



## NATIONAL COUNCIL FOR HIGHER EDUCATION



## Annual Report and Financial Statements 2019 – 2020



The electronic version of this report is available on the NCHE website at [www.nche.org.na](http://www.nche.org.na) under publications.

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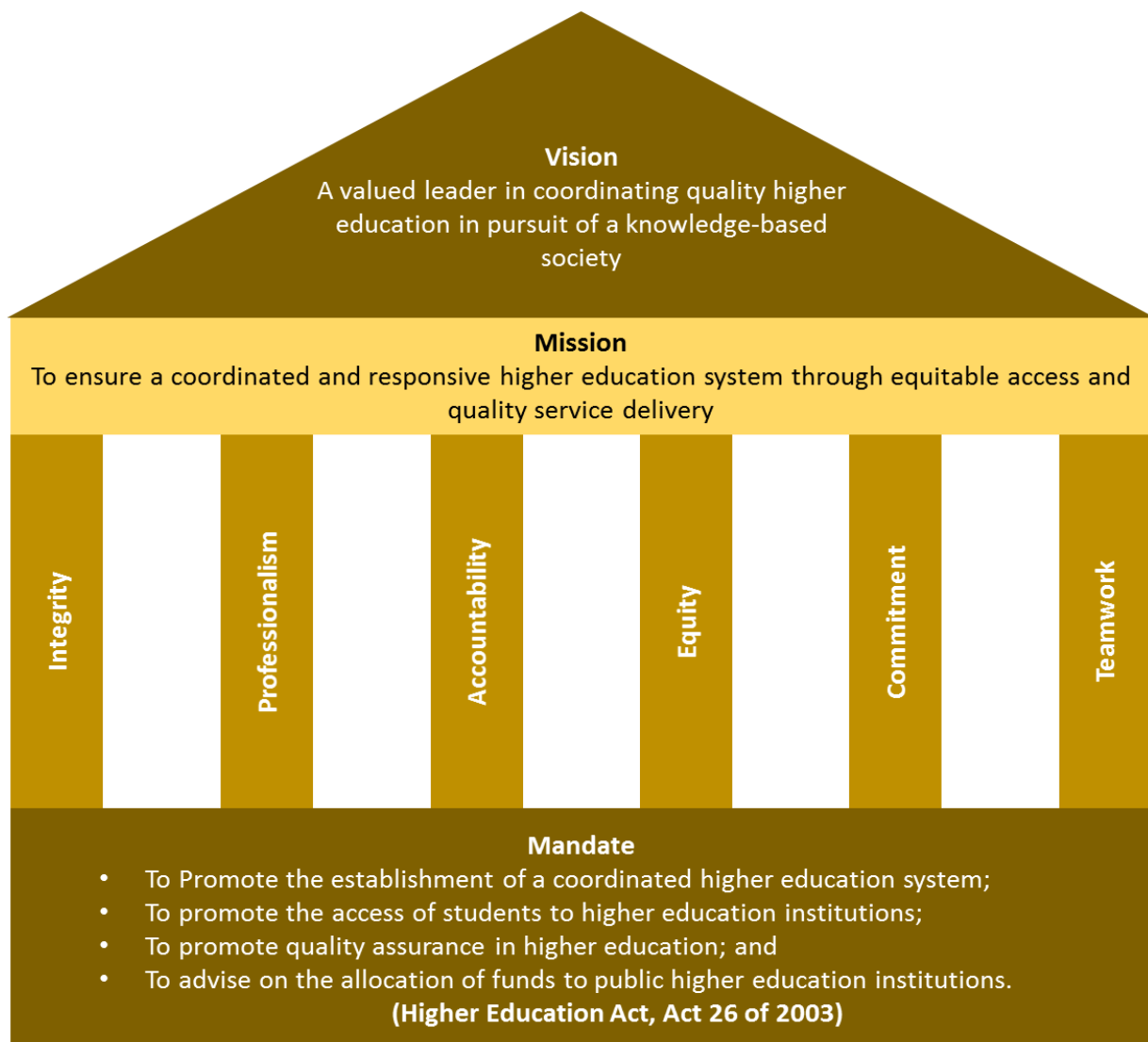
## **Our Logo embodies the following:**

- 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.

## Contents

HIGH LEVEL STATEMENTS .....	1
LIST OF ABBREVIATIONS/ ACRONYMS.....	2
MESSAGE FROM THE DEPUTY EXECUTIVE DIRECTOR.....	4
GOVERNANCE .....	5
THE SECRETARIAT .....	6
PERFORMANCE REPORT .....	8
1. Regulatory Framework and Compliance .....	8
2. Promote Evidence based planning.....	9
3. Improve the Quality of the Higher Education System .....	10
4. Affordable Access and Equitable Allocation of Funds to Public Higher Education Institutions.....	13
5. Enhanced Organizational Performance.....	14
6. Challenges .....	17
FINANCIAL STATEMENTS.....	18

## HIGH LEVEL STATEMENTS



## **LIST OF ABBREVIATIONS/ ACRONYMS**

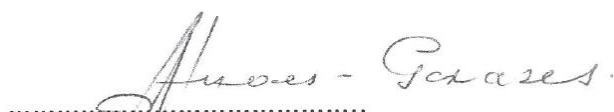
AfDB	African Development Bank
ETSIP	Education and Training Sector Improvement Programme
ICAN	Institute of Chartered Accountants of Namibia
ICQAHEA	International Conference on Quality Assurance in Higher Education in Africa
IUM	International University of Management
HEIs	Higher Education Institutions
FF	Funding Framework
HEMIS	Higher Education Management Information System
MHETI	Ministry of Higher Education, Training and Innovation
NCHE	National Council for Higher Education
NHESY	National Higher Education Statistical Year Book
NQA	Namibia Qualifications Authority
NUST	Namibia University of Science and Technology
SAAIR	Southern African Association of Institutional Research
SAHELA	South African Higher Education Learning Analytics
UNAM	University of Namibia

## MESSAGE FROM THE CHAIRPERSON

During the implementation of the 2019/2020 Annual Plan the NCHE Secretariat was experiencing a transition in leadership with the departure of its Executive Director. Though a big challenge, this did not hamper the performance of the Secretariat. Through the leadership of the Deputy Executive Director, Ms Sylvia Demas the institution soared to greater heights in achieving its performance plan expectations. For this, the Council greatly appreciates the Secretariat's unwavering commitment towards the implementation of the NCHE annual plan and resolutions.

The milestones achieved during the 2019/20 financial year include the hosting of the First National Conference on Quality in Higher Education in Namibia, preparing a concept note for the minimum academic standards for public higher education in Namibia, conducting a national graduate survey and the commencement of the NCHE Phase 2 office construction project.

On behalf of the Council, I would like to thank all our stakeholders for their contributions that enabled the NCHE to fulfil its mandate through activities reported in this annual report.



PROF LISCHEN HAOSSES-GORASES

**CHAIRPERSON: NCHE**



## **MESSAGE FROM THE DEPUTY EXECUTIVE DIRECTOR**

The year under review was filled with a lot of positives for the NCHE and the Secretariat. Like all other institutions in the country and beyond, activities during the last quarter were slowed down when the country experienced COVID-19 breakout.

The COVID-19 pandemic has presented all of us an opportunity to reflect on how we should conduct our business and embrace the use ICT within our work delivery. The Secretariat rose above the challenge and provided policy advice and the coordination that was required for the higher education system.

On behalf of the Secretariat management, I thank the staff members for their commitment, dedication, and hard work. The unwavering support and collaboration from our stakeholders in the higher education sub-sector, especially the higher education institutions, is highly appreciated. With the support of the Council and its Committees, we pledge to continue upholding high professional standards in pursuit of the targets set in our strategic plan.

A handwritten signature in blue ink, appearing to read 'Sylvia Demas', with a long horizontal flourish extending to the right.

Sylvia Demas  
**Deputy Executive Director**

## **GOVERNANCE**

The NCHE is a Statutory body established in terms on 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***

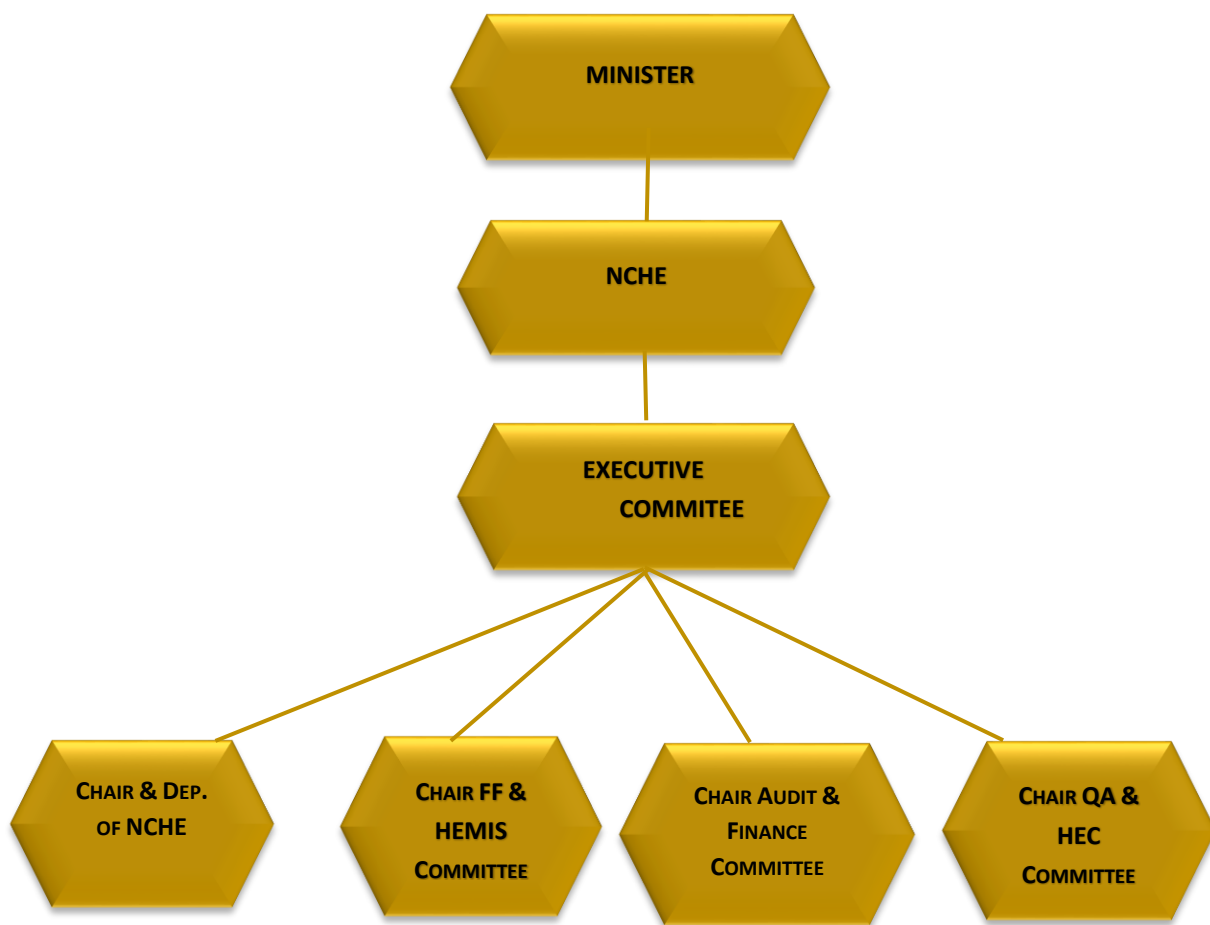
The Councils' functions, subject to the Higher Education Act, are:

- 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 with regard to 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 Council consist of 19 substantive members and 16 alternate members selected in terms of Section 7 (1) of the Higher Education Act, 2003 (Act No. 26 of 2003).

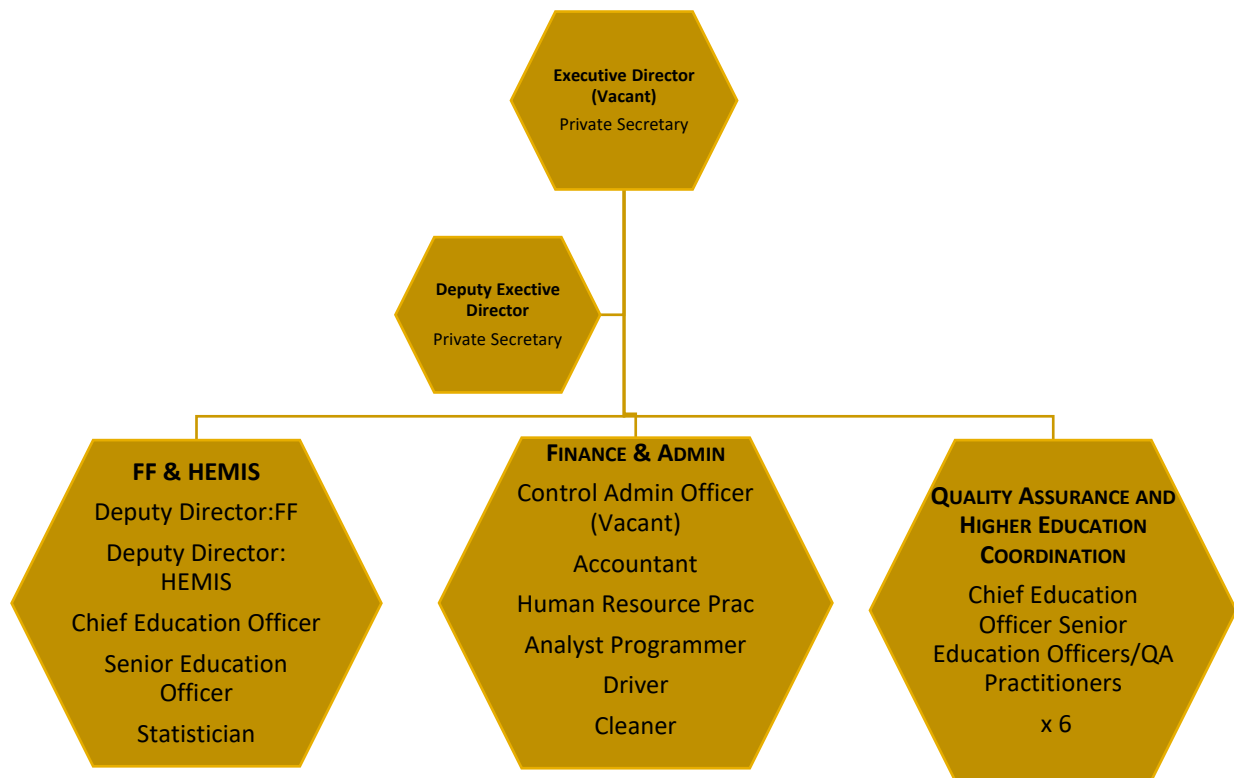
The Executive Committee consists of the Council Chairperson and Deputy Chairperson, together with the Chairpersons of the Committees. Currently the Council has three (3) Committees, i.e. Audit and Finance Committee, Quality Assurance & Higher Education Coordinating Committee and Funding Framework & HEMIS Committee.



## **THE SECRETARIAT**

NCHE is served by a Secretariat under the leadership of Executive Director. The Executive Director serves as the Secretariat's Accounting Officer. The Secretariat comprises of staff members of the Ministry of Higher Education, Training and Innovation designated by the Permanent Secretary 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.

## Organogram of the Secretariat



## **PERFORMANCE REPORT**

### **1. Regulatory Framework and Compliance**

#### **1.1 *National Human Resources Development Strategy***

During the financial year 2018/19, NCHE was assigned the responsibility of coordinating the formulation of the National Human Resources Development Strategy. Following the inter-institutional workshop at the end of that financial year, the local working group developed the project's terms of references. The terms of reference would be used in mobilisation of technical support to the exercise.

#### **1.2 *Towards the National Admission Policy and Institutional Designation in Higher Education***

During the year under review, NCHE conducted desk research on criteria for consideration in the development of the national admission policy. It was established that the common admission criteria among the three local universities included:

- Grade 12 certificate
- Mature age entry
- Admission for marginalised groups
- Bridging and foundation programmes
- Recognition of prior learning

NCHE also explored the possibility of legalising the criteria for institutional designation. Based on the advice from the Office of Attorney General (OAG), it was resolved that minimum standards for public higher education, including all academic aspects of a higher education institution, be developed in accordance with the provisions in the Higher Education Act, No. 26 of 2003.

A concept paper on Minimum Academic Standards was developed for inter-institutional consultation and an Inter-Agency Committee was established to provide input to the process.

## **2. Promote Evidence based planning**

### **2.1 *Annual Public Lecture***

The Lecture was slated for 25 March 2020 but had to be postponed to the next financial year due COVID-19 pandemic.

### **2.3 *Publication of the Namibia Higher Education Statistical Yearbook***

Seventeen (17) institutions submitted student and staff data for the production of the 2018 Namibia Higher Education Statistical Yearbook (NHESY). The 2018 NHESY was published and disseminated, both on-line and in hard copies. Total student enrolment was recorded at 58,208 students of whom 67 per cent represented female students. Enrolment in the Education, Training and Development field increased drastically from 33 per cent in 2017 to 44 per cent in 2018. This was a result of increase in enrolment in the Education field in some institutions. The proportions of enrolment in STEM fields remained at around 22 per cent as in the previous year. Enrolment of Masters (2,036) and Doctoral (197) Degree students grew at 43 and 25 percent between 2017 and 2018, respectively. The electronic publication can be obtained from [http://www.nche.org.na/sites/default/files/documents/nhesy\\_2018.pdf](http://www.nche.org.na/sites/default/files/documents/nhesy_2018.pdf).

### **2.5 *2014-2016 Graduate Tracer Study Report***

The data collection for the Graduate Survey of the 2014 to 2016 graduate cohorts commenced in 2018/19 financial and ended on 31 May 2019. An outstanding response rate of 44 per cent was recorded. Sixty-five 65 per cent of the respondents were female graduates and 35 per cent were males. One per cent of the respondents represented students with disability. The most successful method of job search was Press Advertisement. Thirty-seven (37) per cent of those used the method to search for a job found it within the first six months. The average job search duration was 15 months. The employment rate for all graduates was 69 per cent. Diploma/ Certificate holders had a much higher rate of unemployment, recorded at 43 per cent, compared to Bachelor degree graduates at 28 per cent. The Education sector absorbed one third of the graduates, followed by Public Administration and Defence (17 per cent), Health (13) and Financial Intermediation (12 per cent). The detailed report can be obtained from:

[http://www.nche.org.na/sites/default/files/documents/2019\\_national\\_graduate\\_survey\\_report.pdf](http://www.nche.org.na/sites/default/files/documents/2019_national_graduate_survey_report.pdf).

## **2.6 Employer Survey**

Preparation for the Employer Survey Project continued from the previous financial year. Following the finalisation of the project document, a database of employers was developed. Contacts and other details of 3,676 employers were collected and clustered into sectors. Verification of the existence of the employers has been finalised. A survey questionnaire was developed. Official communication was sent to the firms to inform and invite them to participate in the upcoming survey. Unfortunately, the survey had to be suspended because of lockdown measures due to the COVID-19 pandemic.

## **3. Improve the Quality of the Higher Education System**

### **3.1 Private Higher Education Institutions Registration**

Seven (7) applications for registration of private higher education institutions were received, namely; Limkokwing University of Creative Technology, Zambezi College of Science and Agriculture (ZACOSA), Highgate Varsity College (HVC), Sunshine Private College, SHIRAMED Medical Institute, ICARE and Namibia Skills Development College. By the end of the financial year, evaluation of the applications was ongoing.

### **3.2 Institutional Quality Audit**

Two higher education institutions; the International University of Management (IUM) and Institute of Open Learning (IOL) and Headstart Monetssori were inducted on the institutional Audit sub-system. By the end of the financial year, preparation of the institutional portfolio was ongoing.

### **3.3 Programmes Accreditation**

Seventeen (17) applications for programme accreditation were received – ten (10) from NUST and seven (7) from UNAM. Ten (10) of these programmes were reviewed during the year under review. Three (3) of the reviewed programmes were accredited for a full cycle, three (3) were accredited with conditions and one was not accredited. The Review Panel consisted of members that were sourced from Nigeria, Uganda, Kenya, Tanzania, South Africa, and Zimbabwe.

### **3.4 Monitoring of Quality Improvement**

NUST submitted four improvement plans for the Bachelor of Town and Regional Planning; Bachelor of Land Administration; and Bachelor of Transport Management) whereas UNAM submitted one improvement plan for the Bachelor of Accounting CA stream, for assessment. The UNAM Bachelor of Accounting CA stream Improvement plan was approved by the NCHE and the Institute of Chartered Accountants of Namibia (ICAN) Councils. The remaining plan were under consideration by the end of the reporting period.

### **3.5 Strengthening Capacity in Higher Education Quality Assurance**

The first Namibia Quality Assurance in Higher Education Conference (NAQAHEC) successfully took place in August 2019. A total of 130 participants from various institutions participated in the conference. Three invited international Speakers graced the event by sharing from their vast experiences. Furthermore, various papers were presented. The conference report is available at: [http://www.nche.org.na/sites/default/files/documents/1st\\_naqhec\\_report-.pdf](http://www.nche.org.na/sites/default/files/documents/1st_naqhec_report-.pdf).



**Participants at the 1st Namibia Quality Assurance in Higher Education Conference**



Prospective quality assurance peer reviewers from higher education institutions and from the industry were inducted on the aspects of programme accreditation and institutional quality audit. The induction sessions took place during July and August 2019. Members of the NCHE Quality Assurance and Higher Education Coordinating Committee were also exposed to the induction.

The most pertinent issues that emanated from the conference and induction sessions included:

- The need to address the overlaps in NCHE and NQA functions;
- The need to upgrade qualifications of staff at higher education institutions and NCHE to Doctorate levels;
- The need for the development of minimum academic standards to guide registration, quality assurance and funding of higher education institutions; and
- The need for clear procedures for registration and accreditation of private higher education institutions.

### ***3.6 Enhancing Capacity of Academic Staff Teaching and Learning***

Two recipients of the funding scheme for academic staff members at UNAM and NUST graduated with Doctoral degrees in Engineering and Education, respectively. There were seven staff members on the scheme at the beginning of the financial year of whom only two required funding in the year. In view of the dwindling budgetary resources, NCHE resolved to bring the funding scheme to conclusion. Staff members who were actively pursuing studies were urged to complete studies as scheduled. Contracts for those whose studies were dormant were terminated whereas those who were in breach of contract were requested to refund NCHE, in accordance with the provisions in their contracts.



**Dr Leokadia Nepaya (from UNAM) obtained PhD in Electrical Engineering**

### **3.7 Partnerships in Quality Assurance**

Three Memoranda of Understanding (MoU) were entered into between NCHE and the Namibia Veterinary Council (October 2019); the Engineering Council of Namibia (March 2020) and Health Professional Councils of Namibia (March 2020). These MoUs include partnership cooperation in the areas of quality assurance, information exchange and capacity development. The MoU with the Namibia Veterinary Council culminated in joint accreditation of the Bachelor of Veterinary Medicine at UNAM.



NCHE chairperson Prof. Haoses- Gorases signed MOU with the Engineering Council of Namibia President, Mrs Jaqueline Mukuka (Pr. Eng)

## **4. Affordable Access and Equitable Allocation of Funds to Public Higher Education Institutions**

### **4.1 Automation of Tuition Fees Model**

The year saw the development of the tuitions fees model to monitor adjustment in tuition fees of UNAM and NUST and to provide a one-stop shop for the tuition fees of all higher education institutions in the country.

## **4.2 *Estimating Subsidies for Public Higher Education Institutions***

The Funding Formula global parameters (cost per standardised credit unit and weights for the fields of learning) were revised. The Higher Education Cost Adjustment Index together with the revised global parameters were used to estimate budgets subsidies of both public higher education institutions for the 2020/21 to 2022/23 Medium Term Expenditure Framework. Given the prevailing national financial situation, two scenarios were proposed: one based on the existing and the other revised parameters. The line ministry's directive to the public higher education institutions was informed by the NCHE recommendation. Announcement of the 2020/21 National Budget was delayed due to the COVID-19 pandemic thus it could not be established at the closure of the financial year whether actual subsidies to the institutions were in tandem with the recommended tuition fees.

## **5. Enhanced Organizational Performance**

### **5.1 *Human Resources Management and Development***

Performance agreements of the Secretariat officials are based on the 2019/20 Annual Plan that was developed at the beginning of the financial year. Individual review reports are discussed with and signed by supervisors and filed by the Human Resources Office. The consolidated institutional performance reports are prepared and reviewed by Council on quarterly basis. Overall performance for the 2019/20 financial year averaged at approximately 80 per cent in all quarters.

The Marketing, Corporate Social Responsibility and Employee Assistance (MCSREA) Committee developed and implemented workplace wellness activities, including well wishes for Birthdays, Mothers and Fathers days, Special Anniversaries notifications, and information sharing. Eighty-four (84) per cent of the staff members who responded to the staff satisfaction survey conducted at the end of the



**Staff members observing the Pink Day**

second quarter indicated satisfaction with their job. NCHE staff members participated in the commemoration of the Pink Day on 25 October in support of breast cancer.

One (1) staff member (Accountant) was recruited in the Finance and Administration Unit. The temporary staff member (Finance Officer) resigned from the position. The position of Chief Education Officer for Quality Assurance was filled in January 2020. The request to recruit a Control Administrative Officer was not approved by the line ministry.

The following capacity development activities were implemented during the year under review:

- Funding support for qualifying courses was extended to 4 staff members. Two of them were supported under the African Development Bank funded project.
- Two HEMIS officials attended a conference on institutional data processes in Johannesburg, South Africa.
- Three (3) Funding Framework staff members attended a HEMIS Foundations Workshop and Institute organised by Southern African Association of Institutional Research (SAAIR) held at Wits Rural Facility, Bushbuck Ridge in, South Africa from 6-8 August 2019.
- Two (2) staff members in the QA Unit attended an AAU workshop on quality assurance, learner-centred teaching skills and quality assurance in research for the 21st century higher and tertiary education, 5 - 9 August 2019 in Livingstone, Zambia.
- A staff member of the HEMIS Unit attended a SAAIR Institutional Research Foundations Workshop and Institute 2019 from 25-27 September, hosted by University of Zululand, South Africa.
- One Staff member is being trained on a qualifying Course in quality assurance and another on Management Development.
- Seven (7) staff members attended Excel training.

Council quarterly meetings were held as planned. Council resolutions were implemented and monitored. Council also fulfilled and discussed the shareholder assignments and other policy matters at the quarterly Board-shareholder meetings. As part of corporate social responsibility, NCHE facilitate internship opportunities for three students during the year under review. They were deployed in the areas of survey design; data management, assets management and finance.

## **5.2 Information Communication Technology (ICT) Infrastructure**

A multi-photo copier, eight (8) desktop printers, a Smart Board 70'' and other IT accessories were procured to enhance NCHE effective communication and facilitation of virtual meetings.

The MCSREA Committee developed and implemented marketing activities. Procurement and advocacy advertisements were placed in the local newspapers. The Quality Assurance Conference was marketed through electronic and print media adverts. Furthermore, the Graduate Survey was advertised through Radio.

The employee satisfaction survey was conducted in the middle of the financial year. An average of 83 per cent of staff members indicated that communication within the Secretariat was effective.

The NCHE File Plan was finalised, approved and has been rolled out for implementation following an induction meeting in September 2019. Since then, all outgoing letters from NCHE include reference numbers as per File Plan.

## **5.3 Financial Management**

Expenditure reports and cash flow statements for the 2019/20 were produced and reviewed by Council on quarterly basis. Suppliers are paid on time. The operational budget execution as at 31 March 2020 stood at 81 per cent and the capital project at 15 per cent. The total annual expenditure amounts to 51 per cent.

MTEF implementation reports and budget proposal for the 2020/21 financial year were prepared and submitted to the line ministry.

## **5.4 Asset Management**

All functional fixed assets are tagged and recorded on the fixed asset register. Damaged computers and IT equipment have been sorted for disposal. It has been discovered that the information on the early years (from 2007) in the Asset Register has been haphazardly presented, in essence providing a misleading value of NCHE assets. This then prompted a major overhaul of the Asset Register with an aim of providing reliable information.

Vehicles were serviced as per service plan. All vehicles are roadworthy and licenses are valid. A mechanical problem with the gears of the Polo sedan was detected and fixed. NCHE assisted MHETI and the Namibia National Students Organisation (NANSO) with transport needs. Cost of fuelling the loaned vehicles was recovered through debit acceptance from MHETI.

The NCHE Annual Procurement Plan for 2019/20 was shared with the Procurement Policy Unit for publicising. The bids for the installations of the Electrical, Air-conditioning & Ventilation and Lift for Phase 2 were advertised, evaluated and notice of nomination for award was issued to the Electrical and Air-conditioning & Ventilation bidders, while the Lift installation bid is to be re-advertised due to non-responsiveness. The bid for the provision of travel agency services was also advertised and evaluated during the fourth quarter. Emergency procurement of sanitisers and gloves for staff members was undertaken in response to the Corona Virus outbreak safety regulations.

According to the staff satisfaction survey, 93 per cent indicated that the office environment was conducive. Office supplies were monitored and procured. All offices were cleaned as per cleaning schedule.

### **5.5 Capital Project**

All remedial activities under Phase 1 have been finalised. However, payment to the first contractor (Benlin) is yet to be finalised with the Ministry of Works and Transport. Bids for the construction of Phase 2A NCHE Office Construction were advertised, evaluated and award. Site handover took place on 13 November 2019. The works performed during the period under reporting included: sewer line installation, bulk excavation, lateral support, and guard house construction to roof height, this translates into a 10 per cent of work completed by the end of the financial year. The process of appointing contractors for the installations of the Electrical, Air-conditioning systems and the Lifts commenced but was halted because of the state of emergency due to COVID-19.

## **6. Challenges**

The main challenge facing the NCHE is the limited organisational structure, making it impossible to fill critical vacancies.

**NATIONAL COUNCIL FOR HIGHER EDUCATION  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**National Council for Higher Education**  
Annual Financial Statements for the year ended 31 March 2020

**General Information**

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**Country of incorporation and domicile**

Namibia

**Council Members**

Prof. Lischen Haoses-Gorases (Chairperson)  
Dr Anicia Peters  
Dr Kavindame Romanus Kawana  
Dr Alfred Van Kent  
Rev. Roderick Graham April (Alternate)  
Ms Ericah Shafudah  
Ms Angelina Nandjila Nauta-Sinvula (Alternate)  
Mr Andries Leevi Hungamo  
Mr Sylvester Mbangu (Alternate)  
Dr Rachel Shanyanana  
Mr Thikusho Mapuku (Alternate)  
Ms Himeesora Kaimu  
Dr Samuel John (Vice Chairperson) (Alternate)  
Mr Joseph Mukendwa  
Ms Mariane Hara-Gaes (Alternate)  
Ms Emma Inamutila Theofelus  
Mr Herman Walter Rutz (Alternate)  
Ms Ilana Calitz  
Ms Nangula Iipumbu (Alternate)  
Mr Franz Ernst Gertze  
Ms Asnath Katuvemuine Kaperu (Alternate)  
Ms Toini Victoria Peyavali Nauyoma  
Ms Maria Kamati Nangolo (Alternate)  
Ms Taimi Kapelwa  
Dr Ananias Iita  
Prof Geoffrey Elifadhi Kiangi  
Dr L. Van den Berg (Alternate)  
Mr Daniel Siremo Trum  
Ms Silvia Kalinda Chidunka (Alternate)

**Auditor**

PricewaterhouseCoopers  
Registered Accountants and Auditors  
Chartered Accountants (Namibia)



**National Council for Higher Education**  
Annual Financial Statements for the year ended 31 March 2020

**Contents**

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

	<b>Page</b>
Council Members' Responsibilities and Approval	3
Independent Auditor's Report	4 - 6
Council Members' Report	7 - 8
Statement of Financial Position	9
Statement of Surplus or Deficit and Other Comprehensive Income	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Accounting Policies	13 - 16
Notes to the Annual Financial Statements	17 - 21
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Statement of Comprehensive Income	22 - 23

**National Council for Higher Education**  
Annual Financial Statements for the year ended 31 March 2020  
**Council Members' Responsibilities and Approval**

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The Council Members are required by the Higher Education Act, 2003, 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 Council 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 International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor's is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

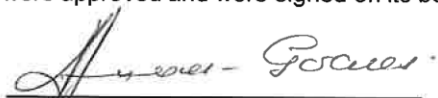
The Council Members acknowledge that they are ultimately responsible for the system of internal financial control established by the council and place considerable importance on maintaining a strong control environment. To enable the Council Members to meet these responsibilities, the Council Members 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 Council Members have reviewed the Council's cash flow forecast for the year to 31 March 2021 and, in the light of this review and the current financial position, they are satisfied that the council has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor's are responsible for independently auditing and reporting on the Council's annual financial statements. The annual financial statements have been examined by the Council's external auditor's and their report is presented on pages 4 to 6.

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



**Prof. Lischen Haoses-Gorases (Chairperson)**



**Ms Taimi Kapelwa (Chairperson of Audit and Finance Committee)**

Windhoek

Date:

30 June 2021.

## Independent auditor's report

To the Members of National Council for Higher Education Secretariat.

### Our opinion

In our opinion, except for the possible effect of the matter described in the basis for qualified opinion section of our report, the financial statements present fairly, in all material respects, the financial position of *National Council for Higher Education Secretariat* (the Council) as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards for Small and Medium - sized Entities and the requirements of Higher Education Act 2003.

### What we have audited

National Council for Higher Education Secretariat's financial statements set out on pages 7 to 21 comprise:

- the directors' report for the year ended 31 March 2020;
- the statement of financial position as at 31 March 2020;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended;
- the notes to the financial statements which includes a summary of significant accounting policies.

### Basis for qualified opinion

In our audit report, dated 21 July 2021, on the National Council for Higher Education Secretariat's financial statements as at 31 March 2019, and for the year then ended, we expressed a qualified opinion due to the following reasons:

During the 2019 audit, we noted that management did not accrue, as at year end, for all expenses whose supporting documents were dated before year end. In particular, we noted, from the audit sample of the test for unrecorded liabilities, operating expenses amounting N\$ 69,325 with supporting documents dates before year end that were not accrued for by management. We could not satisfactorily perform alternative procedures to satisfy ourselves as to the completeness and valuation of payables.

Our opinion on the financial statements as at 31 March 2020, and for the year then ended, is modified because of the possible effects of the matters referred to above on the comparability of the current period's figures and the corresponding figures as presented in the statement of financial position and statement of surplus or deficit and other comprehensive income.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

PricewaterhouseCoopers, Registered Auditors, 344 Independence Avenue, Windhoek, P O Box 1571, Windhoek, Namibia Practice Number 9406, T: + 264 (61) 284 1000, F: +264 (61) 284 1001, [www.pwc.com.na](http://www.pwc.com.na)

Country Senior Partner: Chantell N Husselmann

Partners: Louis van der Riet, Anna EJ Rossouw (Partner in charge: Coast), Gerrit Esterhuyse, Samuel N Ndahangwapo, Hans F Hashagen, Johannes P Nel, Hannes van den Berg, Willem A Burger

## Independence

We are independent of the Council in accordance with the International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standard)* (Code of Conduct) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the Code of Conduct and in accordance with other ethical requirements applicable to performing audits in Namibia.

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## Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled “National Council for Higher Education Secretariat Annual Financial Statements for the year ended 31 *March 2020*,”. The other information does not include the financial statements and our auditor’s report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the 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.

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## Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards for Small and Medium - sized Entities and the requirements of the Higher Education Act 2003, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors 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 directors either intend to liquidate the Council or to cease operations, or have no realistic alternative but to do so.

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## Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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*PricewaterhouseCoopers , Registered Auditors, 344 Independence Avenue, Windhoek, P O Box 1571, Windhoek, Namibia Practice Number 9406, T: + 264 (61) 284 1000, F: +264 (61) 284 1001, [www.pwc.com.na](http://www.pwc.com.na)*

Country Senior Partner: Chantell N Husselmann

Partners: Louis van der Riet, Anna EJ Rossouw (Partner in charge: Coast), Gerrit Esterhuyse, Samuel N Ndahangwapo, Hans F Hashagen, Johannes P Nel, Hannes van den Berg, Willem A Burger

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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 directors.
- Conclude on the appropriateness of the directors' 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.



**PricewaterhouseCoopers**  
**Registered Accountants and Auditors**  
**Chartered Accountants (Namibia)**

**Per: Samuel N Ndahangwapo**  
**Partner**

**Windhoek**  
**Date: 21 July 2021**

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*PricewaterhouseCoopers, Registered Auditors, 344 Independence Avenue, Windhoek, P O Box 1571, Windhoek, Namibia Practice Number 9406, T: + 264 (61) 284 1000, F: +264 (61) 284 1001, [www.pwc.com.na](http://www.pwc.com.na)*

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**National Council for Higher Education**  
Annual Financial Statements for the year ended 31 March 2020

**Council Members' Report**

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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 2020.

**1. Nature of business**

The activities of the Council comprises of:

- 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

The operating results and state of affairs of the Council are fully set out in the attached financial statements and do not in our opinion require any further comment.

**2. 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 other than the impact of COVID-19 which the Members of Council have concluded that it have no impact on the activities of the council.

**3. Going concern**

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 fair 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.

**4. Auditors**

PricewaterhouseCoopers continued in office as auditors for the Council for 2020.

**5. Council Members**

The Council Members in office at the date of this report are as follows:

**4th Council Appointed on 01 December 2017**

Prof. Lischen Haoses-Gorases (Chairperson)

Dr Anicia Peters

Dr Kavindame Romanus Kawana

Dr Alfred Van Kent

Rev. Roderick Graham April (Alternate)

Ms Ericah Shafudah

Ms Angelina Nandjila Nauta-Sinvula (Alternate)

Mr Andries Leevi Hungamo

**National Council for Higher Education**  
Annual Financial Statements for the year ended 31 March 2020

**Council Members' Report**

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Mr Sylvester Mbangu (Alternate)

Dr Rachel Shanyanana

Mr Thikushe Mapuku (Alternate)

Ms Himeesora Kaimu

Dr Samuel John (Vice Chairperson) (Alternate)

Mr Joseph Mukendwa (Resigned)

Ms Mariane Hara-Gaes (Alternate)

Ms Emma Inamutila Theofelus

Mr Herman Walter Rutz (Alternate)

Ms Ilana Calitz

Ms Nangula lipumbu (Alternate)

Mr Franz Ernst Gertze

Ms Asnath Katuvemuine Kaperu (Alternate)

Ms Toini Victoria Peyavali Nauyoma

Ms Maria Kamati Nangolo (Alternate)

Ms Taimi Kapelwa

Dr Ananias Iita

Prof Geoffrey Elifadhi Kiangi

Dr L. Van den Berg (Alternate)

Mr Daniel Siremo Trum

Ms Silvia Kalinda Chidunka (Alternate)

**National Council for Higher Education**  
Annual Financial Statements for the year ended 31 March 2020  
**Statement of Financial Position as at 31 March 2020**

	Note(s)	2020 N\$	2019 N\$
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	24,991,843	22,538,529
Other financial assets	3	23,273,992	29,581,346
		<b>48,265,835</b>	<b>52,119,875</b>
<b>Current Assets</b>			
Trade and other receivables	4	61,488	28,910
Cash and cash equivalents	5	15,187,702	20,353,120
		<b>15,249,190</b>	<b>20,382,030</b>
<b>Total Assets</b>		<b>63,515,025</b>	<b>72,501,905</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		8,153,612	15,613,198
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Deferred income	6	53,228,233	53,750,988
Project funds	7	-	369,924
		<b>53,228,233</b>	<b>54,120,912</b>
<b>Current Liabilities</b>			
Payables	8	1,865,935	2,634,043
Provisions	9	267,245	133,752
		<b>2,133,180</b>	<b>2,767,795</b>
<b>Total Liabilities</b>		<b>55,361,413</b>	<b>56,888,707</b>
<b>Total Equity and Liabilities</b>		<b>63,515,025</b>	<b>72,501,905</b>



# National Council for Higher Education

Annual Financial Statements for the year ended 31 March 2020

## Statement of Surplus or Deficit and Other Comprehensive Income

	Note(s)	2020 N\$	2019 N\$
Revenue	10	2,600,000	3,127,000
Other income	11	2,538,085	1,732,868
Operating expenses		(15,642,977)	(17,958,351)
<b>Operating surplus (deficit)</b>		<b>(10,504,892)</b>	<b>(13,098,483)</b>
Investment revenue	12	3,045,306	3,285,508
<b>Surplus for the year</b>		<b>(7,459,586)</b>	<b>(9,812,975)</b>

## National Council for Higher Education

Annual Financial Statements for the year ended 31 March 2020

### Statement of Changes in Equity

	Retained income N\$	Total equity N\$
Balance at 01 April 2018	25,426,173	25,426,173
Surplus for the year	(9,812,975)	(9,812,975)
Balance at 01 April 2019	15,613,198	15,613,198
Surplus for the year	(7,459,586)	(7,459,586)
Balance at 31 March 2020	8,153,612	8,153,612

**National Council for Higher Education**  
Annual Financial Statements for the year ended 31 March 2020

**Statement of Cash Flows**

	Note(s)	2020 N\$	2019 N\$
<b>Cash flows from operating activities</b>			
Cash used in operations	15	(11,345,849)	(12,411,931)
Interest income	12	3,045,306	3,285,508
<b>Net cash from operating activities</b>		<b>(8,300,543)</b>	<b>(9,126,423)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(2,802,305)	(4,530,302)
Sale of financial assets		6,307,354	(2,467,288)
<b>Net cash from investing activities</b>		<b>3,505,049</b>	<b>(6,997,590)</b>
<b>Cash flows from financing activities</b>			
Movement in project funds	7	(369,924)	(1,373,600)
<b>Total cash movement for the year</b>		<b>(5,165,418)</b>	<b>(17,497,613)</b>
Cash at the beginning of the year		20,353,120	37,850,733
<b>Total cash at end of the year</b>	5	<b>15,187,702</b>	<b>20,353,120</b>

## **Accounting Policies**

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### **1. Presentation of annual financial statements**

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Higher Education Act, 2003. 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 Namibian 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***

##### ***Useful lives of property, plant and equipment***

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of furniture and fixtures, office equipment and IT equipment are determined based on group replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

The residual value of property, plant and equipment was estimated by management based on the specialized nature of the asset further costs to be incurred to sell it and age of the assets.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

#### **1.2 Property, plant and equipment**

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, or for rental to others or for administrative purposes; and are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost include 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.

## **Accounting Policies**

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### **1.2 Property, plant and equipment (continued)**

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

<i><b>Item</b></i>	<i><b>Depreciation method</b></i>	<i><b>Average useful life</b></i>
Land		Indefinite
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	10 years
Office equipment	Straight line	5 years
IT equipment	Straight line	5 years
Building - assets under construction	Straight line	50 years
Other fixed assets	Straight line	5 years

Land is not depreciated.

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

Gains and losses on disposals are recognised in surplus or deficit.

### **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 profit or loss) 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. Those debt instruments which meet the criteria in section 11.8(b) of the standard, 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 are measured at cost less impairment.

### **1.4 Leases**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

## **Accounting Policies**

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### **1.4 Leases (continued)**

#### ***Operating leases – lessee***

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

### **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.

### **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.

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.

Contingent assets and contingent liabilities are not recognised.

### **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.

## **Accounting Policies**

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### **1.8 Government grants (continued)**

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

### **1.9 Revenue**

Revenue consists mainly of government grants.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

### **1.10 Taxation**

The Council is registered under the Promulgation of Higher Education Act, 2003 of the Parliament of Namibia and is therefore exempted from corporate tax in terms of the said Act.

**National Council for Higher Education**  
Annual Financial Statements for the year ended 31 March 2020

**Notes to the Annual Financial Statements**

**2. Property, plant and equipment**

	2020			2019		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	482,500	-	482,500	482,500	-	482,500
Furniture and fixtures	745,118	(530,405)	214,713	690,618	(412,140)	278,478
Motor vehicles	2,758,037	(1,616,238)	1,141,799	2,758,037	(2,100,772)	657,265
Office equipment	142,147	(138,425)	3,722	142,147	(91,786)	50,361
IT equipment	749,784	(482,065)	267,719	600,884	(301,632)	299,252
Computer software	258,133	(114,143)	143,990	152,872	(43,273)	109,599
Assets under construction	22,197,621	487,699	22,685,320	20,100,398	527,698	20,628,096
Other fixed assets	72,962	(20,882)	52,080	35,760	(2,782)	32,978
<b>Total</b>	<b>27,406,302</b>	<b>(2,414,459)</b>	<b>24,991,843</b>	<b>24,963,216</b>	<b>(2,424,687)</b>	<b>22,538,529</b>

**Reconciliation of property, plant and equipment - 2020**

	Opening balance	Additions	Other changes, movements	Depreciation	Impairment loss	Total
Land	482,500	-	-	-	-	482,500
Furniture and fixtures	278,478	-	86,412	(122,849)	(27,328)	214,713
Motor vehicles	657,265	-	(29,546)	514,080	-	1,141,799
Office equipment	50,361	-	42,362	(89,001)	-	3,722
IT equipment	299,252	149,899	(999)	(180,433)	-	267,719
Computer software	109,599	105,261	252,874	(184,254)	(139,490)	143,990
Assets under construction	20,628,096	2,509,943	-	(452,719)	-	22,685,320
Other fixed assets	32,978	37,202	34,001	(18,100)	(34,001)	52,080
	<b>22,538,529</b>	<b>2,802,305</b>	<b>385,104</b>	<b>(533,276)</b>	<b>(200,819)</b>	<b>24,991,843</b>

**Reconciliation of property, plant and equipment - 2019**

	Opening balance	Additions	Other changes, movements	Depreciation	Impairment loss	Total
Land	482,500	-	-	-	-	482,500
Furniture and fixtures	304,703	23,630	-	(27,126)	(22,729)	278,478
Motor vehicles	1,101,364	-	-	(430,866)	(13,233)	657,265
Office equipment	100,195	-	-	(29,990)	(19,844)	50,361
IT equipment	473,754	-	(61,241)	(105,711)	(7,550)	299,252
Computer software	-	152,872	-	(43,273)	-	109,599
Assets under construction	16,471,782	4,314,850	200,731	(359,267)	-	20,628,096
Other fixed assets	5	38,950	-	122	(6,099)	32,978
	<b>18,934,303</b>	<b>4,530,302</b>	<b>139,490</b>	<b>(996,111)</b>	<b>(69,455)</b>	<b>22,538,529</b>



**National Council for Higher Education**  
Annual Financial Statements for the year ended 31 March 2020

**Notes to the Annual Financial Statements**

	2020 N\$	2019 N\$
<b>2. Property, plant and equipment (continued)</b>		
<i>Details of properties</i>		
<i>ERF 6446, Haddy Street, Windhoek</i>		
- Donated value	238,500	238,500
<i>Erf 6445, Hoogenhout, Windhoek</i>		
- Donated value	244,000	244,000
Land comprises of donated properties.		
Assets under construction comprises of the costs incurred for the construction of the offices of The National Council for Higher Education.		
<b>3. Other financial assets</b>		
Opening balance	29,581,346	27,114,058
Interest accrued	(6,307,354)	2,467,288
	<b>23,273,992</b>	<b>29,581,346</b>
<i>At amortised cost</i>		
Fixed investment - First National Bank	23,273,992	29,581,346
<i>Non-current assets</i>		
At amortised cost	23,273,992	29,581,346
<b>4. Trade and other receivables</b>		
Other receivable	61,488	28,910
<b>5. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
First National Bank - project bank account	-	369,924
First National Bank - current account	1,761,020	2,729,978
First National Bank - call account	8,058,187	12,130,423
Development fund: (Investment account)	5,368,495	5,043,600
First National Bank - ETSIP account	-	79,195
	<b>15,187,702</b>	<b>20,353,120</b>

**National Council for Higher Education**  
Annual Financial Statements for the year ended 31 March 2020

**Notes to the Annual Financial Statements**

	2020 N\$	2019 N\$
<b>6. Deferred income</b>		
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 being constructed.		
Opening balance	53,750,988	54,110,249
Movement in deferred income	(522,755)	(359,261)
	<b>53,228,233</b>	<b>53,750,988</b>

**7. Project funds**

<b>2020</b>	<i>Opening balance</i>	<i>Fund received</i>	<i>Paid out</i>	<i>Closing balance</i>
African Development Bank	369,924	-	(369,924)	-
<b>2019</b>	<i>Opening balance</i>	<i>Fund received</i>	<i>Paid out</i>	<i>Closing balance</i>
African Development Bank	1,743,524	-	(1,383,317)	369,924

ETSIP funds are funds received from the Ministry of Higher Education, Training and Innovation to be administered for staff development at Public Higher Education Institutions, quality assurance and strategic planning to accomplish the 15 year special programme of the government to improve the quality of education in the country.

Since 2009, NCHE has been tasked with the responsibility of administering the Education and Training Sector Improvement Programme (ETSIP) Staff Development Fund for upgrading/improving the qualifications of academic staff at the two public higher education institutions. ETSIP came to an end in 2015/16. However, The Line Ministry has since requested NCHE to continue funding (using own budget) academic staff on training so as to ensure logical conclusion of studies while waiting for replenishment of funds from other sources.

**Africa Development Bank Project Funding**

The overall goal of the project funding is to improve the quality of the higher education and training system in Namibia. The project has two main components: Strengthening the national capacity of the NCHE to conduct programme accreditation and institutional audits; and Institutionalization of Tracer Studies in Higher Education Institutions (HEIs).

**8. Payables**

Payroll payables	-	921,278
Accrued leave pay	1,452,727	1,424,370
Accrued bonus	331,111	224,598
Deposits received	82,097	63,797
	<b>1,865,935</b>	<b>2,634,043</b>

**National Council for Higher Education**  
Annual Financial Statements for the year ended 31 March 2020

**Notes to the Annual Financial Statements**

	2020 N\$	2019 N\$
<b>9. Provisions</b>		
<i>Reconciliation of provisions - 2020</i>		
	Opening balance	Additions
Provision for severance pay	133,752	133,493
	Total	267,245
<i>Reconciliation of provisions - 2019</i>		
	Opening balance	Utilised during the year
Provision for severance pay	160,906	(27,154)
	Total	133,752
<b>10. Revenue</b>		
Government grants	2,600,000	3,127,000
<b>11. Other income</b>		
Project fund and deferred income amortised to income	2,538,085	1,732,868
<b>12. Investment revenue</b>		
<i>Interest revenue</i>		
Interest received	3,045,306	3,285,508
<b>13. Taxation</b>		
The Council is registered under the Promulgation of Higher Education Act, 2003 of the Parliament of Namibia and is therefore exempted from corporate tax in terms of the said Act.		
<b>14. Auditor's remuneration</b>		
Fees	149,646	107,248
<b>15. Cash used in operations</b>		
Surplus for the year	(7,459,586)	(9,812,975)
<i>Adjustments for:</i>		
Depreciation	533,276	996,111
Interest received	(3,045,306)	(3,285,508)
Impairment reversals	(200,819)	(70,035)
Movements in provisions	133,493	(27,154)
Non-cash movement in property, plant and equipment	16,534	-
<i>Changes in working capital:</i>		
Trade and other receivables	(32,578)	80,340
Payables	(768,108)	66,551
Deferred income	(522,755)	(359,261)
	<b>(11,345,849)</b>	<b>(12,411,931)</b>

**National Council for Higher Education**  
Annual Financial Statements for the year ended 31 March 2020

**Notes to the Annual Financial Statements**

	2020 N\$	2019 N\$
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**16. 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 balances***

Capital subsidy & donation	53,228,233	53,750,988
Project funds	-	369,924

***Related party transactions***

***Government subsidy***

Capital subsidy and donation	2,600,000	3,127,000
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**17. Council Members' remuneration**

No emoluments were paid to the Council Members or any individuals holding a prescribed office during the year.

***Non-executive***

**2020**

	Council Members' fees	Total
For services rendered	795,742	795,742

**2019**

	Council Members' fees	Total
For services rendered	754,023	754,023

# National Council for Higher Education

Annual Financial Statements for the year ended 31 March 2020

## Detailed Statement of Comprehensive Income

	Note(s)	2020 N\$	2019 N\$
<b>Revenue</b>			
Government and project grants		2,600,000	3,127,000
<b>Other income</b>			
Project fund amortised to income		2,538,085	1,732,868
Interest received	12	3,045,306	3,285,508
		<b>5,583,391</b>	<b>5,018,376</b>
<b>Expenses (Refer to page 23)</b>		<b>(15,642,977)</b>	<b>(17,958,351)</b>
<b>Surplus for the year</b>		<b>(7,459,586)</b>	<b>(9,812,975)</b>

# National Council for Higher Education

Annual Financial Statements for the year ended 31 March 2020

## Detailed Statement of Comprehensive Income

	Note(s)	2020 N\$	2019 N\$
<b>Operating expenses</b>			
Advertising		(91,917)	(553,869)
Auditors remuneration	14	(149,646)	(107,248)
Bank charges		(178,767)	(33,372)
Catering services		(181,527)	(62,846)
Cleaning		(35,569)	(83,122)
Computer expenses		(1,869)	(288)
Conferences		(392,418)	-
Consulting fees		(515,226)	(745,540)
Depreciation and impairment		(332,457)	(926,076)
Donations		(15,950)	(15,699)
Electricity and water		(156,032)	(132,854)
Employee costs		(10,287,317)	(9,430,148)
Entertainment		-	(13,058)
Gratuity payments		(32,959)	(591,488)
Insurance		(191,385)	(181,227)
Lease rentals on operating lease		(3,466)	-
Motor vehicle expenses		(84,898)	(114,071)
Other expenses		(950)	(1,009)
Postage		(7,363)	(3,356)
Printing and stationery		(161,209)	(1,096,874)
Programme accreditation-project		(302,764)	(709,472)
Programme review-project		-	(279,919)
Project fund movement		(133,173)	2,600
Public lecture		(25,082)	(33,644)
Repairs and maintenance		(21,219)	(98,200)
Security		(240,666)	(243,393)
Staff welfare		(3,410)	(85,976)
Membership fees		(55,413)	(59,633)
Telephone, fax and internet		(185,007)	(713,563)
Training		(492,450)	(272,502)
Transport and freight		-	(109,250)
Travel - international and local		(1,157,709)	(989,861)
Workshop expenses		(205,159)	(273,393)
		<b><u>(15,642,977)</u></b>	<b><u>(17,958,351)</u></b>



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## CONTACTS

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