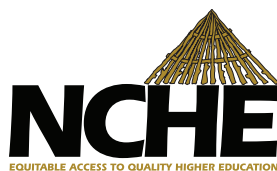
7. The council members are not aware of any matter or circumstance arising since the end of the financial year, not otherwise dealt with in the financial statements, which significantly affects the financial position of the Councils or the results of its operations.

Council members' interest in contracts

8. No material contracts involving council members' interest were entered into during the current year.

Auditors

9. EDB & Associates will continue in office for the year under review.



NATIONAL COUNCIL FOR HIGHER EDUCATION AND ADVISORY COUNCIL ON TEACHERS EDUCATION AND TRAINING

STATEMENT OF FINANCIAL POSITION

at 31 March 2011

	Notes	2011 N\$	2010 N\$
ASSETS			
Non-current assets		557 444	647 290
Property, plant and equipment	2	557 444	647 290
Current assets		10 635 700	6 017 847
Trade and other receivables	3	89 825	96 320
Cash and cash equivalents	4	10 545 875	5 921 527
Total assets		11 193 143	6 665 137
FUNDS AND LIABILITIES			
Funds and reserves		7 675 659	5 719 895
Accumulated surpluses		7 675 659	5 719 895
Current liabilities		3 517 483	945 242
Trade and other payables	5	731 606	316 911
Income received in advance	6	2 785 877	628 331
Total funds and liabilities		11 193 143	6 665 137

NATIONAL COUNCIL FOR HIGHER EDUCATION AND ADVISORY COUNCIL ON TEACHERS EDUCATION AND TRAINING

INCOME STATEMENT

for the year ended 31 March 2011

	Notes	2011 N\$	2010 N\$
Grant income		6 705 000	6 177 000
Activities - net income		--	(101 907)
Income		--	274 269
Expenditure		--	(376 176)
Other income		248 287	368 116
Interest received	8	247 438	368 116
Donations income		--	--
Profit on disposal of non-current assets		849	--
Total income		6 953 287	6 443 209
Less: Operational expenses		4 997 522	4 811 739
Auditors remuneration:			
audit fees - actual	7.1	23,874	23,874
Advertising and promotions		189,184	65,355
Bank charges		23,081	17,516
Computer expenses		46,121	31,480
Consulting fees		49,949	-
Courier and postage		2,649	4,690
Committee expenses	7.1	-	545,296
Depreciation	7.1	137,512	85,255
Donations		5,000	-
Electricity and water		24,275	29,880
Entertainment expenses		16,283	16,197
General expenses		-	5,371
Insurance		34,577	24,129
Interest paid	8	-	562
Leasing and hire costs - operating		17,063	18,170
Motor vehicle expenses		32,660	15,230
Printing and stationery		209,333	138,519
Public Lectures		6,000	-
Refreshments - office/committee meetings		28,080	29,007
Refreshments - Council meetings		29,811	41,166
Rent Paid - offices		463,123	435,809
Repairs and maintenance		71,668	14,783
Salaries and wages		2,145,809	1,991,267
Sitting allowance	7.1	77,029	156,902
Subscriptions - other		22,085	10,275
Sundry expenses		-	6,710
Telephone, internet, email and fax		135,540	120,019
Training		89,340	180,763
Travel and accommodation - secretariat		524,271	375,706
Travel and accommodation - members		493,238	412,815
Venues - council/committee meetings		54,543	7,863
Workshop expenses		45,425	7,129
Net surplus for the year		1 955 764	1 631 470



NATIONAL COUNCIL FOR HIGHER EDUCATION AND ADVISORY COUNCIL ON TEACHERS EDUCATION AND TRAINING

STATEMENT OF CHANGES IN FUNDS

for the year ended 31 March 2011

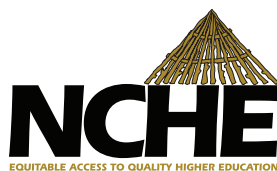
	Accumulated surpluses	Total
Balance as at 31 March 2009	4 088 425	4 088 425
Net surplus for the year	1 631 470	1 631 470
Balance as at 31 March 2010	5 719 895	5 719 895
Net surplus for the year	1 955 764	1 955 764
Balance as at 31 March 2011	7 675 659	7 675 659

NATIONAL COUNCIL FOR HIGHER EDUCATION AND ADVISORY COUNCIL ON TEACHERS EDUCATION AND TRAINING

STATEMENT OF CASH FLOWS

for the year ended 31 March 2011

	Notes	2011 N\$	2010 N\$
Cash flow from operating activities			
Cash receipts from grants and other customers		--	--
Cash paid to suppliers and employees		<u>4 423 726</u>	<u>2 085 530</u>
Cash generated by operations	9	<u>4 423 726</u>	<u>2 085 530</u>
Net investment income		<u>247 438</u>	<u>367 553</u>
<i>Net cash inflow operating activities</i>		<u>4 671 164</u>	<u>2 453 083</u>
Cash flows from investing activities			
Plant and equipment acquired		(54 165)	(398 113)
Proceeds from insurance claim - stolen assets		<u>7 349</u>	<u>--</u>
<i>Net cash out flow in investing activities</i>		<u>(46 816)</u>	<u>(398 113)</u>
Net change in cash and cash equivalents		4 624 348	2 054 970
Balance at the beginning of the year		<u>5 921 527</u>	<u>3 866 557</u>
Balance at the end of the year	4	<u><u>10 545 875</u></u>	<u><u>5 921 527</u></u>



NATIONAL COUNCIL FOR HIGHER EDUCATION AND ADVISORY COUNCIL ON TEACHERS EDUCATION AND TRAINING

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

1. Accounting policies

The annual financial statements of the Councils are compiled in accordance with the historical convention modified by the restatement of financial instruments to fair value, except where otherwise stated.

The principle accounting policies of the Councils, which are set out below, had been consistent with those applied in the previous year and comply with Namibian Generally Accepted Accounting Practise – NAC 001: Financial Reporting for Small and Medium Sized Entities. The financial statements had been prepared in accordance with the requirements of the Higher Education Act, 2003 and Teachers Education Colleges Act, 2003.

1.1 Plant and equipment

All plant and equipment are initially recorded at historical cost less depreciation. Cost includes all costs directly attributable to bring the assets to working condition for their intended use.

Depreciation is calculated on the straight-line method to write off the cost of each asset to their residual values over their estimated useful lives as follows:

Office equipment	5 years
Other fixed assets	5 years
Computer equipment	5 years
Furniture and fittings	10 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and deficits on disposal of plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating surplus.

1.2 Trade receivables

Trade receivables are carried at anticipated realizable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified.

1.3 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, short-term investments and deposits held at call with banks, net of bank overdrafts.

NATIONAL COUNCIL FOR HIGHER EDUCATION AND ADVISORY COUNCIL ON TEACHERS EDUCATION AND TRAINING**NOTES TO THE FINANCIAL STATEMENTS (continued)**for the year ended 31 March 2011

1.4 Revenue recognition

Revenue is recognized at the date that grants and activity funds are received.

1.5 Provisions

Provisions are recognized when the Councils has a present legal constructive obligation and as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

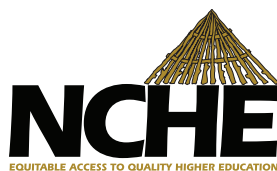
1.6 Financial instruments

Financial assets and liabilities are recognised in the Organization's statement of financial position when the organization becomes a party to the contractual provisions of an instrument. All financial instruments are initially measured at fair value. Transaction costs are normally also included in the initial measurement of financial instruments. However, transactions costs incurred on financial assets and liabilities at fair value through profit or loss are not included in the initial measurement, but are expensed. The transactions costs referred to are those incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability. For this purpose, transactions costs excludes financing costs and internal administrative costs.

The Organization derecognition principles for financial liabilities hinge on the legal release (extinguishment) of the obligation. Consequently, an financial liability or part thereof would be removed from its statement of financial position only when it is extinguished. The Organization derecognition principles for financial assets are normally triggered when it receives consideration in return for the transfer or sale of all or part of a financial asset.

1.7 Offsetting

The net amount on offsets of financial assets and financial liabilities were reported in the organization statement of financial position, where applicable. However this was only done when the organization had legal enforceable right to set off the recognised amounts and intends to settle on a net basis.



NATIONAL COUNCIL FOR HIGHER EDUCATION AND ADVISORY COUNCIL ON TEACHERS EDUCATION AND TRAINING

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2011

2. Property, plant and equipment

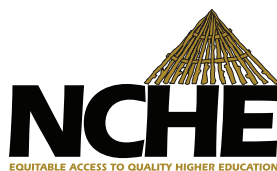
	Motor vehicles N\$	Office equipmen t N\$	Other fixed assets N\$	Furniture and fittings N\$	Computer equipment N\$	Total N\$
2.1 31 March 2010						
Opening net book value	76 000	32 462	7 750	148 199	70 021	334 432
Additions	341 990	5 999	--	10 414	39 710	398 113
Disposals - Cost	--	--	--	--	--	--
Disposals - Accum. Dep	--	--	--	--	--	--
Depreciation charge	(43 175)	(4 411)	(1 800)	(17 853)	(18 017)	(85 255)
Closing carrying amount	374 815	34 050	5 951	140 760	91 714	647 290
Represented as:						
Cost	417 990	42 386	9 000	177 916	129 805	777 097
Accumulated depreciation	(43 175)	(8 337)	(3 049)	(37 156)	(38 091)	(129 808)
Net book value	374 815	34 050	5 951	140 760	91 714	647 290
2.2 31 March 2011						
Opening net book value	374 815	34 050	5 951	140 760	91 714	647 290
Additions	--	8 184	--	30 160	15 822	54 165
Disposals - Cost	--	--	--	--	(10 833)	(10 833)
Disposals - Accum. Dep	--	--	--	--	4 333	4 333
Depreciation charge	(83 597)	(6 776)	(1 200)	(20 138)	(25 801)	(137 512)
Closing carrying amount	291 218	35 458	4 751	150 782	75 234	557 444
Represented as:						
Cost	417 990	50 570	9 000	208 076	134 793	820 430
Accumulated depreciation	(126 772)	(15 113)	(4 249)	(57 294)	(59 559)	(262 987)
Net book value	291 218	35 458	4 751	150 782	75 234	557 444

NATIONAL COUNCIL FOR HIGHER EDUCATION AND ADVISORY COUNCIL ON TEACHERS EDUCATION AND TRAINING

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2011

	2011 N\$	2010 N\$																											
3. Accounts receivable																													
Prepaid expenses	27 395	24 344																											
Deposits	41 721	47 357																											
Staff loans	10 031	24 619																											
Study loans	10 678	-																											
	<u>89 825</u>	<u>96 320</u>																											
4. Cash and cash equivalents																													
First National Bank - current account	2 629 833	(31 259)																											
First National Bank - call account	1 821 292	86 669																											
Cash on hand	2 000	2 000																											
	<u>4 453 125</u>	<u>57 409</u>																											
Development fund:																													
Investment account	<u>6 092 750</u>	<u>5 864 118</u>																											
The Development fund investment account were established to cater for future development and infrastrutural expenditure on the new offices, future capacity building expenditure etc.																													
For the purpose of the cash flow statement the year-end cash and cash equivalents comprise the following:																													
Cash and bank balances	<u>10 545 875</u>	<u>5 921 527</u>																											
	<u>10 545 875</u>	<u>5 921 527</u>																											
5. Trade and other payables																													
Accrued expenses	(135 987)	316 911																											
Office of the Prime Minister - ED Salary	(595 619)	--																											
	<u>(731 606)</u>	<u>316 911</u>																											
6. Income received in advance																													
	<table><tr><th>Staff developm</th><th>Quality Assurance</th><th>HEMIS Fund</th></tr><tr><td>Unexpended funds prior year</td><td>628 331</td><td>--</td><td>--</td><td>628 331</td><td>101 907</td></tr><tr><td>Received in current year</td><td>1 000 000</td><td>1 000 000</td><td>509 000</td><td>2 509 000</td><td>902 600</td></tr><tr><td>Expended in current year</td><td>(452 003)</td><td>(101 451)</td><td>--</td><td>(553 454)</td><td>(376 176)</td></tr><tr><td></td><td><u>1 176 328</u></td><td><u>898 549</u></td><td><u>509 000</u></td><td><u>2 583 877</u></td><td><u>628 331</u></td></tr></table>	Staff developm	Quality Assurance	HEMIS Fund	Unexpended funds prior year	628 331	--	--	628 331	101 907	Received in current year	1 000 000	1 000 000	509 000	2 509 000	902 600	Expended in current year	(452 003)	(101 451)	--	(553 454)	(376 176)		<u>1 176 328</u>	<u>898 549</u>	<u>509 000</u>	<u>2 583 877</u>	<u>628 331</u>	
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	<table><tr><th>Strategic planning</th><th>Funding Formula</th></tr><tr><td>Unexpended funds prior year</td><td>--</td><td>--</td><td>628 331</td><td>101 907</td></tr><tr><td>Received in current year</td><td>50 000</td><td>152 000</td><td>2 711 000</td><td>902 600</td></tr><tr><td>Expended in current year</td><td>--</td><td>--</td><td>(553 454)</td><td>(376 176)</td></tr><tr><td></td><td><u>50 000</u></td><td><u>152 000</u></td><td><u>2 785 877</u></td><td><u>628 331</u></td></tr></table>	Strategic planning	Funding Formula	Unexpended funds prior year	--	--	628 331	101 907	Received in current year	50 000	152 000	2 711 000	902 600	Expended in current year	--	--	(553 454)	(376 176)		<u>50 000</u>	<u>152 000</u>	<u>2 785 877</u>	<u>628 331</u>						
Strategic planning	Funding Formula																												
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NATIONAL COUNCIL FOR HIGHER EDUCATION AND ADVISORY COUNCIL ON TEACHERS EDUCATION AND TRAINING

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2011

	2011	2010
	N\$	N\$

7. Notes to the income statement

7.1. Net operating surplus for the year

Net operating surplus for the year is stated after charging:

Auditors' remuneration	23 874	23 874
Actual audit fees	23 874	23 874
Council members' sitting allowance	77 029	156 902
Depreciation	137 512	85 255
Committee expenses:	--	545 296
legal matters committee	--	-
finance and logistics committee	--	262 375
research and publications committee	--	158 254
capacity building committee	--	116 128
registration committee	--	8 540

8. Net finance income

Interest expense:	--	(562)
Bank overdraft	--	(562)
Interest income	247 438	368 116
	247 438	367 553

Note to the cash flow statement

9. Cash flows from operations

Reconciliation of net operating surplus to cash utilised in operations:

Net operating surplus	1 955 764	1 631 470
Adjusted for:		
Depreciation	137 512	85 255
Net - investment income	(247 438)	(367 553)
Profit on disposal of non-current assets	(849)	--
<i>Changes in working capital:</i>		
Increase in trade and other receivables	6 495	(29 565)
Increase in trade and other payables	2 572 241	119 771
Cash generated from operations	4 423 726	1 439 377

NATIONAL COUNCIL FOR HIGHER EDUCATION AND ADVISORY COUNCIL ON TEACHERS EDUCATION AND TRAINING

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2011

Other notes

10. Financial instruments

In the normal course of its operations, the Councils are exposed to interest rate and credit risk. The Councils manage these risks as follows:

10.1 Credit risk

The Councils have no significant concentrations of credit risk. Cash is placed with financial institutions. Debtors are regularly monitored and assessed and, where necessary, an adequate level of provision is maintained.

10.2 Fair value

The council members are of the opinion that the carrying value of financial instruments approximates fair value.

36