



NATIONAL COUNCIL FOR HIGHER EDUCATION

2022/23
ANNUAL REPORT AND FINANCIAL STATEMENTS

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www.nche.org.na under publications.

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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' also symbolises unity through binding the different academic streams together
- This unified effort emphasizes coordination among our higher education institutions

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List of Abbreviations/ Acronyms

AfriQAN	African Quality Assurance Network
CIDE	Consortium for International Development in Education
CSCU	Cost per Standardised Credit Unit
ECN	Engineering Council of Namibia
EDRMS	Electronic Document and Records Management Systems
HECAI	Higher Education Cost Adjustment Index
HEIs	Higher Education Institutions
HEMIS	Higher Education Management Information System
HPCNA	Health Professions Councils of Namibia
ICAN	Institute of Chartered Accountants in Namibia
ICT	Information and Communication Technologies
INQAAHE	International Network for Quality Assurance Agencies in Higher Education
LSN	Law Society of Namibia
MHETI	Ministry of Higher Education, Technology and Innovation
MoEAC	Ministry of Education, Arts and Culture
MoU	Memorandum of Understanding
NAMFISA	Namibia Financial Institutions Supervisory Authority
NCHE	National Council for Higher Education
NHESY	Namibia Higher Education Statistical Yearbook
NHRDS	National Human Resources Development Strategy
NQA	Namibia Qualifications Authority
NUST	Namibia University of Science and Technology
NVC	Namibia Veterinary Council
SAQAN	Southern African Quality Assurance Network
SDGs	Sustainable Development Goals
UIS	UNESCO Institute for Statistics
UNAM	University of Namibia
UNESCO	United Nations Educational, Scientific and Cultural Organization

Message from the Chairperson



The 5th NCHE assumed its role at an opportune time, being the first year of implementing the 2022/23 – 2026/27 Integrated Strategic Business Plan. It was a particularly convenient time as the incoming Council had an opportunity to contribute to the direction the organization should take. The timing further gave the Council an opportunity to assess the performance of some key projects and how successes could be leveraged during the implementation of the current strategy.

At the centre of NCHE work in the reporting period is the finalization of the Minimum Standards for Higher Education Institutions. The Council is privileged to have an opportunity to contribute to this pivotal intervention in the coordination of higher education in Namibia.

The Minimum Standards for Higher Education Institutions is a critical tool alongside the existing regulatory frameworks such as the Higher Education Act (Act 26 of 2003), the Regulations for Registering Private Higher Education Institutions (2009), the Namibia Qualifications Act (Act 29 of 1996), the

Regulations for Accreditation of Persons, Institutions or Organisations (2006) and the Quality Assurance System for Higher Education in Namibia (2009) in regulating quality of professional academic programmes.

The minimum standards will go a long way to safeguard the students, the academic, and administrative staff by ensuring sustainable HE operations in Namibia. They will further ensure consistency, quality compliance and transparency while sustainably enhancing and promoting articulation among HE institutions.

In addition to the monumental work carried out with regards to the minimum standards, this report provides information on critical interventions related to the quality assurance in higher education. Foremost, is the role NCHE played in the accreditation of the transformed programmes of the University of Namibia. From this exercise, NCHE emerged a strengthened and sharpened role player in the accreditation process of higher education programmes.

I would like to commend the 5th NCHE members for their relentless efforts in ensuring the provision of quality and equitable higher education.

In conclusion, I am grateful to the minister for her support. I further commend NCHE key stakeholders for their contributions that enabled NCHE to carry out its mandate in the last year.

A handwritten signature in black ink, appearing to read 'S. John'.

Prof. Dr Samuel John
NCHE Chairperson

GOVERNANCE

The NCHE is a Statutory body established in terms of Section 4 of the Higher Education Act, 2003 (Act No. 26 of 2003) to advise the Minister responsible for Higher Education on matters relating to Higher Education.

Functions

The NCHE's functions, subject to the Higher Education Act (Act No 26 of 2003), are to:

- accredit, with concurrence of the National Qualifications Authority, programmes of higher education provided at higher education institutions,
- monitor the quality assurance mechanisms of higher education institutions,
- undertake such research regarding its objects as it may deem necessary or as the Minister may require, and
- either on its own accord or at the Minister's request, advise the Minister on all issues related to higher education.

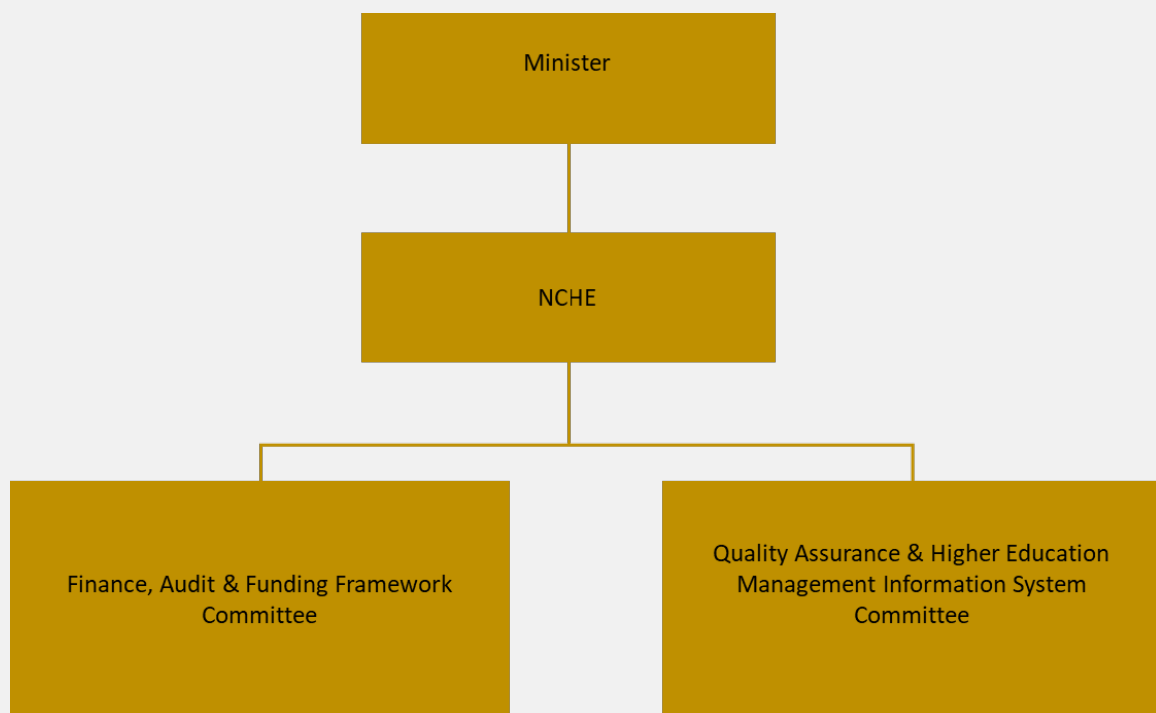
Council

The Public Enterprise Governance Act, Act 1 of 2019, provides for the efficient governance of public enterprises, the monitoring of their performance, and the restructuring of public enterprises, among others. Specifically, section 4 of the Act empowers the Minister responsible for Public Enterprises to determine, in consultation with Cabinet the number of board members to be appointed within the limits of 5 to 7 persons, or such larger number as the Minister may consider appropriate in a particular case.

The Act in section 8 further provides for consultation with the relevant Minister of a non-commercial public enterprise, such as NCHE, on the number of members to be appointed if the establishing law or document provides that the relevant Minister has a discretion relating to the number in question; and the expertise required in the membership of the board. Furthermore, the relevant Minister has the power to appoint, in consultation with Cabinet, the members of the board of a public enterprise; and the chairperson and vice-chairperson of the board.

In line with the Public Enterprises Governance Act provisions, the Minister of Higher Education, Technology, and Innovation (MHETI) appointed the 5th Council in August 2022. The 5th Council consists of 7 members with expertise in higher education management, quality assurance, statistics, accounting, and law. These areas are essential to NCHE's functions. The Council has 2 Committees: the Audit, Finance & Funding Framework Committee; and the Quality Assurance & Higher Education Higher Education Management Information System (HEMIS) Committee.

The Governance Structure

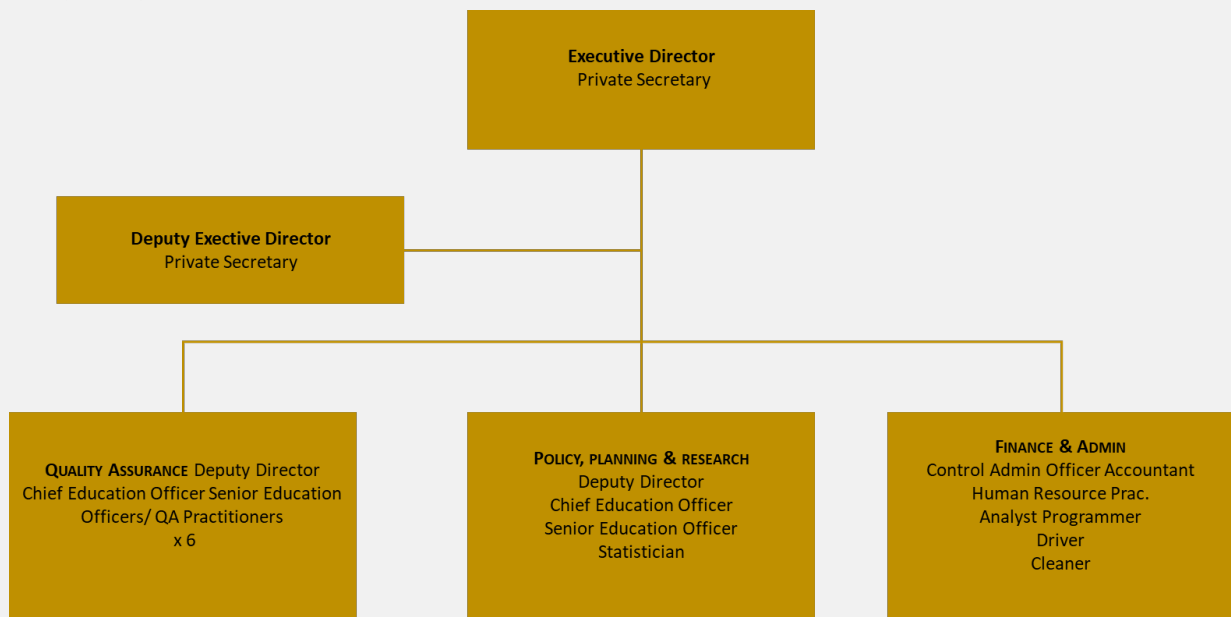


THE SECRETARIAT

NCHE is served by a Secretariat under the leadership of the Executive Director. The Executive Director serves as the Secretariat's Accounting Officer. The Secretariat comprises of staff members of MHETI designated by the Executive Director to perform the functions of the Secretariat. The functions of the Secretariat are to provide secretarial and administrative services and technical assistance as may be required by the NCHE or any committee of the NCHE.

The new NCHE Integrated Strategic and Business Plan includes initiatives for which the implementation requires reorganisation and enhancement of the Secretariat. For this reason, the Secretariat conducted an internal re-organised of its 3 units to align the five-year strategic pillars.

Organogram of the Secretariat



HIGH LEVEL STATEMENTS

The Vision

NCHE aspires,
To be a valued leader and a partner in coordinating quality higher education in pursuit of a knowledge-based society.

The Mission

NCHE exists,
To ensure a coordinated and responsive higher education system through equitable access and quality service delivery.

The Core Values

In the execution of our mandate and the pursuit of our strategic pillars, we are inspired and guided by the following values;

Accountability	We take responsibility for our policies, decisions and actions and report, explain and answer for resulting consequences.
Professionalism	We exercise high levels of competence in our work and avoid compromises to our set standards and values.
Integrity	We exhibit the quality of an intuitive sense of honesty and truthfulness regarding our behaviour and motivation for our actions.
Innovation	We strive for continuous learning, seek creative ways to change, solve problems and find better solutions in the execution of our mandate.
Empathy	We endeavour to cultivate empathy amongst ourselves, customers and stakeholders, with a view to building positive relationships and boosting productivity.

PERFORMANCE REPORT

1. Enforce higher education regulatory framework

1.1 *Registration of Higher Education Institutions*

Benchmarking exercises on the register for higher education institutions were conducted with the Health Professions Councils of Namibia (HPCNA) and the Namibia Financial Supervisory Authority (NAMFISA), Namibia Students Financial Assistance Fund (NSFAF) and the Ministry of Education, Arts and Culture (MoEAC). HPCNA and NAMFISA manage electronic institutional registers, while NSFAF and MoEAC manage interactive learner and student information systems.

Lessons learned from the benchmarking exercises were utilised in the design of an integrated higher education management information system. Terms of reference for the system have been finalised.

One of the registered private higher education institutions, Monitronic Success College applied for the name change. The institution's new name, River Higher Institute of Technology was published in the government gazette No. 7853 of 21 June 2022.

In November 2022, NCHE considered two applications for registration by I-CARE Health Training Institute and Shiramed Medical Institute Pty Ltd. The Council recommendations were shared with the Registrar for private higher education institutions for final consideration.

The Welwitchia Health Training Centre applied for an amendment to the registration condition. The application was appraised, and additional information was requested from the applicant.

Various other institutions applied for registration or change of registration conditions. Their statuses by the end of the financial year are summarised in Table 1.

Table 1: Status of Registration Applications as of 31 March 2023

Name of Applicant	Remarks
1. Keamogetse Health Training Centre cc 2. Mayfield University cc	Financial evaluation is ongoing. Technical evaluation progress was shared with the Health Professions Councils of Namibia (HPCNA), and applicants were advised to submit the curricula to HPCNA for review.
3. The Graduate University of Southern Africa (GUSA)	
4. Alba Mwendera Nursing School 5. Tema International University 6. Goldstone Software Engineering Institute 7. Claremont College	The applicants were requested to submit missing documents.
8. Essence Healthcare Academy 9. DayDream Institute of Training and Skills Development 10. PMT Health Care Institution	Re-submitted applications are awaiting appraisal.
11. Ngato International University 12. Windhoek Hospitality and Culinary College 13. Windhoek Medical University 14. RKay School of Nursing	Incomplete applications have been returned to the applicants.
15. JK Health Care Services and Training Centre 16. Symanek Training Academy	New applications are awaiting appraisal in the next financial year.

2. Improve the quality of higher education

2.1 *Quality Assurance Stakeholder Satisfaction Survey*

Though there are guidelines for quality assurance processes, challenges continue to emerge, and respective exercises bring new experiences for NCHE, Higher Education Institutions (HEIs) and reviewers. It is, therefore, critical that an assessment of stakeholders' satisfaction is conducted on a regular basis to help develop strategies for improvement where it is deemed necessary. The 2022/23 financial year was earmarked for stakeholder satisfaction survey however, this

could not materialise due to conflicting schedules. Terms of reference and survey design were finalised for execution in the next financial year.

2.2 Institutional Quality Audit

Conducting an institutional quality audit is one of the key activities under the NCHE function of monitoring quality assurance mechanisms in higher education institutions. To this end, the institutions that were audited in the past two years, the Institute of Open Learning and improvement plans by Headstart Montessori Teacher Training College and the International University of Management, have submitted improvement plans. Evaluation of these reports was ongoing at the end of the financial year.

Induction sessions on institutional audit were conducted in July and August 2022 and in February 2023. Having participated in the induction sessions, the following institutions, whose registration periods are due for audit, have submitted Institutional Portfolios (IPs). The documents were assessed, and feedback meetings were held with the institutions:

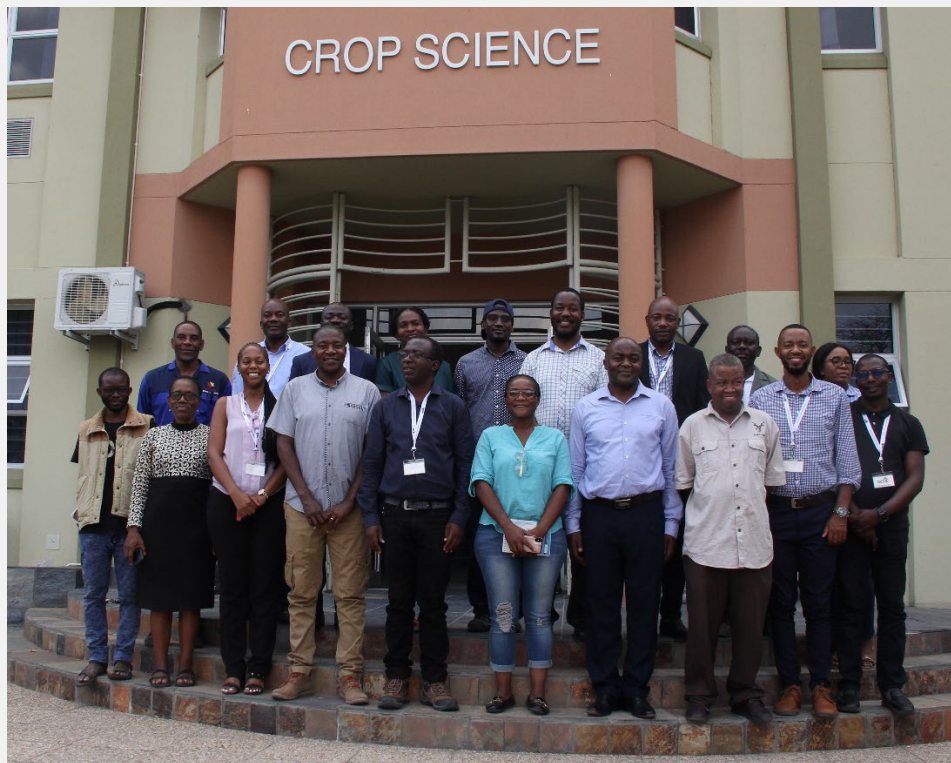
- African Leadership Institute
- Namibia Evangelical Theological Seminary
- Philippi Trust
- International Training College- Lingua

The institutions are expected to re-submit their portfolios in the next financial year, during which the quality audit exercises will be conducted.

2.3 Programmes Accreditation

Accreditation of academic programmes characterised a large part of the financial year. This exercise involved the review of new and ongoing programmes at the Namibia University of Science and Technology (NUST) and a review of the transformed and new programmes at the University of Namibia (UNAM). In total, 67 programmes (63 at UNAM and 4 at NUST) have been reviewed for accreditation during the financial year.

Out of these programmes, 18 were accredited; 32 were accredited with conditions and 17 were not accredited. The accreditation status of these programmes was published on the NCHE website.



Programme accreditation exercise at the UNAM Ogongo Agricultural College

In addition, curricula review reports for 19 UNAM professional programmes were received from professional bodies, studied, and endorsed by NCHE for implementation. This endorsement is in line with the memoranda of understanding (MoU) that exist between NCHE and the Institute of Chartered Accountants of Namibia (ICAN), Namibia Veterinary Council (NVC), the Health Professions Councils of Namibia (HPCNA), and the Engineering Council of Namibia (ECN). Though no MoU exists between NCHE and the Law Society of Namibia (LSN), the position of LSN was also considered with respect to the curriculum of the UNAM Bachelor of Laws Honours.

At the end of the financial year, there was a total of 43 programmes that would potentially be reviewed for accreditation. These include 6 self-evaluation reports from Botho University for which appraisals have been conducted, 16 accreditation applications from UNAM, and three (3) applications from River Higher Institute of Technology (formerly known as Monitronic Success College). Furthermore, the application for amendment of registration by Welwitchia Health Training Centre points to 15 new programmes, while the registration application by Mayfield University includes two (2) ordinary programmes.

2.4 Monitoring of Quality Improvement

Accreditation recommendations arising from the improvement reports of the three NUST (Bachelor & Honours of Natural Resources Management (Nature Conservation) and Master of Agribusiness Management) programmes and one UNAM (Bachelor of Accounting - Chartered Accountancy stream) programme were adopted. Accreditation feedback was provided to NUST and UNAM. The accreditation status of these programmes was published on the NCHE website.

NUST submitted five (5) improvement plans for the following programmes:

- Master of Science in Natural and Applied Sciences
- Bachelor of Science Honours in Health Information Systems Management
- Bachelor of Accounting Honours
- Master of Engineering in Metallurgy
- Bachelor of Transport Management

The implementation of these improvement plans is being monitored.

Sunshine Private College submitted an improvement plan for three (3) programmes (Bachelor of Education Honours in Junior Primary, Bachelor of Education Honours in Senior Primary and Post Graduate Diploma in Education, all at NQF Level 8). The improvement plan was appraised, and a progress report is awaited.

2.5 Partnerships and cooperation strengthened

SAQAN activities implemented

NCHE hosted the Southern African Quality Assurance Network (SAQAN) fifth conference themed: *Quality assurance in higher education in times of disruptions*, and the General assembly in April 2022. The conference was attended by 150 participants from 16 countries across the world. The General assembly saw the election of a new executive committee for 2022-2026. By virtue of being the host of the SAQAN Secretariat until December 2023, NCHE retained the executive secretary position. The General assembly granted approval of the amendments to the SAQAN constitution. The amendments were effected at the Secretariat level, and the engagement of a lawyer; the constitution drafter was initiated to validate the amendments.

During the year under review, the SAQAN Secretariat coordinated the organisation and technical hosting of a webinar on data collection, analysis and use of data analytics in quality assurance, facilitated by the Zimbabwe Council

for Higher Education (ZIMCHE) in August 2022. A total of 156 participants attended the webinar.

In partnership with the International Network for Quality Assurance Agencies in Higher Education (INQAAHE) Secretariat, the SAQAN Secretariat hosted a webinar themed: "Quality assurance of online and blended higher education: The Southern African experience" on 16 November 2022. The webinar included panel members abroad and from within the region well as students at Namibia SAQAN member universities, sharing experiences on online and blended modes of teaching and learning.

Applications for SAQAN associate membership were received from the Institute of Chartered Accountants of Namibia (ICAN) and World Christian University. These applications were endorsed for approval by the general assembly.

Partnerships with statutory bodies and membership in QA Networks strengthened

NCHE continued the implementation of the memoranda of understanding (MoUs) on partnership in quality assurance activities. During the year under review, the main activities evolved around the accreditation of the UNAM professional programmes whereby NCHE endorsed the review reports by ICAN, NVC, HPCNA, and ECN. NCHE and ICAN also concluded monitoring the improvement phase of the UNAM Bachelor of Accounting – Chartered Accountancy stream (Level 7) and granted the programme accreditation status.



NCHE/ICAN providing joint accreditation feedback to UNAM

Having conducted a complete accreditation cycle, including the improvement phase, NCHE and ICAN Secretariats embarked on reviewing the joint integrated accreditation manual to feedback the lessons learnt into the system. An addendum was also introduced to the NCHE-ICAN MoU to include issuing of a joint accreditation certificate.

In November 2022, the NCHE and NQA chairpersons met to discuss issues of mutual interest, and in January 2023, the NQA, NCHE and HPCNA Secretariats resolved to enter into a tripartite memorandum of agreement, to concretise the streamlining and harmonisation of the registration and accreditation processes.

Additionally, a meeting was held with the Law Society of Namibia to discuss the possibility of entering into a memorandum of understanding.

NCHE annual (2022) membership fees were paid to SAQAN and African Quality Assurance Network (AfriQAN), while for INQAAHE 2022 and 2023 fees were paid. NCHE officials attended the SAQAN biennial conference, the INQAAHE annual conference and the Council for Higher Education Accreditation (CHEA)/CHEA International Quality Group (CIQG) Annual Conference.

Part of the benefits of the INQAAHE membership include capacity development support. NCHE exploited this benefit by sourcing the technical expertise in quality assurance to review the draft minimum standards at an affordable rate.

3. Promote Evidence based Planning

3.1 *Namibia Higher Education Statistical Yearbook*

The data used in the compilation of the Namibia Higher Education Statistical Yearbook (NHESY) are collected from higher education institutions annually. Eighteen (18) HEIs (3 public and 15 private) submitted student and staff data for the 2021 academic year. The student and staff data received were checked for quality and consistency, collated, analysed and interpreted, resulting in the production of the 2021 NHESY. Information has also been formatted to be readily available to stakeholders upon request.

In addition, UNAM and NUST provided subject data and updated facility information. The subject dataset was used as input into the computation of government subsidies to public higher education institutions.

3.2 2017-2018 Cohorts Graduate Survey

Drafting of the survey report for the 2017 and 2018 graduate cohorts, which was conducted in 2021 was finalised during the year under review. Highlights of the survey were presented to HEIs. The report was published on the NCHE website and is accessible at:

<http://www.nche.org.na/publications/news/national-graduate-survey-2021>

Higher Education Management Information System (HEMIS) Development

The benchmarking tours on institutional registers and management information systems were conducted at NAMFISA, HPCNA, NSFAF, and MoEAC, additional lessons were also taken from Namibia Statistics Agency (NSA), Higher Education Statistics Agency (HESA)-UK, and Higher Education Data Analyser (HEDA)-SA. These lessons served as useful input into the design of integrated higher education management information systems and in defining the project terms of reference. By the end of the financial year, the software requirement specification (SRS) as well as system and end user requirements were defined.

A workshop with HEMIS data providers was held to induct them on revised HEMIS requirement and to sensitise them on future plans.



Participants at the HEMIS data providers workshop

3.3 Key Indicators report drafted

To provide medium term trends and compare the country's performance to other countries in the region and abroad, NCHE adopted the production of five-year indicator reports. While such reports are largely drawn from the NHESY,

they include secondary data from international reports. The report for the 2017-2021 Higher Education Key Indicator report was due for production during the year under review. The report preparation commenced and is ongoing. Challenges in the finalisation of the report are mainly due to the large gaps in the international statistics produced by the UNESCO Institute of Statistics (UNESCO-UIS). Furthermore, some development indicators that were previously reported are no longer reported by UNESCO-UIS as the focus is now on Sustainable Development Goals (SDGs) indicators. The report will thus be finalised in the next financial year, utilising readily available statistics.

3.4 Annual Public Lecture

The 11th NCHE public lecture was held on 09 March 2023 under the theme “Enhancing higher education system performance and efficiency through minimum standards”. The keynote speaker was Dr Susanna Karakhanyan, a renowned quality assurance expert, former president of International Network for Quality Assurance Agencies in Higher Education (INQAAHE) and co-author of the international standards and guidelines for tertiary education. The key message from the lecture was that minimum standards are essential in strengthening and not duplicating the existing quality assurance policies and procedures in the country. She also underscored the importance of ensuring quality in facilitating access to higher education. A total of about 110 persons attended the lecture (60 participants in person and 50 participants online). The full recording of the lecture and presentation are available on NCHE website.



Participants at the 11th NCHE Public Lecture

3.5 Formulation of the National Human Resource Development Strategy

Implementation of the project on the formulation of the National Human Resource Development Strategy (NHRDS) continued in 2022/23. This period saw the finalisation of the local and international situation analyses. Monitoring reports were submitted to the line minister and the Director General of the National Planning Commission. A delay in conducting the skills audit survey necessitated a contract extension. The contract was extended from 01 June to 31 July 2022.

The second in-country consultation with stakeholders on the draft NHRDS was held during the period 9 – 23 June 2022. The consultations yielded inputs into the draft NHRDS. The final skills survey report was submitted on 30 June 2022. After considering the final draft NHRDS at its third ordinary meeting on 17 November 2022, the NCHE Board resolved not to adopt the draft document and to end the contract with the consulting company as they did not fully comply with the ToRs of the consultancy. Council further directed the Secretariat to engage another expert to address the gaps and finalise the NHRDS. The line minister approved the NCHE resolutions. Subsequently, NCHE and the consulting firm, Consortium for International Development in Education (CIDE), agreed on the contract settlement amount and to part ways on mutual grounds on 13 December 2022. The Project Administrator contract ended on 06 December 2022.

3.6 Finalisation of the Minimum Standards for Higher Education

The project on the formulation of minimum standards for higher education in Namibia started in the last quarter of 2020/21. It was conceived to produce general and programme-specific minimum standards. Finalisation of the general minimum standards was scheduled for the last quarter of the 2021/22 financial year. However, the project stopped in the same year due to a legal threat. Advice from the Government Attorney permitted NCHE to proceed with the project. Project activities were revived in August 2022 by searching for an international resource person to benchmark the draft document produced by the local consultants against the existing international standards. An external reviewer, identified through INQAAHE was contracted to initially review the draft minimum standards document and thereafter facilitate finalisation thereof. By the end of the financial year, the external resource person had facilitated consultations with the public higher education institutions and the regulatory/oversight bodies, namely NCHE Board, NQA, MHETI, MoEAC, HPCNA, NVC, ECN, UNAM and NUST. Additional written comments were received from some

stakeholders and were incorporated into the draft document. An NCHE workshop on the draft minimum standards was held on 29 March 2023.

The activities related to phase 2 of the project, which was the development of programme-specific minimum standards, were put on hold to allow for the completion and implementation of the general minimum standards.

4. Ensure affordable access and equitable allocation of funds to public higher education institutions

4.1 Recommendations for Public HEIs Budget to MHETI prepared

In line with the mandate of providing advice on the allocation of state money to public universities, NCHE utilises the use of formulae in the Funding Framework for Higher Education Institutions in Namibia. The purpose of the Funding Framework is to ensure transparency, equity and predictability in the allocation of subsidies to public higher education institutions. The formulae include, among others, the higher education inflation rate, referred to as the higher education cost adjustment index (HECAI) and global as well as institution-specific parameters. One of the parameters used is the cost per standardised credit unit (CSCU), which presents the basic cost for all credits.

The Medium-Term Plans and Budgets (MTPBs) submitted by the two public universities were analysed and used as input into the budget proposals. The HECAI for 2023/24 was estimated at 7%, resulting in the CSCU of N\$456.60. Final recommendation on budget subsidies was considered by the line minister who directed that the ceiling for tuition fees increase at UNAM and NUST be 7.1%, in line with the inflation rate.

The assumption behind the Funding Framework is that subsidies should be allocated in line with the associated growth in tuition fees. Analysis of the 2023/24 national budget, as tabled by the Minister of Finance and Public Enterprises in parliament, revealed that in total, NUST received 46 per cent of the estimated funds (48 per cent for operations and 23 per cent for capital costs) whereas UNAM received 44 per cent of the estimated funds. for operational funds (42 per cent for operations and 72 per cent for capital costs). Overall, the two public higher education institutions only received 45 per cent of the required fiscal resources for the 2023/24 financial year (Table 2).

Table 2: Actual versus Computed Budget Subsidies for UNAM and NUST

Type of Budget	Actual allocation for 2023/24	2023/24 Funding Framework Estimates at 7% Tuition Fees Growth Rate	% of FF estimate/ allocated
UNAM			
Operational budget	892,000,000	2,111,158,517	42%
Capital budget inside SRF	103,500,000	143,000,000	72%
Total for UNAM	995,500,000	2,254,158,517	44%
NUST			
Operational budget	492,000,000	1,027,554,211	48%
Capital budget inside SRF	17,500,000	75,000,000	23%
Total for NUST	509,500,000	1,102,554,211	46%
Grand Total for UNAM & NUST	1,505,000,000	3,356,712,728	45%

As overall coordinator of the higher education system, NCHE also supports the national budget preparation in the form of providing accountability reports for the higher education programme under the budget vote 2: higher education, technology and innovation.

5. Enhanced Organisational Performance

5.1 Corporate Governance and Management

The year under review saw the appointment of the fifth NCHE Board of seven Council members. Following its inauguration on 17 August 2022, the Board immediately assumed responsibility with an induction workshop in September 2022. By the end of the financial year, the NCHE Board held four ordinary meetings, two workshops and passed on a Round Robin resolution. The rationale for four meetings in two quarters was to allow Council to round up urgent matters that have accumulated due to the vacuum in governance structure in the past months and the intensive projects implemented during the 2022/23 financial year. In addition, Council also held its first quarterly meeting with the line minister to brief her on the performance made and key areas that required her attention.



Line minister with NCHE 5th Board and MHETI & NCHE executive directors at the inauguration ceremony

The requirements of the Performance Management System comprised of the conclusion of performance agreements, conducting quarterly performance reviews, conducting monthly management meetings, the convening of quarterly review meetings and facilitation of internship opportunities. All those were successfully implemented, resulting in the numerical performance of the annual business plan at 73 per cent. Efforts to recruit an Education Officer Grade 7 that was approved by the Office of the Prime Minister were initiated, and shortlisting was underway by the closure of the financial year. To supplement the limited staff capacity and, at the same time, provide learning opportunities to young graduates, NCHE implements an internship programme in all areas of its operations. During the year under review, 7 graduate interns were engaged in procurement, finance, statistics and public relations.

5.2 Human Resource Development

In the bid to improve staff performance capacity, staff training needs analysis was conducted both at individual and institutional levels. The identified training needs were included in the individual staff development plans and the annual staff development plan. The Secretariat Training and Development Committee conducted quarterly meetings to recommend training activities and assess the progress of those who participated in different training activities.

NCHE also implements an employee wellness programme which aims at health, mental and physical wellness. During the year under review, 10 NCHE Secretariat staff participated in the public enterprises' annual sports activities on 03-04 June 2022 at Rosh Pinah and Oranjemund. NCHE participated in three (3) sports codes, namely netball, tug of war and volleyball. The event created a platform for engagement with other participating institutions and provided information on the mandate of NCHE; thus marketing and awareness on the functions of NCHE was achieved through this initiative.



Tag of War Team in Action



Volleyball Team in Action

For staff boosted morale to successfully carry out the annual business plan outputs, the Secretariat holds a teambuilding exercise once a year. This year team building exercise is scheduled to take place together with the training on the Human Resources Automated leave system.

5.3 Enhancement of Stakeholder Relations

As a corporate entity, NCHE subscribes to the principle of stakeholder relations. This is usually achieved through stakeholder satisfaction surveys for internal and external stakeholders and periodic engagement of employees on general matters. During the year under review, enhancement of stakeholder relations

was achieved through quarterly general staff meetings. The stakeholder satisfaction survey that was planned for the year did not materialize but was put in motion during the last quarter.

5.4 *Record Management*

In line with the need to keep an accurate record, the filling of physical records/documents was implemented, documents were uploaded on Office 365, the file access permission plan was completed, the IT Environment for Electronic Document and Records Management Systems (EDRMS) was prepared, and induction on file plan related process carried out.

5.5 *Financial Management and Audit*

By law, NCHE is expected to submit to the responsible minister and the minister of finance and public enterprises, a Business and Financial Plan on annual basis. The purpose of these documents is to ensure that the allocated funds are utilised for the intended purposes and as authorised by the governing body, the Board. To this end, the 2022/23 NCHE Business and Financial Plan was submitted to the two ministers. For the purpose of monitoring and control of budget execution, monthly expenditure and financial reports were produced for management, which in turn prepared quarterly reports for the Council.

Also critical to the efficient management of financial resources was the implementation of the audit recommendations, which pointed to the adequate presentation of all information that has financial implications. For this exercise, NCHE sourced external support to the finance unit to prepare the audit files and trial balances. The exercise revealed a massive gross recording of leave information which also triggered the sourcing of further technical support in leave management. The activities pertaining to these two subjects ran from April 2022 to March 2023. By the end of the financial year, the financial consultants were finalising the audit files and the trial balances for handing over to the auditors. This in essence means that audits for the 2020/21 and 2021/22 financial years were delayed, pending the finalisation of the audit files.

5.6 *Information Communication Technology, Marketing and Publicity*

The year 2022/23 saw advancement in the ICT at NCHE. The main activities included the connecting the two office wings through common ethernet high speed bandwidth internet and switchboard. Telephone lines were also modified to allow direct calls to individual offices. These connections were necessary to

support the new methods of online quality assurance practices as well as the limited structure of the Secretariat, which does not include a switchboard operator. In addition to the once off product and labour costs, the technological advancement resulted in increased monthly service fees.

5.7 Procurement and Asset Management

Maintenance of the office building is achieved through outsourced security and labourer services. For the company vehicles, fleet monitoring reports were prepared on a quarterly basis. Vehicles were tested for roadworthy, serviced and licences renewed. Where necessary, faulty vehicles were also repaired. The office environment was well maintained, the stock level of hygiene supplies was monitored, and the cleaning schedule was adhered to.

The fixed asset register was updated, depreciation values were revised, and the insurance cover was updated. This reduced the monthly insurance cover from N\$19,595.64 in 2021 to N\$18,368.78 in 2022.

The annual procurement plan for the Financial Year 2022/23 was compiled, and bid advertisements were placed in widely circulating newspapers and on the e-government procurement portal. Bid documents were issued, the procurement committee convened regular meetings, award letters and purchase orders were issued, goods and services were delivered, and suppliers were paid on time.

5.8 NCHE Office Construction Phase 2B completed

The year 2022/23 was earmarked for finalisation of the NCHE office construction. The consulting team was appointed and prepared design documents which were shared with the Ministry of Works and Transport. The bid advertisement for procurement of alterations and additions to the existing offices of the NCHE Phase 2B was placed on the e-government procurement portal and published in various newspapers during the last quarter of the financial year. By the end of the financial year, the Bid Evaluation process was ongoing.

Challenges

Although numerous achievements were recorded, the implementation of the Annual Business Plan faced some challenges, some of which were beyond the capacity of NCHE. These included the:

1. Key stakeholders' support for the development of minimum standards for higher education in Namibia. This delayed the finalisation of the document. The absence of minimum standards continues to exacerbate the coordination of the higher education system in Namibia.
2. Inability to strike a balance between the prescribed growth in tuition fees and the subsidies allocated to public higher education institutions renders the government approved Funding Framework for Public Higher Education Institutions unworthy and costly for the institutions as they have to find ways to fill the financial gap very late in the budget planning process.
3. Limited organisational structure of the Secretariat makes it impossible to fulfil critical functions. It resulted in staff assuming additional roles with adverse consequences on staff morale and effective delivery of services. The structure also has limited growth potential.

Conclusions

This report provided an outline of the execution of the 2022-23 NCHE Annual Business and Financial Plan. An overall performance review of 70 per cent was achieved. The preparation of the next annual business plan should reflect on the past implementation to build on the progress made and learn from the challenges that emerged.

Financial Statements

**National Council for Higher Education
Annual Financial Statements
for the year ended 31 March 2023**

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2023

General Information

Country of incorporation and domicile	Namibia
Nature of business and principal activities	Promoting the establishment of a co-ordinated higher education system; Promoting access of students to higher education institutions; Promoting quality assurance in higher education; Advising on the allocation of moneys to public higher education institutions
Council Members	Prof. Samuel John-Chairperson Dr Francine N Keendjele-Vice Chairperson Ms. Rochelle Januarie (Member) Mr. Zacheus Kazapua (Member) Ms. Eva N Fritz (Member) Hon. Austin Samupwa (Member) Dr Lineekela Ihuhua
Business address	Erf 6445 & 6446 C/o Hoogenhout Street and Haddy Street Windhoek-West
Postal address	PO Box 90890 Klein Windhoek Namibia
Bankers	First National Bank of Namibia Limited
Auditors	Saunderson & Co Chartered Accountants (Namibia) Registered Accountants and Auditors
Legal advisors	The Government Attorney General

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2023

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The reports and statements set out below comprise the annual financial statements presented to the shareholders:

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**National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2023**

Council Members' Responsibilities and Approval

The council members are required by the Public Enterprises Governance Act 1 of 2019, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the Namibian Generally Accepted Accounting Practice - NAC 001: Namibian Statement on Financial Reporting for Small and Medium Sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the Namibian Generally Accepted Accounting Practice - NAC 001: Namibian Statement on Financial Reporting for Small and Medium Sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The council members acknowledge that they are ultimately responsible for the system of internal financial control established by the council and place considerable importance on maintaining a strong control environment. To enable the council members to meet these responsibilities, the council members sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the council and all employees are required to maintain the highest ethical standards in ensuring the council's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the council is on identifying, assessing, managing and monitoring all known forms of risk across the council. While operating risk cannot be fully eliminated, the council endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The council members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The external auditors are responsible for independently auditing and reporting on the council's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 4 - 6.

The annual financial statements set out on pages 7 to 21, which have been prepared on the going concern basis, were approved by the council on 25 June 2025 and were signed on its behalf by:



Prof. Samuel John
Chairperson



Ms. Rochelle Januarie
Chairperson of Funding Framework, Finance
and Audit Committee

Windhoek

Wednesday, 25 June 2025



Independent Auditor's Report

To the Council Members of National Council for Higher Education

Opinion

We have audited the annual financial statements of National Council for Higher Education (the council) set out on pages 7 to 21, which comprise the statement of financial position as at 31 March 2023; and the statement of comprehensive income; the statement of changes in equity; and the statement of cash flows for the year then ended; and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of National Council for Higher Education as at 31 March 2023, and its financial performance and cash flows for the year then ended, in accordance with Namibian Generally Accepted Accounting Practice - NAC 001: Namibian Statement on Financial Reporting for Small and Medium Sized Entities and the requirements of the Public Enterprises Governance Act 1 of 2019.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1, 3 and 4A) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Namibia. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The council members are responsible for the other information. The other information comprises the information included in the document titled "National Council for Higher Education annual financial statements for the year ended 31 March 2023", which includes the Council members' Report as required by the Public Enterprises Governance Act 1 of 2019 and the supplementary information as set out on pages 22 to 23. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

Responsibilities of the Council members for the Annual Financial Statements

The council members are responsible for the preparation and fair presentation of the annual financial statements in accordance with the Namibian Generally Accepted Accounting Practice - NAC 001: Namibian Statement on Financial Reporting for Small and Medium Sized Entities and the requirements of the Public Enterprises Governance Act 1 of 2019, and for such internal control as the council members determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the council members are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the council members either intend to liquidate the council or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

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

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council members.
- Conclude on the appropriateness of the council members' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the council members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report

Saunders & Co

Saunderson & Co
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: Edington Tafirenyika
Partner

25 June 2025
Windhoek

**National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2023**

Council members' Report

The council members have pleasure in submitting their report on the annual financial statements of National Council for Higher Education for the year ended 31 March 2023.

1. Nature of business

National Council for Higher Education was incorporated in Namibia with interests in the education sector. The council operates in Namibia.

There have been no material changes to the nature of the council's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with Namibian Generally Accepted Accounting Practice - NAC 001: Namibian Statement on Financial Reporting for Small and Medium Sized Entities and the requirements of the Public Enterprises Governance Act 1 of 2019. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the council are set out in these annual financial statements.

3. Council members

The council members in office at the date of this report are as follows:

Council members	Position	Nationality
Prof. Samuel John	Chairperson	Nigerian*
Dr Francine N Keendjele	Vice Chairperson	Namibian
Ms. Rochelle Januarie	Member	Namibian
Mr. Zacheus Kazapua	Member	Namibian
Ms. Eva N Fritz	Member	Namibian
Hon. Austin Samupwa	Member	Namibian
Dr Lineekela Ihuhua	Member	Namibian

* Prof. Samuel John is a permanent resident in Namibia.

There have been no changes to the council members for the period under review.

4. Events after the reporting period

The council members are not aware of any material event which occurred after the reporting date and up to the date of this report.

5. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2023

Council members' Report

5. Going concern (continued)

The council members believe that the council has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The council members have satisfied themselves that the council is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The council members are not aware of any new material changes that may adversely impact the council. The council members are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the council members.

6. Auditors

Saunderson & Co were appointed as the council's auditors.

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2023

Statement of Financial Position as at 31 March 2023

	Notes	2023 N\$	2022 N\$
Assets			
Non-Current Assets			
Property, plant and equipment	2	24,597,474	24,627,754
Current Assets			
Trade and other receivables	3	111,489	325,710
Cash and cash equivalents	4	25,839,978	22,912,624
		25,951,467	23,238,334
Total Assets		50,548,941	47,866,088
Equity and Liabilities			
Equity			
Accumulated funds		11,933,543	8,385,399
Liabilities			
Non-Current Liabilities			
Deferred income	5	35,789,491	36,584,217
Current Liabilities			
Trade and other payables	7	2,535,645	2,599,846
Provisions	6	290,262	296,626
		2,825,907	2,896,472
Total Liabilities		38,615,398	39,480,689
Total Equity and Liabilities		50,548,941	47,866,088

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2023

Statement of Comprehensive Income

	Notes	2023 N\$	2022 N\$
Revenue		24,783,000	22,100,000
Other income		1,382,663	6,207,338
Operating expenses	8	(23,438,974)	(20,509,865)
Operating surplus		2,726,689	7,797,473
Investment revenue		821,455	348,340
Surplus for the year		3,548,144	8,145,813

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2023

Statement of Changes in Equity

	Accumulated fund N\$	Total equity N\$
Balance at 1 April 2021	239,586	239,586
Surplus	8,145,813	8,145,813
Balance at 1 April 2022	8,385,399	8,385,399
Surplus	3,548,144	3,548,144
Balance at 31 March 2023	11,933,543	11,933,543

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2023

Statement of Cash Flows

	Notes	2023 N\$	2022 N\$
Cash flows from operating activities			
Cash receipts from customers		25,585,158	20,657,629
Cash paid to suppliers and employees		(22,212,205)	(13,357,777)
Cash generated from operations	11	3,372,953	7,299,852
Interest income		821,455	348,340
Net cash from operating activities		4,194,408	7,648,192
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(1,263,601)	(5,860,086)
Total cash movement for the year		2,930,807	1,788,106
Cash and cash equivalents at the beginning of the year		22,912,624	21,124,519
(Profit) or loss on foreign exchange on cash and cash equivalents		(3,453)	-
Total cash at end of the year	4	25,839,978	22,912,625

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the Namibian Generally Accepted Accounting Practice - NAC 001: Namibian Statement on Financial Reporting for Small and Medium Sized Entities, and the Public Enterprises Governance Act 1 of 2019. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in Namibia Dollar.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

Key sources of estimation uncertainty

Deferred income

Deferred income is amortised to surplus and deficit based on the depreciation of property plant and equipment it relate to. The estimation pertaining to deferred income is therefore similar to that of property, plant and equipment.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the council holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the council and the cost can be measured reliably. Day to day servicing costs are included in surplus or deficit in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the council.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	50 years
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	10 years

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

1.2 Property, plant and equipment (continued)

Office equipment	Straight line	5 years
IT equipment	Straight line	5 years
Other property, plant and equipment	Straight line	5 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in surplus or deficit to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in surplus or deficit when the item is derecognised.

1.3 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through surplus or deficit) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. They are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

1.3 Financial instruments (continued)

Financial instruments at fair value

Cash and cash equivalents include cash on hand, demand deposits and other short term highly liquid investments with original maturities of three months or less.

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through surplus or deficit.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

1.4 Tax

The council is exempted from income tax.

1.5 Impairment of assets

The council assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in surplus or deficit.

1.6 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Termination benefits

Termination benefits are recognised as an expense with its resulting liability when the entity is demonstrably committed either:

- to terminate the employment of an employee or group of employees before the normal retirement date; or
- to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The termination benefits are measured at the best estimate of the expenditure that would be required to settle the obligation at the reporting date.

1.7 Provisions and contingencies

Provisions are recognised when the council has an obligation at the reporting date as a result of a past event; it is probable that the council will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

1.7 Provisions and contingencies (continued)

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

1.8 Government grants

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

Grants are measured at the fair value of the asset received or receivable.

1.9 Revenue

Revenue is recognised to the extent that the council has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the council. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest rate method.

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023			2022		
	N\$			N\$		
2. Property, plant and equipment						
	2023			2022		
	Cost or revaluation	Accumulated depreciation and impairment	Carrying value	Cost or revaluation	Accumulated depreciation and impairment	Carrying value
Land	482,500	-	482,500	482,500	-	482,500
Buildings	40,124,850	(16,758,345)	23,366,505	39,191,120	(15,963,620)	23,227,500
Furniture and fixtures	745,118	(699,186)	45,932	745,118	(652,171)	92,947
Motor vehicles	2,758,037	(2,648,852)	109,185	2,758,037	(2,433,419)	324,618
Office equipment	294,627	(154,748)	139,879	142,147	(142,147)	-
IT equipment	1,513,288	(1,059,815)	453,473	1,335,898	(848,100)	487,798
Computer software	258,133	(258,133)	-	258,133	(252,632)	5,501
Other Property, plant and equipment	72,962	(72,962)	-	72,962	(66,072)	6,890
Total	46,249,515	(21,652,041)	24,597,474	44,985,915	(20,358,161)	24,627,754

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Depreciation	Closing balance
Land	482,500	-	-	482,500
Buildings	23,227,500	933,730	(794,726)	23,366,505
Furniture and fixtures	92,947	-	(47,015)	45,932
Motor vehicles	324,618	-	(215,433)	109,185
Office equipment	-	152,480	(12,601)	139,879
IT equipment	487,798	177,390	(211,715)	453,473
Computer software	5,501	-	(5,501)	-
Other Property, plant and equipment	6,890	-	(6,890)	-
	24,627,754	1,263,600	(1,293,881)	24,597,474

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Impairment loss	Closing balance
Land	482,500	-	-	-	482,500
Buildings	23,227,500	5,384,761	(744,482)	(4,640,279)	23,227,500
Furniture and fixtures	167,459	-	(74,512)	-	92,947
Motor vehicles	424,701	-	(100,082)	-	324,618
Office equipment	1,065	-	(1,065)	-	-
IT equipment	172,262	475,325	(159,789)	-	487,798
Computer software	57,128	-	(51,627)	-	5,501
Other Property, plant and equipment	21,482	-	(14,592)	-	6,890
	24,554,097	5,860,086	(1,146,149)	(4,640,279)	24,627,754

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023	2022
	N\$	N\$
2. Property, plant and equipment (continued)		
Details of properties		
Erf 6445 & 6446 Haddy Street Windhoek		
Terms and conditions		
- Donated land value Erf 6445	244,000	244,000
- Donated land value Erf 6446	238,500	238,500
- Additions since purchase or valuation	22,197,621	22,197,621
- Capitalised expenditure	17,927,230	16,993,499
	40,607,351	39,673,620
Assets under construction comprises of all the costs incurred for the construction of the offices of The National Council for Higher Education.		
3. Trade and other receivables		
Trade receivables	111,489	223,609
Other receivables	-	102,101
	111,489	325,710
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	25,839,978	22,912,624
Breakdown of bank balances		
FNB-62151519843	3,191,277	9,372,423
First National Bank- Call	4,231,038	7,111,882
SAQAN ACCOUNT	680,409	389,562
FNB 74271987131 48	17,737,253	6,038,757
	25,839,977	22,912,624

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023	2022
	N\$	N\$

5. Deferred income

Government grants	35,789,491	36,584,217
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Government Capital grant reconciliation

Opening balance	36,584,217	42,370,645
Released to income statement	(794,726)	(5,786,428)
	35,789,491	36,584,217

The deferred income balance comprises of the donated properties Erf 6446 and Erf 6445 and capital funds received from the Ministry of Higher Education, Training and Innovation for the capital development of the National Council for Higher Education's new offices.

6. Provisions

Reconciliation of provisions - 2023

	Opening balance	Utilised during the year	Closing balance
Severance pay	296,626	(6,364)	290,262

Reconciliation of provisions - 2022

	Opening balance	Additions	Closing balance
Severance pay	263,352	33,274	296,626

7. Trade and other payables

Trade payables	505,567	362,515
Accrued leave pay	1,641,061	1,853,948
Accrued bonus	389,017	383,383
	2,535,645	2,599,846

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023	2022
	N\$	N\$
8. Operating expenses		
Operating expenses include the following expenses:		
Consulting fees	3,267,762	1,604,330
Programme & Programme Review	1,777,559	18,763
Telephone, fax and interest	793,648	281,325
Travel- international and local	1,993,922	249,634
	7,832,891	2,154,052
Loss on exchange differences	3,453	3,219
Depreciation and amortisation	1,293,881	5,786,428
Employee costs	10,644,124	10,566,895
9. Auditor's remuneration		
Fees	-	67,666
10. Taxation		
The Council is exempted from income tax.		
11. Cash generated from operations		
Net surplus before taxation	3,548,144	8,145,813
Adjustments for:		
Depreciation and impairments	1,293,881	5,786,429
Loss on foreign exchange differences	3,453	-
Movement in provisions	(6,364)	-
Movement in provisions	-	33,274
Investment income	(821,455)	(348,340)
Changes in working capital:		
(Increase) decrease in trade and other receivables	214,221	(264,921)
Increase (decrease) in trade and other payables	(64,201)	(265,975)
Increase (decrease) in deferred income	(794,726)	(5,786,428)
	3,372,953	7,299,852

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023	2022
	N\$	N\$

12. Related parties

The council is wholly owned by the Government through the Ministry of Higher Education, Training and Innovation hence all the government-controlled entities are related parties. All the council's related party transactions were conducted with the Ministry of Higher Education, Training and Innovation from which funds are received.

Related party balances and transactions with entities with control, joint control or significant influence over the council.

Related party balances

Subsidy-Capital in nature

Ministry of Higher Education, Training and Innovation	(36,584,217)	(42,370,645)
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Related party transactions

Subsidy-Operational in nature

Ministry of Higher Education, Training and Innovation	(24,783,000)	(22,100,000)
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13. Council members' and prescribed officer's remuneration

Non-executive	Council members' fees	Total
2023		
Sitting fees	312,560	312,560
2022		
Sitting fees	367,973	367,973

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2023

Detailed Income Statement

	Notes	2023 N\$	2022 N\$
Revenue			
Government grants		24,783,000	22,100,000
Other income			
Sundry Income		31,500	124,333
SAQAN Annual Subscription		556,437	296,577
Deferred Income Amortised to income		794,726	5,786,428
		1,382,663	6,207,338
Operating expenses			
Accounting fees		27,600	-
Advertising		259,727	131,409
Auditors remuneration	9	-	67,666
Bank charges		38,307	29,246
Catering Services		292,297	65,215
Cleaning		118,963	75,919
Computer expenses		122,663	61,287
Consulting fees		3,267,762	1,604,330
Depreciation, amortisation and impairments		1,293,881	5,786,428
Donations		-	863
Editing and Layout		26,055	-
Electricity & Water		326,701	251,131
Employee costs		10,644,124	10,566,895
General Expenses		2,120	511
Insurance		233,728	204,732
Loss on exchange differences		3,453	3,219
Membership fees		66,738	88,212
Motor vehicle expenses		319,038	87,412
Correction of Trade Receivable and Trade Payable balances		254,959	-
Postage		988	4,683
Printing and stationery		333,807	166,291
Programme Accreditation		1,777,559	18,763
Public Lecture		81,190	-
Repairs and maintenance		57,611	27,348
SAQAN Expenses		9,585	-
Security		113,400	113,400
Sitting Allowance		312,560	367,973
Staff Development		310,125	20,424
Staff welfare		-	1,220
Telephone and fax		793,648	281,325
Travel & Accommodation		1,993,922	249,634
Workshops and Workplan		356,463	234,329
		23,438,974	20,509,865
Operating profit		2,726,689	7,797,473

National Council for Higher Education
Annual Financial Statements for the year ended 31 March 2023

Detailed Income Statement

	Notes	2023 N\$	2022 N\$
Investment income		821,455	348,340
Surplus for the year		3,548,144	8,145,813