



Republic of Namibia

**National Council for Higher Education
(NCHE)**

“ Equitable Access to Quality Higher Education ”

ANNUAL REPORT
2009/2010

VISION

The NCHE actualizes an innovative relevant, sustainable and research-driven system of higher education characterized by excellence, equity, life-long learning, international competitiveness and the advancement of knowledge for the purpose of cultural enrichment and the enhancement of the overall quality of life as envisioned in Vision 2030, career development and the transition to a knowledge-based society.

MISSION

The mission statement is that of contributing to and overseeing key dimensions supportive of the missions of institutions of higher education, such as:

- Coordinating the work of the relevant education providers and their legislated partners;
- Institutionalizing a system of quality assurance that would ensure academically, professionally and technically grounded qualifications that can facilitate the achievement of national development objectives and contribute towards innovative scholarship and knowledge creation; and
- Enhancing access with equity to higher education.

VALUES

The High Level Statements of the NCHE rest on the following values:

- Partnership;
- Accountability;
- Transparency;
- Professional Leadership; and
- Cooperation.

OBJECTIVES

The NCHE has set itself the following objectives:

- Establishment of a coordinated higher education system;
- Ensuring equitable access of students to higher education institutions;
- Guaranteeing the quality of education offered in higher education institutions; and
- Advising on the allocation of moneys to public higher education institutions.

ABBREVIATIONS

ACTET	Advisory Council on Teachers' Education and Training
AFRIQAN	African Quality Assurance Network
CHE	Council on Higher Education
ETSIP	Education and Training Sector Improvement Programme
HEIs	Higher Education Institutions
HEMIS	Higher Education Management Information System
HEQMISA	Higher Education Quality Management Initiatives for Southern Africa
INQAAHE	International Network for Quality Assurance Agencies in Higher Education
NaCCATuM	Namibia Coordination Committee on HIV/AIDS, Tuberculosis and Malaria
NCHE	National Council for Higher Education
NPC	National Planning Commission
NTA	Namibia Training Authority
NQA	Namibia Qualifications Authority
PoN	Polytechnic of Namibia
SAAIR	Southern African Association of Institutional Research
TEC	Tertiary Education Council
UNAM	University of Namibia

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1. NCHE (SUBSTANTIVE) MEMBERS



Dr. Z. Ngavirue
Chairperson
Minister's appointee



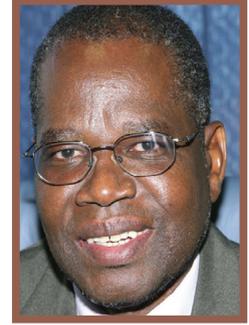
Mr. E. Mueller
Vice-Chairperson
NQA



Dr. L. Haoses-Gorases
Minister's appointee



Mr. C. Schlettwein
Ministry of Finance



Prof. L. Hangula
UNAM Council



Mr. E. Manga
Workers



Prof. A. du Pisani
Minister's appointee



Ms. S. Daries
Academic Employees



Dr. T. Tjivikua
PoN Council



Mr. J. Ellis
NTA



Dr. F. Nyathi
Business & Industry



Mr. M. Tjivera
People living with
disabilities



Ms. B. Nakaambo
Students



Mr. E.T. Erago
Non-Academic
Employees



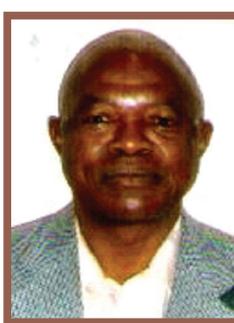
Ms. F. Uahengo
Teachers' education
colleges



Dr. D. Namwandi
Private Higher
Educ. Institutions



Mr. M. Shivute
NPC Secretariat



Mr. V. Ankama
Ministry of Education



Rev. C. Nel
Churches

2. FOREWORD



The National Council for Higher Education (NCHE), like any other statutory body, is obliged to submit timely and accurate annual reports to the line Minister, in this case the Hon. Minister of Education.

Hence, this activity and Annual Financial Statements of the National Council for Higher Education for 2009/10.

This report clearly demonstrates the exponential increase of the Council's activities in spite of its very small Secretariat staff. Much of its achievements were due to the utilization of outside resources. However, we should hasten to point out that, for a change, outside resources include Namibian expertise of which we are proud of.

The report presents the activities of the year in the form of a list which the reader can take in at a glance. In other words, the report has the characteristics of an iceberg - one can only see the tip. The bulk of the work has been published in separate reports, of which the purely advisory ones might be available to the public but only at the discretion of the Minister.

During the first term of our Council, it was not quite clear how to report or give advice to the Minister. We are glad to report that a flexible procedure has evolved whereby commissioned reports are submitted to the Minister as soon as they are available. On the other hand, advice can also be given on a consultative basis as and when the need arises.

Two important changes that ought to be singled out at the onset of this report:

Firstly, although elsewhere in the report we mention the successful launch of the Vice Chancellors'/Rectors' Forum, with hindsight, it appears that the transfer of the colleges of education to UNAM has truncated the Forum to such an extent that there may be a need to revise its structure.

Secondly, the election of the fifth Parliament and the

installation of a new Government have brought about changes which have some bearing on the NCHE and its Secretariat. We have a new Executive Director appointed on different employment terms from those that applied to his predecessor. We congratulate and welcome Mr. Mocks Shivute who has come to us with a wealth of knowledge and experience which is bound to benefit the NCHE and its Secretariat.

At the same time, we congratulate once more, Mr. Stanley Simataa and pay tribute to him for the sterling work he has rendered to both the NCHE and the Advisory Council on Teachers' Education and Training (ACTET).

By a single swoop we also saw, apart from Hon. Simataa, two other members of our Council being elevated to positions of Deputy Ministers. We congratulate Hon. Calle Schlettwein and Hon. David Namwandi and express our gratitude for their services to Council. Of these two, Hon. Dr. Namwandi's meticulous analysis of the statutes that govern our education institutions and his chairmanship of the Sub-committee on Accreditation & Quality Assurance were of vital importance to the NCHE and its Executive Committee.

At the top of the leadership level, the NCHE pay special tribute to Hon. Nangolo Mbumba for the careful nurturing of the NCHE and its sister Council, the ACTET, in their formative years. He oversaw the NCHE with an invisible hand which inspired confidence and trust even under the NCHE ambiguous legal status. We are grateful for the staunch support we received from him and from his then Deputy Minister, the Hon. Dr. Becky Ndjoze-Ojo, and the man who has been fondly dubbed the "Dean of Permanent Secretaries" or the "permanent" Permanent Secretary, Mr. Vitalis Ankama. Mr. Ankama and "Mr. ETSIP", Mr. Justin Ellis, ranked as committed education veterans in the NCHE. The Council will miss them.

The NCHE congratulates the new team at the helm of our Ministry of Education, led by the Hon. Dr. Abraham Iyambo, his Deputy, the Hon. Dr. David Namwandi and the new Permanent Secretary, Mr. Alfred Ilukena. Needless to say it is a leadership whose track records are widely known in our country. Our first meeting with them gave us a fore-taste of the vibrant and formidable team we will have to account to.

The last word of appreciation goes to my colleagues in the Council who, together with our national stakeholders, have given unstinting support to the work of the NCHE.

Obviously, our efficient and dedicated Secretariat remains the indispensable anchor of the NCHE. We salute them.

A handwritten signature in black ink, appearing to read "Z. Ngavirue".

Dr. Zedekia Ngavirue
CHAIRPERSON, NCHE

3. EXECUTIVE SUMMARY



The past year was yet another rewarding one as the Council made progress on many fronts. The National Quality Assurance System was approved by Council; the Funding Formula Report was presented to the Minister of Education; the National Policy on Higher Education was approved by Council as a working document and the process of amending the Higher Education Act 2003, Act No. 26 of 2003, was started. During the year, for the first time in the history of Namibia, Council presented the Regulations for the registration of private higher education institutions; relevant documentation on the registration process were developed while registration of institutions is set to begin in earnest in the coming year. Council finally approved recommendations emanating from the two research reports in 2009, namely ***“The Coordination of the Higher Education System in Namibia and Access with Equity in Higher Education in Namibia”***. Recommendations emerging from the two research undertakings mapped out different goals, structures and processes necessary for improved coordination and cooperation among higher education institutions and for progress in access with equity. Such recommendations re-iterated the primacy of access with equity as a critical driver in our nation’s efforts to develop highly- skilled human capital needed to drive Namibia’s developmental agenda as set in National Development Plans and in Vision 2030.

In spite of various constraints, Council delivered on its mandate and provided advice to the Minister of Education on a number of matters/issues including the renaming of the Polytechnic of Namibia, where independent consultants were appointed to assess whether the Institution meets the standard of a “university” and whether the envisaged transformation to a university is desirable, more so within the tenets of Namibia’s developmental agenda.

The year under review witnessed the expansion of Council’s international relations. Council became a member of

the International Network for Quality Assurance Agencies in Higher Education (INQAAHE) and the African Quality Assurance Network (AFRIQAN). The Council also maintained its relationships with the Higher Education Quality Management Initiatives for Southern Africa (HEQMISA), the Southern African Association of Institutional Research (SAAIR), Council on Higher Education (CHE) in SA, the Council for Higher Education (CHE) in Kenya and the Tertiary Education Council (TEC) in Botswana.

Council’s responsibility in developing the requisite human resources in higher education institutions was given impetus with the funding of thirty academic staff members at public higher education institutions to improve their qualifications thus improve teaching and learning effectiveness and efficiency.

Council’s success in fulfilling its obligations is grounded in cohesive teamwork both at Council and Secretariat level, as well as immense contributions from a number of role players such as key Ministerial staff as well as colleagues from the higher education sector who generously lent their time and expertise to Council through their inputs and comments on various projects undertaken by the Council.

The year under review also had its own challenges - central of which is the seemingly perpetual inadequate technical expertise at the operation level and the existing shortcomings in the Higher Education Act – both of which continues to constrain the effective functioning of the Council and its Secretariat. The soon to be concluded amendment of the Higher Education Act, will certainly bring much needed relief in the operations of the Council.

In conclusion, I would like to thank the Chairperson, Dr. Zedekia Ngavirue, all NCHC members, the different Committees of the NCHC and members of the Secretariat for their kindest support during the year. I must confess that I had a productive tenure as the first Executive Director of the Council Secretariat, primarily because you all created a conducive operating environment. As I migrate to other national responsibilities, I wish Council and its Secretariat all the success it deserves. I am confident that the NCHC’s work will continue to flourish so that in the next decade it can play its pivotal role in shaping higher education provision in Namibia.

Stanley Mutumba Simataa
EXECUTIVE DIRECTOR

4. LEGAL FRAMEWORK

4.1 Background

The 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.

4.2 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 moneys to public higher education institutions.

4.3 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 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 request of the Minister on all issues related to higher education.

4.4 NCHE Membership

Section 7 (1) of the Higher Education Act 2003, Act No. 26 of 2003, provides for the membership of the National Council for Higher Education (NCHE) drawn from government, public and private higher education institutions, labour, churches, people with disabilities, students, academic and non-academic community, teachers' education institutions, business community, vocational training sector and experts appointed by the Minister of Education on account of their special knowledge, skills or expertise in educational matters. Despite the fact that the NCHE members are drawn from various constituencies, it functions as a body of experts rather than as a body of delegates or representatives of organizations, institutions or constituencies.

The members are appointed by the Minister for a term of three years. In total, the NCHE comprises of nineteen (19) substantive members and sixteen (16) alternate members. The members of the first Council were appointed in October 2005 and their term of office ended in October 2008. The second Council was launched in November 2008 and the term of office would expire in November 2011.



Some NCHE substantive and alternate members with Hon. Nangolo Mbumba (middle front) in November 2008

The year under review was marked by a number of transitions. Two substantive members, Mr. Justin Ellis and Dr. David Namwandi, resigned from the NCHE. The latter has been appointed as a Deputy Minister of Education. Two alternate members, Ms. Ally Angula and Ms. Leonie Hango resigned and were replaced by Ms. Sophia Black and Ms. Miriam Sam respectively.

The Executive Director, Mr. Stanley Simataa, was appointed as the Deputy Minister of Information & Communication Technology and resigned from the NCHE. All these developments required NCHE's keen attention to maintaining the schedule of momentum of work to ensure that the programmes and projects were not negatively affected.

4.5 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. Currently, the NCHE has seven committees:

- Human Resources;
- Accreditation & Quality Assurance;

- Legal Matters;
- Finance & Logistics;
- Registration;
- Research & Publications; and
- Capacity Building.

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

4.6 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. During the reporting period a driver was appointed in the Interim Secretariat and a Higher Education officer in the Directorate of Higher Education. The staff complement of the Secretariat 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 be effective and efficient in delivering its mandate.



Standing f.l.t.r: Wilfred Sam; Vejanda Kauaria; Etambuyu Mbuye; Anneley Willemse; Emily Ashipala; Nangula lipumbu, Rodney Fritz; James Kazonga

Sitting: Loini Amukoshi; Stanley Simataa (Executive Director); Aina Nevonga; Absent: Fredrika Owoses

5. ACHIEVEMENTS

5.1 Advice to the Minister of Education on all aspects related to higher education

The NCHE remains proactive in its responsibility of advising the Minister on issues related to higher education, such as:

5.1.1 Renaming of Polytechnic of Namibia

Upon request from the Polytechnic of Namibia to rename the institution as *Namibia's University of Science and Technology*, the Minister directed the NCHE to act on Polytechnic's request. The NCHE subsequently commissioned a team of experts to assess whether the Institution justifies the proposed name change. The final draft Assessment Report was due to be presented to the Minister.

5.1.2 Amendment of the Higher Education Act 2003, Act No. 26 of 2003

The NCHE engaged a Consultant to consolidate the proposed draft amendments to the Higher Education Act 2003, Act No. 26 of 2003. The Inception Report and the Desktop Study were made available to the relevant stakeholders. Consultations with various stakeholders in order to discuss interactions were underway.

5.1.3 Vice Chancellors'/Rectors' Forum

The NCHE spearheaded the establishment of the Vice Chancellors'/Rectors' Forum that would inter alia deal with issues such as planning of joint academic programmes, resources sharing and networking in research and development.

The Forum was officially launched on 10 August 2009 by the Right Hon. Prime Minister, Nahas Angula. Prof. Lazarus Hangula, Vice Chancellor of the University of Namibia, was appointed as the pioneering Chairperson and Dr. David Namwandi, the Vice Chancellor of the International University of Management, as the Vice Chairperson of the Forum.



Some Rectors and Vice Chancellors of HEIs with Rt. Hon Prime Minister Nahas Angula at the launch

5.1.4 A Funding Formula for public higher education institutions

A Funding Formula for money allocation to the public higher education institutions was presented to the Minister of Education for approval by Cabinet.

5.1.5 National Strategic Plan and Policy for Higher Education in Namibia

A Policy for the higher education sector which will coordinate and guide all higher education and training activities, programmes and development was approved by the NCHE as a Working document and is to be transformed into a policy. The Strategic Plan which will articulate and use indicators of well-managed higher education institutions has been delayed and would be finalized in due course.

5.2 Quality Assurance Issues

Amongst the provisions of Section 5 and 6 of the Higher Education Act 2003, Act No. 26 of 2003, the NCHE is required to promote quality assurance mechanisms of higher education institutions. The Act also states that the NCHE must accredit, with the concurrence of the Namibia Qualifications Authority (NQA), programmes of higher education provided at higher education institutions. **In this respect, the Council has undertaken the following activities:**

The NCHE finalized and approved the National Quality Assurance System for higher education that will be implemented soon to enhance the overall performance of higher education institutions in the country and to ensure their credibility, nationally and internationally. The system would soon be presented to the Minister of Education for final approval.

For the first time in Namibia's history of higher education, the NCHE, which is the responsible body for registering private higher education institutions, under the auspices of the Permanent Secretary of the Ministry of Education, finalized Regulations for the registration of private higher education institutions in July 2009. To facilitate the above mentioned process, the Registration Committee of the NCHE, has conducted consultative workshops to acquaint itself as a committee and the private higher education institutions with the Regulations for the registration of private higher education institutions. The workshops were held on 16 October 2009 and 16 February 2010 respectively. The workshops were facilitated by Ms. Saara Vranckx and Ms. Felicity Goagoses from the Directorate of Legal Drafting at the Ministry of Justice.



Dr. Lischen Haoses-Gorases, chairperson of the Registration Committee welcoming the participants at the workshop

The Registrar of the Health Professional Council in Namibia, Ms. E. Barlow and her deputy Mr. C Weyulu shared their experiences in registering health professional bodies with the Committee at the workshop in February 2010. The workshops were very informative and successful. The Registration Committee further approved the draft guidelines, application forms, etc. for the registration process and the registration of private higher education institutions was due to start.



Participants at the workshop for the registration of private higher education institutions

5.3 Research activities

The NCHE is mandated to undertake research to sensitize government and all stakeholders to challenges in higher education. **To achieve that, the following activities were carried out:**

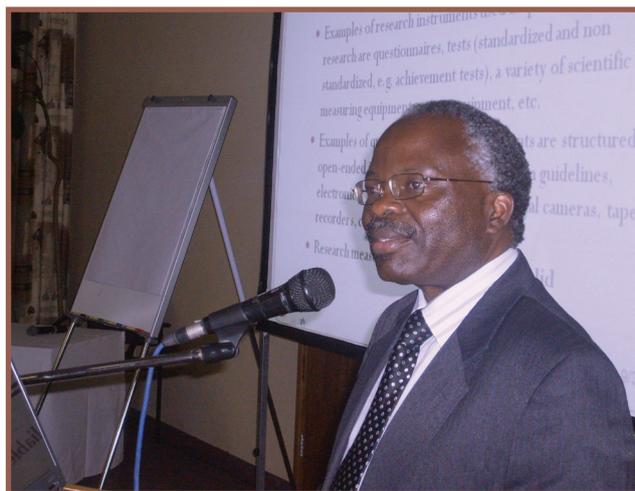
Two Research Reports, i.e. *The Coordination of the Higher Education System in Namibia and Access with Equity in Higher Education in Namibia*, were finalized and would soon be published. The NCHE considered the recommendations in the two Reports to see how best they could be addressed.

The NCHE had its first series of workshops on Writing Research Proposals on 30th September 2009. The workshop was facilitated by Prof. Roderick Zimba. It was intended for students pursuing post-graduate studies

and academic personnel involved with the didactics of Research Methodology at higher education institutions.

The following areas were addressed inter alia:

- the elements of a sound, researchable Research Proposal;
- the innate connections between research proposal writing and academic reading, most importantly the vital role of an adequate and reflective literature review;
- the most common shortcomings associated with Research Report writing; and
- suggestions of relevant literature and published resource material that might assist scholars in the crafting of their research proposals.



Prof. Roderick Zimba, facilitating the Seminar on Research Proposal Writing

The consultancy for the Tracer study on Higher Education Institutions' graduates was advertised and the consultant would soon be appointed. The process of developing a national code of ethics for research was set in motion and would soon be finalized.

5.4 Capacity Building and Staff Training

The NCHE endeavours to empower its members, Secretariat and academic staff and staff at the higher education institutions to develop themselves and therefore increase their effectiveness and productivity. The NCHE's intention is to build capacity and also motivate its Secretariat staff members to be more productive and committed to their work. **The following activities were carried out to achieve that objective:**

During the year under review, thirty academic staff members at the higher education institutions received funding from the Education Training Sector Improvement Programme (ETSIP) through the NCHE to improve their qualifications which would enhance their productivity and effectiveness. The NCHE would also develop guidelines for staff development programmes at higher education institutions that would include setting priorities among the various disciplines ideally based on the national priorities.

The Research & Publications Committee, under the chairmanship of Prof. André du Pisani paid a study visit to Mauritius from 7-10 September 2009. During the visit the delegation met key constituencies in the higher education landscape in that country.

The Capacity Building Committee undertook a study visit in March 2010 to the University of Johannesburg, University of Pretoria, University of the Witwatersrand and Tshwane University of Technology in South Africa to solicit a pool of fresh ideas which could be effectively implemented to build capacity at Namibia's higher education institutions.

The Capacity Building Committee developed a questionnaire on training needs assessment for the Council, analyzed the data and converted some of the recommendations that emanated from the analysis into activities for its work plan for the next financial year. Some of the recommendations were referred to other relevant Committees of the Council.

The NCHE's work with higher education institutions also took another step when it funded the National Higher Education Institution Debating Champion-

ship hosted by the Ongwediva College of Education on 23-26 September 2009. It was important for the NCHE to support the event as it created a platform or a forum for open debates, discussions, communication and understanding among the higher education institutions by allowing them to exchange opinions and arguments, and thus increase understanding and inter-appreciation.

The NCHE aims to create a conducive and enabling environment which will attract and retain the right calibre staff to deliver its mandate. In anticipation of the amendment to the Higher Education Act 2003, Act No. 26 of 2003, the NCHE drafted a Human Resources Policy and a Financial Policy.

The NCHE continued to maintain and grow its networking strategies with various stakeholders in the higher education sector. At an international level, the organization became members of the International Network for Quality Assurance Agencies in Higher Education (INQAAHE) and the African Quality Assurance Network (AFRIQAN). The NCHE also maintained its membership with the Namibia Coordination Committee on HIV/AIDS, Tuberculosis and Malaria (NaCCATuM).

The Council maintained its relationships with the Higher Education Quality Management Initiatives for Southern Africa (HEQMISA) and the Southern African Associations of Institutional Research (SAAIR). It continued to have links with quality assurance agencies in the region, namely the Council on Higher Education (CHE) in South Africa, the Council for Higher Education (CHE) in Kenya and the Tertiary Education Council (TEC) in Botswana.

The NCHE acknowledges that strong relationships with local, regional and international partners is essential to achieving the challenging objective of building a sound and credible quality assurance system for higher education in Namibia.

6. CONSTRAINTS ENCOUNTERED

While noting those achievements, Council's effectiveness continued to be hampered by the following:

- Inadequate Secretariat staff complement that can better serve the organization's diverse mandate;
- Existing shortcomings in the Higher Education Act 2003, Act No. 23 of 2003, which constrain the effective functioning of the Council and its Secretariat;
- Lack of suitable land/plot to construct its Head Office to facilitate the efficient functioning and growth of its mandate; and
- Lack of a data base HEMIS to gather, organize, create and disseminate information on higher education.

7. PUBLICATIONS

The NCHE has launched a number of publications and reports. These include:

- The Annual Reports and Statements of Accounts;
- The "First International Workshop on Higher Education in Namibia";
- The 1st Public Lecture on "Distance Education and E-learning";
- Evaluation of Namibia's Higher Education Legislation in Local and Regional Context and the Provision of Recommendations;
- "The Coordination of the Higher Education System in Namibia"; and
- "Access with Equity in Higher Education in Namibia".

**National Council for Higher Education
(NCHE)**

&

**Advisory Council on Teachers' Educa-
tion and Training (ACTET)**

Annual Financial Statements

For the Year Ended 31 March 2010

8. ANNUAL FINANCIAL STATEMENTS

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

for the year ended 31 March 2010

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

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2010

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STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

for the year ended 31 March 2010

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

21/09/10

Date



Council Chairperson - ACTET

15/09/2010

Date



Secretariat Executive Director

15/09/2010

Date



Director: Finance

15/9/2010

Date

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 2010, and the income statement, the statements of changes in funds and cash flow statement for the year ended 31 March 2010, 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 judgement, 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 2010 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.



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)

15/9/10

DATE
Windhoek

COUNCIL MEMBERS' REPORT

for the year ended 31 March 2010

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 2010.

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 2010 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\$361 466 (2008: N\$202 811) during the year under review.

COUNCIL MEMBERS' REPORT (continued)

for the year ended 31 March 2010

Council members

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

NCHE Council members:

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
Dr. Z Ngavirue (Chairperson)
Mr. E Mueller (Vice-chairperson)
Prof. L Hangula
Prof. A Du Pisani
Dr. T Tjivikua
Dr. L Haoses-Gorases

ACTET Council members:

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

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

BALANCE SHEET

at 31 March 2010

	Notes	2010 N\$	2009 N\$
ASSETS			
Non-current assets		647 290	334 432
Property, plant and equipment	2	647 290	334 432
Current assets		6 017 847	3 943 527
Trade and other receivables	3	96 320	76 970
Cash and cash equivalents	4	5 921 527	3 866 557
Total assets		6 665 137	4 277 959
FUNDS AND LIABILITIES			
Funds and reserves		5 719 895	4 088 426
Accumulated surpluses		5 719 895	4 088 426
Current liabilities		945 242	189 533
Trade and other payables	5	316 911	189 533
Income received in advance	6	628 331	--
Total funds and liabilities		6 665 137	4 277 959

INCOME STATEMENT

for the year ended 31 March 2010

	Notes	2010 N\$	2009 N\$
Grant income		6 177 000	5 679 000
Activities - net income		(101 907)	112 907
Income		274 269	166 547
Expenditure		(376 176)	(53 640)
Other income		368 116	376 386
Interest received	8	368 116	299 226
Donations income		--	76 000
Profit on disposal of non-current assets		--	1 159
Total income		6 443 209	6 168 293
Less: Operational expenses		4 811 739	3 113 229
Auditors remuneration:			
audit fees - actual	7.1	23 874	23 644
audit fees - (reversal) / provision	7.1	-	(50 000)
Advertising and promotions		65 355	61 133
Bank charges		17 516	12 061
Computer expenses		31 480	1 101
Consulting fees		-	172 391
Courier and postage		4 690	2 405
Committee expenses	7.1	545 296	153 820
Depreciation	7.1	85 255	34 369
Electricity and water		29 880	18 280
Entertainment expenses		16 197	7 677
General expenses		5 371	15 273
Insurance		24 129	15 347
Interest paid	8	562	742
Leasing and hire costs - operating		18 170	18 799
Motor vehicle expenses		15 230	4 145
Printing and stationery		138 519	93 295
Refreshments - office/committee meetings		29 007	14 138
Refreshments - Council meetings		41 166	8 866
Rent Paid - offices		435 809	375 695
Repairs and maintenance		14 783	11 285
Salaries and wages		1 991 267	1 359 412
Sitting allowance	7.1	156 902	114 898
Subscriptions - other		10 275	10 960
Sundry expenses		6 710	2 500
Telephone, internet, email and fax		120 019	83 748
Training		180 763	32 517
Travel and accommodation - Secretariat		375 706	136 292
Travel and accommodation - members		412 815	344 473
Venues - council/committee meetings		7 863	16 339
Workshop expenses		7 129	17 626
Net surplus for the year		1 631 470	3 055 063

STATEMENT OF CHANGES IN FUNDS

for the year ended 31 March 2010

	Accumulated surpluses	Total
Balance as at 31 March 2008	1 033 362	1 033 362
Net surplus for the year	3 055 063	3 055 063
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

CASH FLOW STATEMENT

for the year ended 31 March 2010

	Notes	2010 N\$	2009 N\$
Cash flow from operating activities			
Cash receipts from grants and other customers		--	76 000
Cash paid to suppliers and employees		<u>2 085 530</u>	<u>2 803 994</u>
Cash generated by operations	9	<u>2 085 530</u>	2 879 994
Net investment income		<u>367 553</u>	<u>298 484</u>
<i>Net cash inflow operating activities</i>		<u>2 453 083</u>	<u>3 178 478</u>
Cash flows from investing activities			
Plant and equipment acquired		(398 113)	(202 811)
Proceeds on disposal of assets		<u>--</u>	<u>6 830</u>
<i>Net cash out flow in investing activities</i>		<u>(398 113)</u>	<u>(195 981)</u>
Net change in cash and cash equivalents		2 054 970	2 982 497
Balance at the beginning of the year		<u>3 866 557</u>	<u>884 060</u>
Balance at the end of the year	4	<u>5 921 527</u>	<u>3 866 557</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2010

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2010

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, a 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2010

2. Property, plant and equipment

	Motor vehicles N\$	Office equipment N\$	Other fixed assets N\$	Furniture and fittings N\$	Computer equipment N\$	Total N\$
2.1 31 March 2009						
Opening net book value	--	8 914	6 147	113 344	43 254	171 659
Additions	76 000	26 880	9 000	48 551	42 380	202 811
Disposals - Cost	--	--	(6 830)	--	--	(6 830)
Disposals - Accum. Dep	--	--	1 160	--	--	1 160
Depreciation charge	--	(3 333)	(1 725)	(13 696)	(15 613)	(34 368)
Closing carrying amount	76 000	32 462	7 752	148 199	70 021	334 432
Represented as:						
Cost	76 000	36 386	9 000	167 502	90 095	378 983
Accumulated depreciation	--	(3 926)	(1 248)	(19 303)	(20 074)	(44 551)
Net book value	76 000	32 460	7 752	148 199	70 021	334 432
2.2 31 March 2010						
Opening net book value	76 000	32 460	7 752	148 199	70 021	334 432
Additions	341 990	5 999	--	10 414	39 710	398 113
Depreciation charge	(43 175)	(4 411)	(1 800)	(17 853)	(18 017)	(85 255)
Closing carrying amount	374 815	34 048	5 952	140 760	91 714	647 290
Represented as:						
Cost	417 990	42 385	9 000	177 916	129 805	777 096
Accumulated depreciation	(43 175)	(8 337)	(3 048)	(37 156)	(38 091)	(129 806)
Net book value	374 815	34 048	5 952	140 760	91 714	647 290

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2010

	2010 N\$	2009 N\$
3. Accounts receivable		
Prepaid expenses	24 344	35 249
Deposits	47 357	41 721
Staff loans	24 619	--
	96 320	76 970
4. Cash and cash equivalents		
First National Bank - current account	(31 259)	(98 238)
First National Bank - call account	86 669	231 225
Cash on hand	2 000	2 000
	57 409	134 986
Development fund:		
Investment account	5 864 118	3 731 571
<p>The Development fund investment account were established to cater for future development and infrastrutural expenditure on the new offices, future capacity building expenditure etc.</p>		
<p>For the purpose of the cash flow statement the year-end cash and cash equivalents comprise the following:</p>		
Cash and bank balances	5 921 527	3 866 557
	5 921 527	3 866 557
5. Trade and other payables		
Accrued expenses	316 911	189 533
	316 911	189 533
6. Income received in advance		
<u>ETSIP Capacity Building:</u>		
Unexpended funds 2009	101 907	--
Funds received in 2010	902 600	--
Expended 2010	(376 176)	--
	628 331	--

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2010

	2010 N\$	2009 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	(26 356)
Actual audit fees	23 874	23 644
(Reversal) / provision for audit fees	--	(50 000)
Council members' sitting allowance	156 902	114 898
Depreciation	85 255	34 369
Committee expenses:	545 296	153 820
legal matters committee	--	153 820
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:		
Bank overdraft	(562)	(742)
Interest income	368 116	299 226
	367 553	298 484

Note to the cash flow statement

9. Cash flows from operations

Reconciliation of net operating surplus to cash utilised in operations:

Net operating surplus	1 631 470	3 055 063
Adjusted for:		
Depreciation	85 255	34 369
Net - investment income	(367 553)	(298 484)
Profit on disposal of non-current assets	--	(1 159)
<i>Changes in working capital:</i>		
Increase in trade and other receivables	(19 350)	(29 565)
Increase in trade and other payables	755 709	119 771
Cash generated from operations	2 085 530	2 879 994

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2010

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.

National Council for Higher Education (NCHE)

All correspondence should be addressed to the:

Executive Director
NCHE Secretariat

Contacts:

Tel: +264 61 307 012

Fax: +264 61 307 016

Website: www.nche.org.na

Physical Address:

08 Newton Street, Philadelphia House
Windhoek, Namibia

Postal Address:

P.O. Box 90890

Klein Windhoek