

# Annual financial statements

---

## Contents

Annual Financial Statements	90
Report of the Auditor-General	91
Council's Report	95
Statement of financial performance	153
Statement of financial position	154
Statement of changes in net assets	155
Cash flow statement	156
Accounting policies	157
Notes to the Annual Financial Statements	164
Report of the HSRC Audit Committee 2007/08	190
List of Acronyms	192

# Annual financial statements

---

## Introduction

The maintenance of accounting and other records, as well as an effective system of internal control, is the responsibility of the Council's CEO. In the opinion of the Council of the HSRC, this requirement has been complied with.

The preparation of Financial Statements that fairly present the state of affairs of the HSRC as at year-end and the operating results and cash flow information for the year is the responsibility of the Council of the HSRC. The Auditor-General is expected to report on the Annual Financial Statements. The HSRC's Annual Financial Statements are prepared on the basis of the accounting policies set out therein. These policies have been complied with on the basis consistent with those in prior years.

Approval of Annual Financial Statements and post-balance sheet events.

The Council of the HSRC approved the 2007/08 Annual Financial Statements set out on pages 95 to 191 on 31 May 2008. In the Council's opinion, the Annual Financial Statements fairly reflect the financial position of the HSRC at 31 March 2008 and the results of its operations for the period then ended. No material facts or circumstances have arisen between the date of the balance sheet and the date of approval, which affect the financial position of the HSRC as reflected in these Financial Statements.

The Council is of the opinion that the HSRC is financially sound and operates as a going concern, and it has formally documented the facts and assumptions used in its annual assessment of the organisation's status.



Professor GJ Gerwel  
Chairperson: HSRC Council



Dr O Shisana  
President and CEO

Pretoria  
31 May 2008

# Report of the Auditor-General to Parliament on the financial statements and performance information of the Human Sciences Research Council

for the year ended 31 March 2008

## REPORT ON THE FINANCIAL STATEMENTS

### Introduction

1. I have audited the accompanying financial statements of the Human Sciences Research Council which comprise the statement of financial position as at 31 March 2008, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 153 to 191.

### Responsibility of the accounting authority for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting determined by the National Treasury as set out in accounting policy note 1.1 and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and section 13 of the Human Sciences Research Act., 1968 (Act No. 23 of 1968). This responsibility includes:
  - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
  - selecting and applying appropriate accounting policies
  - making accounting estimates that are reasonable in the circumstances.

### Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 13 of the Human Sciences Research Act. 1968 (Act no 23 of 1968) my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and *General Notice 616 of 2008*, issued in *Government Gazette No 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
6. An audit also includes evaluating the:
  - appropriateness of accounting policies used
  - reasonableness of accounting estimates made by management
  - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Basis of accounting**

8. The public entity's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1.

### **Opinion**

9. In my opinion the financial statements present fairly, in all material respects, the financial position of the Human Sciences Research Council as at 31 March 2008 and its financial performance and cash flows for the year then ended, in accordance with the basis of accounting determined by the National Treasury, as set out in the accounting policy note 1.1 and in the manner required by the PFMA and section 13 of the Human Sciences Research Act., 1968.

## OTHER MATTERS

Without qualifying my audit opinion, I draw attention to the following matter that relates to my responsibilities.

### Matters of governance

10. The PFMA tasks the accounting authority with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

Matter of governance	YES	NO
<b>Audit Committee</b>		
• The Public entity had an audit committee in operation throughout the financial year.	✓	
• The audit committee operates in accordance with approved, written terms of reference.	✓	
• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 271.8.	✓	
<b>Internal audit</b>		
• The public entity had an internal audit function in operation throughout the financial year.	✓	
• The internal audit function operates in terms of an approved internal audit plan.	✓	
• The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 272.	✓	
<b>Other matters of governance</b>		
• The annual financial statements were submitted for audit as per the legislated deadlines (section 55 of the PFMA for public entities).	✓	
• The financial statements submitted for audit were not subject to any material amendments resulting from the audit.		✓
• No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.	✓	
• The prior year's external audit recommendations have been substantially implemented.	✓	

## **OTHER REPORTING RESPONSIBILITIES**

### **Report on performance information**

11. I have audited the performance information as set out on pages 147 to 152.

### **Responsibility of the accounting authority for the performance information**

12. The accounting authority has additional responsibilities as required by section 55(2)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the public entity.

### **Responsibility of the Auditor-General**

13. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*.

14. In terms of the foregoing, my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

### **Audit findings (performance information)**

15. I believe that the evidence I have obtained is sufficient and appropriate to report that no significant findings have been identified as a result of my audit.

## **OTHER REPORTS**

### **Investigations**

16. The forensic audit that was conducted by internal audit in respect of payroll fraud has been finalised.

### **Appreciation**

17. The assistance rendered by the staff of the Human Sciences Research Council during the audit is sincerely appreciated.

*Auditor-General*

Pretoria  
31 July 2008



A U D I T O R - G E N E R A L

# Council's report

For the period ending 31 March 2008

## 1. Mandate and objectives of the Human Sciences Research Council

The mandate of the Human Sciences Research Council (HSRC) is derived from the Human Sciences Research Act, 23 of 1968, as amended.

The objectives and functions of the Council, as presented in the Act, are to:

- undertake or cause to be undertaken research on behalf of the state or any person or authority;
- advise the Minister of Science and Technology with respect to the undertaking and promotion of social scientific research and its utilisation for the benefit of the country;
- effect co-ordination of research;
- co-operate with departments of state, institutions of higher education, training colleges, schools and other persons and authorities for the promotion and conduct of research;
- co-operate with persons and authorities in other countries conducting or promoting research in the human sciences; and
- publish or cause to be published the results of research.

The Act also mandates the HSRC to undertake contract research on any subject in the field of the human sciences and to charge fees for research conducted or services rendered.

The HSRC is a national public entity, listed in Schedule 3A of the Public Finance Management Act (PFMA), 1 of 1999, as amended. This classification is aligned with the public-purpose mandate of the HSRC.

During 2007, the Human Sciences Research Council Bill (16 of 2007) entered the legislative process in Parliament. The final HSRC Bill (16B-07), incorporating the Portfolio Committee on Science and Technology's amendments, was tabled and approved in Parliament on 13 September 2007. The purpose of the Bill is to repeal and substitute the Human Sciences Research Council Act, 23 of 1968, as amended, and thereby provide for the continued existence of the HSRC.

The Minister of Science and Technology, Mr Mosibudi Mangena, stated in his address to Parliament on 13 September 2007 that it was necessary to align the new HSRC Bill more closely with research and development strategies of the government of the Republic of South Africa, as well as with requirements as set out in the PFMA and more recent reports and protocols on corporate governance. This Bill, which was prepared by the Department of Science and Technology (DST) and informed by recommendations of the HSRC Institutional Review undertaken in 2003, provides the HSRC with a clear 'public purposes' research mandate to provide government and society with a better understanding of human and social behaviour, and identification of the factors which contribute to social, economic, political and cultural change. More specifically, and according to the objects of the HSRC listed in the 2007 Bill, the HSRC will be required to:

- initiate, foster and undertake strategic basic and applied research in human sciences, especially by means of projects linked to public sector oriented, collaborative programmes;
- gather, analyse and publish data, relevant to the development challenges in South Africa, elsewhere in Africa and the rest of the world;
- inform the effective making and monitoring of policy, and to evaluate the implementation of policy;
- stimulate public debate through the effective dissemination of fact-based results of research;
- help build the research capacity and infrastructure for the human sciences in South Africa and elsewhere in Africa;
- foster and support research collaborations, networks and institutional linkages within the human sciences research community;
- respond to the needs of vulnerable and marginalised groups in society by researching developmental problems, and thereby contribute to the improvement of the quality of their lives; and

## 1. Mandate and objectives of the Human Sciences Research Council continued

- develop and make publicly available new data sets to underpin research policy development and public discussion of key issues of development, and to develop new and improved methodologies for use in their development.

By 31 March 2008, the HSRC Bill had not yet been signed into effect by the President of the Republic of South Africa, and the original HSRC Act, 23 of 1968, as amended, remained in force. Section 5 of the Council's Report contains more recent information on developments after 31 March 2008.

## 2. Governance of the HSRC

### 2.1 The Council

Strictly speaking, 'the HSRC' or 'Council' refers to the group of up to ten people, including a chairperson, appointed for a period of four years by the Minister of Science and Technology. Appointees have distinguished themselves in the field of the human sciences or possess special qualifications in relation to some aspect of the functions of the Council. The Council appoints the President and chief executive officer (CEO) of the HSRC, on a five-year contract, and she or he serves as a further, *ex officio* member on the Council.

In terms of section 49 of the PFMA, the Council of the HSRC is the accounting authority of the organisation.

More colloquially, and in this report, 'the HSRC' is taken to refer to the wider organisation – including permanent and short-term employees working in various locations – and 'the Council' to the above-mentioned group of people, who are the governing body of the wider HSRC.

The Council receives its annual Parliamentary grant through, and also reports to, the DST. The Minister of Science and Technology is the executive authority of the HSRC, in terms of section 63 of the PFMA.

### 2.2 Members of the Council

Section 4(3) of the Human Sciences Research Act stipulates that 'members of the Council shall be persons who have distinguished themselves in the field of the human sciences or possess special qualifications in relation to some aspect of the functions of the Council'. In 2004 the Minister of Science and Technology appointed a new Council following due consultation and approval by the South African Cabinet. The four-year term of office of the new Council started on 1 November 2004 and ends on 31 October 2008.

The DST has already embarked on a process of inviting and shortlisting nominations for new Council members, to take office as of 1 November 2008. Some members of the current Council have indicated willingness to be re-appointed for a further term of office. To date, some 40 nominations have been received in response to a public invitation to nominate potential Council members.

Members of the Council during the 2007/08 period were:

Professor GJ Gerwel (Chair)

Ms N Gasa

Dr P Gobodo-Madikizela

Mr T Makwetu (until July 2007)

Professor WE Morrow

Mr ME Motala

Mrs P Ntombela-Nzimande

Mr SM Pityana

Mr MV Sisulu

Professor EC Webster

Dr O Shisana (*ex officio* as President and CEO of the HSRC)



With the exception of Dr Shisana who serves as an *ex officio* member in her capacity as President and CEO of the HSRC, all other members of the Council are deemed to be 'independent non-executive directors' of the HSRC, as defined for state-owned enterprises (SOEs) in the September 2002 Protocol on Corporate Governance in the Public Sector. A non-executive director is a person who has not been employed by the SOE in any executive capacity for the preceding three financial years; and is, in relation to the SOE, not a significant supplier or customer, has no significant contractual relationship and is not a professional advisor, other than in his capacity as a director.

There was no need for induction or formal continuous education in the case of Council members during the year under review.

The Council met on 24 May 2007, 23 August 2007, 22 November 2007 and 21 February 2008.

## **2.3 Responsibilities of the Council**

### **2.3.1 General**

The PFMA requires organisations funded with public money to formalise delegations from the accounting authority to appropriate senior managers in the organisation. In accordance with section 56 of the PFMA, Council approved written delegations to the CEO on 15 August 2002. These in turn provide the framework for delegations from the CEO to the executive directors (EDs), which were approved on 29 May 2003. The onward delegations from the EDs to directors and other senior levels of staff were approved on 20 May 2004. Delegations are updated on a regular basis to reflect changes in job designations and positions within the HSRC. The most recent version of the delegations was approved by Council on 21 February 2008.

### **2.3.2 Shareholder's Compact**

Although this is not specifically required of governing bodies of public entities listed under schedule 3A of the PFMA, Cabinet recommended that the HSRC should also conclude a Shareholder's Compact with its executive authority. This Compact represents the agreement between the executive authority (Minister) and the accounting authority (Council) and is a reflection of the expectations of each party, expressed in terms of outcomes and outputs that need to be achieved. Expectations in relation to the performance of the HSRC are informed by its mandated objectives, as well as strategic objectives and performance targets outlined in its three-year strategic and business plans for the forthcoming financial year. A framework for regular reporting and a schedule containing a list of supporting documents to be submitted to the DST are also included in the Compact.

The first Shareholder's Compact between the Council of the HSRC and the Minister of Science and Technology focused on the 2006/07 budget year, and was signed in May 2006. An updated Compact, to cover the 2007/08 budget year, was signed on 17 May 2007.

Council is satisfied that the HSRC complied with the requirements of implementing and managing the Shareholder's Compact. Regular monitoring of progress made against performance targets enabled its management to remain active in addressing potential problems throughout the year, thereby ensuring that any negative deviations would be kept to a minimum. Council appreciates the way in which the Minister and the DST proceeded to honour the undertakings made in the Shareholder's Compact by the executive authority.

### **2.3.3 Policy on governance standards for SETIs**

A policy on governance standards for Science, Engineering and Technology Institutions (SETIs) was introduced by the DST during 2006/07. This policy calls for increased interactions between the executive authority and the accounting authority of a science council. To achieve this end a Chairpersons' Forum, a CEOs' Forum and a Chief Financial Officers' Forum were established. Meetings called by the DST were duly attended, and matters of common concern were identified to inform planning for future engagements.

### **2.3.4 Going concern status of the HSRC**

On the basis of the 2007/08 Annual Financial Statements and information regarding the forthcoming financial year, the Council has every reason to believe that the HSRC will remain a going concern because:

- It continues to receive substantial Parliamentary grant funding. Its Parliamentary allocation for 2008/09 is R159,3 million (inclusive of VAT and an allocation towards infrastructure). According to current medium-term expenditure framework (MTEF) projections, this is set to decrease slightly to a total of R153,1 million (inclusive of VAT and an allocation towards infrastructure) for 2009/10. The projected MTEF allocation for 2009/10 is lower, at R153,1 million (inclusive of VAT), since no formal provision for an additional infrastructure allocation has yet been made for that year.
- In terms of funding for 2007/08, the HSRC has succeeded in raising a total amount of R264,3 million, the highest amount it has ever achieved. This amount was made up of income from the Parliamentary grant (baseline funding plus ring-fenced funding), and external income – notably external research income, from a range of external sources – to supplement funding from its Parliamentary grant.
- At 31 March 2008, the Statement of Financial Position of the HSRC shows that it had already secured R39,8 million as 'income received in advance'. This amount represents some 24% of its external target of R167 million, for the 2008/09 budget year. If other sources of funding, notably the Parliamentary grant allocation for 2008/09, are added to this amount, the total income secured to date is some R180 million, or 57% of the total income budget of R315 million for the year. The HSRC continues to receive rental income from the Department of Public Works (DoPW), for part of the Pretoria office building.
- The statement of financial position reflects total assets of the organisation at 31 March 2008 as R180,9 million. Total current assets, at R88,2 million, exceeded its current liabilities of R69,3 million. The current ratio is then 1:27, which means that the HSRC had R1,27 in current assets to cover every R1 in current liabilities.
- The HSRC has continued to manage its cash flow better by accelerating collection from trade and other receivables since 2007/08. In addition, the volume of trade and other receivables has remained constant from 2006/07 to 2007/08, indicating sustained external income.

More detailed financial information, including extensive notes, can be found in the audited Annual Financial Statements on pages 153 to 191.

## **2.4 Sub-committees**

Up until May 2007, the Council had four sub-committees: an Executive Committee, a Human Resources and Remuneration Committee, a Research Committee, and an Audit and Finance Committee. During 2006/07 it was approved that the Audit and Finance Committee of Council would be divided into two committees, namely an Audit and Risk Committee and a Finance Committee. The Audit and Finance Committee held its last meeting as a combined committee on 22 May 2007. On 25 July 2007 the two newly constituted committees met for the first time as separate entities. Council therefore had five sub-committees as at 31 March 2008.

#### **2.4.1 Executive Committee**

The Executive Committee comprised the following members:

Professor GJ Gerwel (Chair)  
Mr SM Pityana (Chair of the Audit Committee)  
Mrs P Ntombela-Nzimande (Chair of the Finance Committee)  
Dr P Gobodo-Madikizela (Chair of the Research Committee)  
Dr O Shisana (President and CEO)

It was not necessary for the Executive Committee to meet during the year under review.

#### **2.4.2 Human Resources and Remuneration Committee**

The Human Resources and Remuneration Committee comprised the following members:

Professor GJ Gerwel (Chair)  
Mr ME Motala  
Mrs P Ntombela-Nzimande  
Professor EC Webster  
Dr O Shisana (President and CEO)

The Human Resources and Remuneration Committee met on 24 May 2007, 23 August 2007, 22 November 2007 and 21 February 2008.

#### **2.4.3 Research Committee**

The Research Committee comprised the following members:

Dr P Gobodo-Madikizela (Chair)  
Professor GJ Gerwel  
Ms N Gasa  
Professor WE Morrow  
Mr ME Motala  
Mr SM Pityana  
Mr MV Sisulu  
Professor EC Webster  
Dr O Shisana (President and CEO)

Mr Motala, in his capacity as Council member and member of the Research Committee, attended and contributed to the HSRC strategic planning Lekgotla on 13 and 14 November 2007. Members of the Research Committee also participated in the 2007 HSRC Research Conference, which was held from 27 to 28 September 2007.

The Research Committee met on 24 May 2007 and 17 September 2007.

#### **2.4.4 Finance Committee**

During 2007/08 the Finance Committee comprised one specialist external member, two members of the Council and two internal members.

The specialist member was:

Mr A Mashifane

The members of the Council on the Finance Committee were:

Mrs P Ntombela-Nzimande (Chair)  
Dr O Shisana (President and CEO)

The Finance Committee held its inaugural meeting on 25 July 2007 and met again on 17 October 2007 and 7 February 2008.

#### **2.4.5 Audit and Risk Committee**

During 2007/08 the Audit and Risk Committee comprised three specialist external members and three members of the Council.

The specialist members were:

Mr RJ Page-Shipp  
Ms R Xaba  
Mr A Mashifane

The members of the Council on the Audit and Risk Committee were:

Mr SM Pityana (Chair)  
Professor WE Morrow  
Dr O Shisana (President and CEO)

The Audit and Risk Committee functions as the Audit Committee of the HSRC, in accordance with the PFMA and associated Treasury regulations. It also functions as the Risk Committee of the HSRC, which is reflected in its formal terms of reference (Audit and Risk Committee Charter), adopted on 22 February 2007 in accordance with the requirements of the King II Report. The Committee structures its activities and reporting according to a comprehensive planned schedule, with target dates. It reviews the following documents, and reports on them to the ensuing meetings of the Council:

- annual internal audit plan;
- external audit plan;
- periodic internal audit reports;
- going concern status of the organisation;
- quarterly compliance reports to the DST in terms of the PFMA;
- debtors reports; and
- the annual external audit report of the HSRC.

The Audit and Risk Committee submits a summary of its activities to the Council on a regular basis. It also submits a report of its work for inclusion in the HSRC Annual Report.

The Audit Committee met on 22 May 2007. The Audit and Risk Committee met on 25 July 2007, 15 November 2007 and 15 February 2008.

In addition to reviewing periodic internal audit reports and monitoring progress with the implementation of any recommendations for follow-up action that had been identified and approved, the Audit and Risk Committee is also responsible for monitoring the scope and effectiveness of the outsourced internal audit function.

#### **2.5 Research Ethics Committee**

The Council approved the establishment of a Research Ethics Committee (REC) in 2002. The mandate of the REC is to review all HSRC research proposals from the perspective of research ethics. The REC aims to promote a culture of ethical conduct and research integrity in the HSRC, and reports annually to the Council.

The REC began functioning in 2003 and successfully applied to the United States Office of Research Protections for Federalwide Assurance within its first year of operation. Its Institutional Review Board status (Federalwide Assurance FWA 00006347 posted at <http://ohrp.cit.nih.gov/search/asearch.asp>) remains valid.

The REC was reconstituted in November 2005 and its members appointed for a three-year term of office that will end on 31 October 2008. It has seven external members and 18 internal representatives from research units (in the case of research units with more than one representative, some members may attend on a rotation basis). Where necessary, the REC may recognise the authority of ethics committees at other institutions to approve proposals on behalf of the HSRC. Proposals that are submitted by researchers who are not affiliated with the HSRC may also be reviewed on request. In such instances, the ethical review is undertaken according to approved conditions, and a predetermined fee is payable.

In the financial year under review the REC met ten times and considered some 70 new project proposals and an additional three extensions. Of the new applications, 65 had been approved by May 2008, some following the incorporation of feedback from the REC and resubmission. All the applications for extension of studies were approved.

During 2007/08 the external REC members were:

- Professor Doug Wassenaar (Chairperson) – School of Psychology, University of KwaZulu-Natal, Pietermaritzburg
- Dr Mantoa Mokhachane (Vice-chairperson) – Chris Hani Baragwanath Hospital, Soweto
- Professor Peter Cleaton-Jones – Steve Biko Centre for Bioethics, University of the Witwatersrand
- Dr Jerome Singh – Centre for the AIDS Programme of Research in South Africa (CAPRISA), Doris Duke Medical Research Centre, Nelson R Mandela School of Medicine, University of KwaZulu-Natal, Durban
- Ms Ann Strode – Faculty of Law, University of KwaZulu-Natal, Pietermaritzburg
- Ms Anne Pope – Department of Private Law, University of Cape Town
- Dr Reidar Lie – Professor of Bioethics, NIH Department of Bioethics, University of Bergen, Norway

## **2.6 Council members' remuneration**

Council members who are not HSRC staff members or government officials receive honoraria for the services they render to the Council in accordance with the relevant stipulation by the National Treasury.

Non-HSRC members of the Audit and Risk Committee and the Finance Committee are reimbursed on an hourly claims basis, according to professional fee schedules.

Where Council members are requested to provide additional advisory services to the HSRC on the basis of their professional areas of expertise, they are reimbursed in accordance with the professional advisory fees recommended by the Auditor-General. These services include requests for a Council member to serve on interview panels for EDs of the HSRC, in accordance with an agreement reached with the union, the Public Service Association (PSA), in 1998.

More detail on the remuneration of Council members and executive management are provided in note 5 to the Annual Financial Statements, on page 166.

## **2.7 Council members' interest in contracts**

No contracts involving Council members' interest were entered into in the year under review.

## **2.8 Losses, irregularities and other matters**

Losses or irregularities are referred to in section 55(2)(b) of the PFMA, and defined in the Materiality Framework developed and agreed in terms of Treasury Regulation 28.1.5.

The Framework, adopted by the Council on 29 May 2003, contains details on fiduciary duties of the accounting authority in terms of section 50 of the PFMA, matters that must be reported in the Annual Report and Financial Statements (section 55) and information to be submitted to the accounting authority (section 54). In terms of section 55, the following are specified as matters that must be reported on in the Annual Report and Financial Statements:

- (i) any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;
- (ii) any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure;
- (iii) any losses recovered or written off;
- (iv) any financial assistance received from the state and commitments made by the state on its behalf; and
- (v) any other matters that may be prescribed.

Further to (i), above, 'materiality' is defined as follows: In terms of losses through criminal conduct, any identified loss should be reported. Losses through irregular, fruitless, and/or wasteful expenditure should be reported if the combined total exceeds the planning materiality figure used for the year under review, in this case R705 000, or 0,25% of the budgeted income of R282 million for 2007/08.

For 2007/08, there are no such instances of losses or irregularities to report.

### **2.9 Judicial proceedings filed during the year**

During 2006/07, the state commenced the prosecution on four counts of fraud of a former employee who was dismissed in 2004/05. The case is still underway.

During 2007/08, charges were laid against the payroll officer who had been dismissed in March 2007. A decision on further action on the case is awaited from the National Prosecuting Authority (NPA).

### **2.10 Strategic risk management**

Under the guidance of the Audit Committee, a first strategic assessment of the HSRC's risk areas was conducted in 2001/02. The internal audit service provider assisted the HSRC during 2005/06 in identifying and prioritising strategic risks, and developing a structured plan for implementing effective and ongoing risk management in the organisation. The Council approved the resultant risk policy framework for the HSRC at its meeting on 9 February 2006, as recommended by the Audit Committee. Prioritised risks were identified in 2006/07. Plans to deal with each of these risks were subsequently developed, and also informed the internal audit plan for 2007/08.

In accordance with the requirements of the PFMA, a high-level fraud prevention plan, with an associated implementation framework, was approved by the Council in May 2005. This plan continued to be put into operation by the HSRC. During 2006/07, the internal audit service provider of the HSRC was requested to develop a more detailed action plan with time-frames, to put into operation the Council-approved fraud prevention plan. The comprehensive fraud prevention strategy, including a detailed implementation action plan, was approved by Council in May 2007.

The day-to-day supervision of risk management in the HSRC is the task of the chief risk officer (CRO). Since the formal establishment of the risk management function early in 2006, the chief operating officer/chief financial officer (COO/CFO) has acted as CRO. As of July 2007, the roles of COO and CFO were separated, and an ED: Finance appointed. A risk and compliance officer (RCO), reporting to the ED: Finance, was subsequently appointed to ensure the appropriate roll-out and ongoing review of the risk and fraud prevention strategies of the HSRC.

During 2006/07, Council approved a revised Code of Business Ethics plus a framework for the related register of interests for the HSRC. The newly appointed RCO in the HSRC was entrusted with the implementation and regular updating of the register of interests.

## 2.11 Review of the HSRC

### 2.11.1 The 2003 Institutional Review

The report of the 1997/98 System-wide Review of science councils and national research facilities in the country recommended that institutional reviews be undertaken on a five-yearly cycle to evaluate progress and implementation of earlier recommendations. During 2003/04 the DST entrusted to the Council the responsibility of providing terms of reference for and to oversee the process of an independent institutional review of the HSRC. The duly appointed Institutional Review Panel submitted their report to the Council in November 2003, following which the report was published and widely distributed for public comment.

The recommendations of the Institutional Review Panel, and the Council's response to these recommendations, fed into subsequent strategic planning processes of the HSRC. More specifically, the strategy implemented since 2005 provided a vehicle for integrating and operationalising recommendations of the 2003 Panel throughout the HSRC. Table 1 illustrates the extent to which recommendations made in 2003 Panel were addressed and institutionalised in the HSRC, also by means of its annual Business Plan and performance targets arranged according to the acronym PAITECS (Public purpose, Africa focus, Implementation networking, Transformation, Excellence, Capacity building, Sustainability).

**Table 1: Progress made with the implementation of recommendations of the 2003 Institutional Review Panel**

High-level recommendation	Strategic priority under PAITECS	2007/08 Business Plan objective
Engaging with stakeholders on the role and public purpose of the HSRC, towards incorporating these in a new Act	<ul style="list-style-type: none"> <li>Public purpose</li> </ul>	<ul style="list-style-type: none"> <li>To consolidate and strengthen the public-purpose research activities of the HSRC</li> </ul>
Institutionalising and systematising the numerous collaborations with research partners, especially in higher education institutions	<ul style="list-style-type: none"> <li>Public purpose</li> <li>Africa focus</li> <li>Implementation networking</li> <li>Capacity building</li> </ul>	<ul style="list-style-type: none"> <li>To contribute to prioritised policy issues of national importance through the introduction of a cross-cutting policy unit</li> </ul>
Further extending outreach into the rest of Africa through projects and organisational partnerships, under the New Partnership for Africa's Development (Nepad) rubric	<ul style="list-style-type: none"> <li>Africa focus</li> <li>Transformation</li> </ul>	<ul style="list-style-type: none"> <li>To strengthen research collaboration and network activities in partnership with institutions and individuals in other parts of Africa</li> </ul>
Deepening and widening transformation in the organisation and its research activities, taking into account gender, disability and race and marginalised communities and individuals	<ul style="list-style-type: none"> <li>Public purpose</li> <li>Implementation networking</li> <li>Transformation</li> <li>Excellence</li> <li>Capacity building</li> </ul>	<ul style="list-style-type: none"> <li>To increase the relevance, utilisation and potential impact of human and social science research by means of implementation networks</li> </ul>

Table 1: Progress made with the implementation of recommendations of the 2003 Institutional Review Panel continued

High-level recommendation	Strategic priority under PAITECS	2007/08 Business Plan objective
		<ul style="list-style-type: none"> <li>To contribute to human capital development in the human and social sciences through the consolidation and expansion of research internship and fellowship programmes</li> <li>To accelerate transformation in the HSRC, with particular reference to African representation in senior research and management positions</li> </ul>
Improving management information systems, updating policies and procedures, and providing support to staff in relation to external earnings pressures	<ul style="list-style-type: none"> <li>Public purpose</li> <li>Capacity building</li> <li>Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>To retain and empower critical staff and skills in the HSRC</li> <li>To ensure the financial sustainability of the HSRC</li> </ul>
Addressing issues of data preservation, intellectual property and information-sharing	<ul style="list-style-type: none"> <li>Public purpose</li> <li>Implementation networking</li> <li>Excellence</li> <li>Capacity building</li> </ul>	<ul style="list-style-type: none"> <li>To confirm the excellence of research work by emphasising peer-reviewed publications of scholarly articles by senior as well as emerging researchers</li> </ul>

Section 1 of the Council's Report refers to progress made with the promulgation of a new HSRC Act. The objects of the HSRC, as reflected in HSRC Bill, 16 of 2007, are closely aligned with the public-purpose objectives identified by the 2003 Review Panel. Other recommendations of the 2003 Review Panel also informed elements of the HSRC Bill, for instance the proposed composition of the governing body or board of the HSRC.

During 2006/07 and 2007/08, the HSRC embarked on the review of research units, in preparation for the next institution-wide review, which is expected to take place in 2009.

### **2.11.2 External review of research programmes in the HSRC**

One of the undertakings listed in the Shareholder's Compact between the HSRC Council and its executive authority, the Minister of Science and Technology, is that the HSRC will ensure independent evaluations of projects, programmes or units within the institution and will make such results available to the executive authority. Council approved guidelines for such programme or unit reviews during 2006/07, and agreed that the purpose of these reviews would be to:

- provide an opportunity for the restatement of research programme mandates and objectives;
- take stock of congruence with, and progress towards those objectives;
- assess the relevance and effectiveness of the programmes;
- assess the impact of the programme on public policy and the community, and stakeholder perceptions of the programme outputs;
- evaluate the scientific rigour of the programme as measured by peer-reviewed publications output;



- test alignment with HSRC objectives and priorities such as transformation, gender equity and capacity building; and
- assess capacity to mobilise external resources.

Each external programme review would consist of two parts, namely programme self-evaluation and review by a panel of experts relevant to the programme in question. Such reviews were to be conducted every five years, unless special circumstances within a programme or the HSRC would require an earlier review. It was further agreed to adopt a staggered approach in respect of scheduling the reviews of programmes and units.

The HSRC's Child, Youth, Family and Social Development (CYFSD) research programme was the first to be evaluated in this way, and its review took place in February 2007. The report of the CYFSD review panel acknowledged the achievements of the programme over the past five years, but also identified five main issues that would require further consideration. These issues included:

- Sustainability of the programme as an organisational unit, and the need for succession planning;
- Financial sustainability, given the dominance of external funding for research projects;
- The excellent opportunities for capacity development and PhD training in the unit, and recommendation that these be expanded even more;
- The need to find ways to measure community impact of excellent research initiatives; and
- Feedback received from certain stakeholders regarding affordability of services and access to data.

The report of the Review Panel was discussed by the executive management team of the HSRC on 30 July 2007. Appropriate actions aimed at addressing the issues were identified; many of which had already been implemented by August 2007. Examples of such actions include the introduction of a more equitable approach to the allocation of baseline funds to research units as of 2007/08, the approval of a post-retirement retention policy, the creation of the position of deputy executive director, the strengthening of a central capacity development unit with support of ring-fenced funding, and specific attention given to data curation and access to research data within the HSRC. Council discussed and adopted the report at its meeting of 23 August 2007, and also approved that the report be made available to the Minister and Department of Science and Technology, in accordance with the requirements of the Shareholder's Compact.

Democracy and Governance (D&G) was the second of the HSRC's units to be evaluated as part of the five-year review process. The D&G review took place between 21 and 25 January 2008. The review panel consisted of:

- Ms Judith February, IDASA
- Professor Amanda Gouws, University of Stellenbosch
- Professor Patrick Heller, Brown University
- Professor Dan Ncayiyana (Chair).

Professor Adebajo Olukoshi of the Council for the Development of Social Science Research in Africa (CODESRIA) was nominated to serve on the panel as an international expert from the African continent, but unfortunately could not participate in the review.

The Social Aspects of HIV/AIDS and Health (SAHA) research programme was the third programme to undergo an external review, from 11 to 15 February 2008. The Review Panel consisted of Professor Dan Ncayiyana (Chair) and four experts, two local and two international, of whom one was from the African continent:

- Professor A Oguh, Bukuru, Nigeria
- Professor B Oldenburg, Australia
- Professor S Abdool-Karim, University of KwaZulu-Natal
- Professor T Mayekiso, Nelson Mandela Metropolitan University.

### 2.11.2 External review of research programmes in the HSRC continued

---

The reports of these two programme reviews, once available, will be discussed by the executive management team following which they will be submitted to Council for consideration and adoption. Council will also approve the release of these reports to the Minister and Department of Science and Technology.

It is expected that the Education, Science and Skills Development (ESSD) research programme and the Knowledge Systems (KS) cross-cutting unit will be reviewed during 2008/09.

#### **2.12 Self-assessment of performance**

The Protocol on Corporate Governance was developed for public entities such as SOEs and national government business enterprises, to ensure adherence to requirements outlined in the King II Report. As a national public entity, the HSRC is not formally bound by all the provisions of the Protocol, but nevertheless strives to adhere to the principles outlined in it. In terms of the Protocol, governing bodies should conduct regular self-assessments of their performance.

The HSRC Council did not conduct a formal self-assessment of its performance during 2007/08. However, the information contained in section 2 of the Council's Report provides evidence of the fact that Council does reflect on its performance in accordance with the typical sets of questions contained in self-assessment instruments for boards of directors of public companies, namely:

- composition of the Council;
- Council sub-committees;
- meetings of the Council;
- Council mandate;
- orientation and continuing education of Council members;
- code of business conduct and ethics;
- nomination and selection of Council members;
- compensation of Council members; and
- assessment of Council performance.

The Minister of Science and Technology is mandated to select and appoint members of the HSRC Council on a four-year term of office, following a broad consultative process. Any formal review of the size, mix of skills, expertise and experience in relation to the effective, efficient and accountable functioning of the Council thus needs to be undertaken in the context of the relevant legislation. Council is satisfied with its overall performance during 2007/08, as well as with the performance of each individual member of Council.

In addition, Council reports on a regular basis on the overall performance of the HSRC against performance objectives and targets, using key performance indicators developed for this purpose. Section 6 of the Council's Report contains an overview of such performance during 2007/08. Council will continue to report on performance against such objectives and targets in terms of the Shareholder's Compact entered into with the Minister of Science and Technology.

Although performance against such predetermined targets can be regarded as indicative of institutional performance, Council wishes to place on record that such performance measures provide but one perspective on the extent to which an organisation such as the HSRC, under the auspices of its Council, has responded to its public-purpose mandate. This full Council's Report for 2007/08 should therefore be regarded as further evidence of reflection on the performance of the HSRC Council during the year under review.

Council has played a crucial role in overseeing the ongoing transformation of the HSRC, with particular reference to strategic interventions made by CEOs in 2000/01 and 2005/06. In addition to engaging

with strategic issues during quarterly meetings of the Council and its sub-committees, Council members also attend important strategic planning meetings of the HSRC, for instance the annual HSRC Research Conference and strategic planning Lekgotla.

Examples of major contributions made by the HSRC Council during 2007/08 include:

- Signing of the Shareholder's Compact between the HSRC Council and Minister of Science and Technology;
- Approval of the three-year strategic plan for 2007/08 to 2009/10 and the 2007/08 Business Plan, both of which are building on the new strategic direction embarked upon in 2005/06;
- Monitoring of HSRC progress against stated objectives in the 2007/08 Business Plan;
- Regular engagement, as part of the quarterly meeting schedule, with the research agendas of research programmes and cross-cutting units;
- The identification and approval of several new policies and procedures, particularly in relation to information technology (IT) and revisions to the human resources (HR) policies; and
- Participation in meetings of the Research Ethics Committee, particularly to reflect on implications of the new Ten-year Plan for Innovation and the grand challenge of human and social dynamics included in the Plan.

Matters that are expected to remain high on the agenda of the HSRC Council and management team include:

- Responding to opportunities to mainstream – also in the national, regional, continental and international research agendas – research on human and social dynamics that will support planning and interventions aimed at sustainable development, poverty reduction and improving the quality of life. In particular, to pay attention to the need to prioritise research on the grand challenge of human and social dynamics in the context of the national Ten-year Plan on Innovation;
- Pro-active engagement with the implications of a new HSRC Act and amended PFMA on the functioning of the accounting authority (Council or board) of the HSRC, to facilitate appropriate responses once such new Acts have come into operation;
- Finding appropriate structures and approaches to maintain focused attention on the role and position of humanities research in the HSRC, and to accommodate emerging research issues of concern, such as violent crime, in the research agenda of the organisation;
- Active involvement in conducting and co-ordinating research, while developing new models of research collaboration in consultation with higher education institutions and other role-players in South Africa, other parts of Africa and abroad;
- Meaningful contributions to research capacity development at both individual and institutional level;
- Transformation and empowerment of the workforce at all levels, so that disparities associated with race, gender and disability are eradicated;
- Identifying and managing risks that could potentially affect the sustainability and reputation of the organisation;
- Ongoing commitment to improving the quality and impact of the research of the HSRC;
- Continued engagement on how to assess the quality of book publications for possible inclusion in the indicator reflecting research excellence; and
- Finding and channelling the resources – human, capital and institutional – to achieve organisational objectives and meet national needs in a systematic and sustainable way.

These challenges have been put into operation in terms of strategic objectives for the HSRC, as outlined in its three-year strategic plan for 2008/09 and beyond, and in its 2008/09 Business Plan, and will receive ongoing attention in dedicated meetings of Council or its sub-committees.

The 2008/09 budget year is also expected to involve a 'change of guard', in the sense that the term of office of the current Council members will expire on 31 October 2008. The new Council or board is expected to oversee important processes in the HSRC, including plans to ensure appropriate alignment with requirements of the new HSRC Act, and preparations for the next Institutional Review of the HSRC, which is expected to take place in 2009 and will be planned in accordance with guidance received from the DST.

### **2.13 Appreciation**

The Council wishes to express its appreciation to Dr O Shisana, the President and CEO, for the way in which she is positioning the HSRC as a relevant, non-partisan, accountable and excellent, world-class research organisation that is dedicated to serve the research needs of the country and the broader development region, in collaboration with relevant research and development partners. With the support of her executive management team, she has embarked on a process of consolidation and further transformation within the HSRC to ensure institutional alignment with strategic objectives of the organisation, its shared vision and values, and the public-purpose mandate it serves.

The professional and critical support from the Department and Ministry of Science and Technology is highly valued. The engagement of members of the Portfolio Committee on Science and Technology, as well as other structures of legislative bodies with issues relevant to the work of the HSRC, is appreciated.

The effective and efficient functioning of the Council and its sub-committees is highly dependent on the quality of services rendered by its secretariat. The highly competent and dedicated support from the Council secretariat, as well as from related management and support structures in the HSRC, are gratefully acknowledged.

## **3. Organisational developments**

### **3.1 Vision, strategic direction and priorities: PAITECS**

The vision of the HSRC is as follows:

*The HSRC intends to become a human and social sciences research council serving as a knowledge hub where public policy and discourse on current and future challenges for South Africa and the African continent are independently researched, analysed and informed, and where research-based solutions to human and social problems are developed.*

Section 2.11, above, provides a summary of the main business objectives introduced in the three-year strategic plan for 2007/08 to 2009/10 and in the 2007/08 Business Plan. These business objectives, closely aligned with the recommendations of the 2003 Institutional Review Panel, aim to concretise the strategic plan of the HSRC.

The HSRC subsequently identified a number of strategy-critical or 'sentinel' performance indicators to be linked with key performance areas, to be associated with each of the major business objectives of the organisation. These were summarised and arranged under headings that formed the acronym PAITECS. The strategic business objectives map onto sentinel PAITECS indicators, as follows:

**Table 2: HSRC business objectives and PAITECS indicators**

	<b>Performance area</b>	<b>Strategic business objective</b>	<b>Indicator</b>
P	Public purpose	To consolidate and strengthen public-purpose research activities of the HSRC  To contribute to prioritised policy issues of national importance through the introduction of a cross-cutting policy unit	Percentage of all research projects that are conducted for the benefit of the public
A	Africa focus	To strengthen research collaboration and network activities in partnership with institutions and individuals in other parts of Africa	Percentage of all research projects with a budget of R1 million or above that are done collaboratively with African researchers in other parts of the continent  Number of visiting research fellows from elsewhere in Africa at the HSRC
I	Implementation networking	To increase the relevance, utilisation and potential impact of human and social science research by means of implementation networks	Percentage of large research projects with implementation networks
T	Transformation	To accelerate transformation in the HSRC, with particular reference to African representation in senior research and management positions  To retain and empower critical staff and skills in the HSRC	Percentage of all researchers at senior level (SRS and above) who are African  Percentage of all researchers at senior level (SRS and above) who are coloured Percentage of all researchers at senior level (SRS and above) who are Indian Percentage of all researchers at senior level (SRS and above) who are white  Attrition rate of permanent staff  Percentage of staff trained in gender sensitivity

Table 2: HSRC business objectives and PAITECS indicators continued

	<b>Performance area</b>	<b>Strategic business objective</b>	<b>Indicator</b>
E	Excellence	To confirm the excellence of research work by emphasising peer-reviewed publications of scholarly articles by senior as well as emerging researchers	Peer-reviewed publications in an internationally accredited scientific journal, per senior researcher (SRS and above)  Peer-reviewed publications in a scientific journal per researcher, RS or lower
C	Capacity building	To contribute to human capital development in the human and social sciences through the consolidation and expansion of research internships and fellowship programmes	Number of interns (research trainees) enrolled in a Master's programme  Number of interns (research trainees) enrolled in a PhD programme Number of post-doctoral fellowships (research associates)
S	Sustainability	To ensure the financial sustainability of the HSRC	Percentage of grants that are extra-Parliamentary Percentage of all grants that are multi-year (at least three years)

Specific performance targets were set in relation to each of the sentinel performance indicators, and the extent to which these and other organisational performance targets have been met by the end of 2007/08, is reported on in section 6. Section 3.3, provides an overview of how the strategic business objectives were operationalised and implemented during 2007/08.

### **3.2 Organisational structure**

At 31 March 2008, the structure of the HSRC reflected the following:

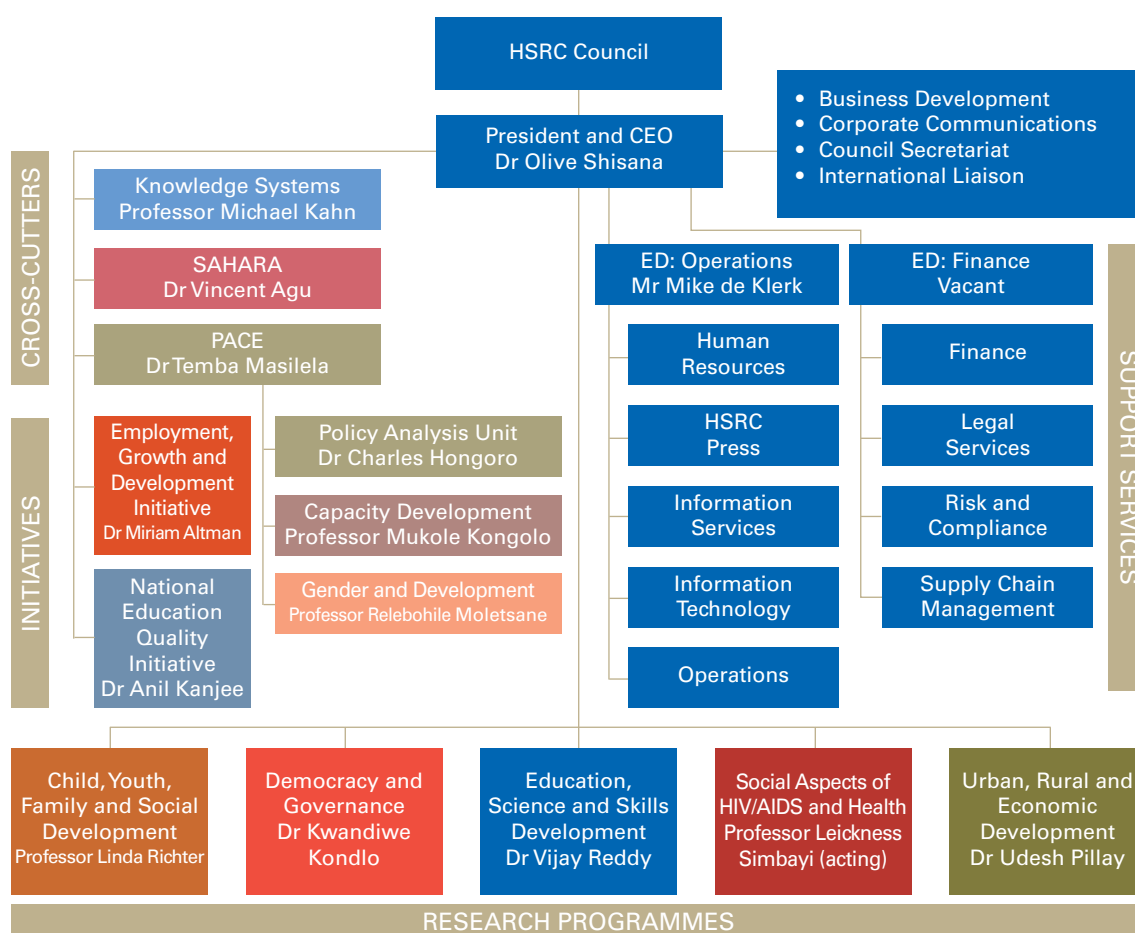
- Five integrated research programmes (RPs), laying the foundation for HSRC work in undertaking, promoting and co-ordinating research in various problem-oriented research areas in the social sciences and the humanities. Through these programmes, the HSRC now provides single points of entry, with a critical mass of researchers for inter-disciplinary, problem-oriented research in these areas;
- Seven cross-cutting units, intended to help mobilise and co-ordinate the resources, knowledge and support required to address national and institutional priorities; and
- Thirteen functions in Support Services and the Office of the CEO, to help ensure that the organisational needs with relation to infrastructure, research capacity, stakeholder relations, sustainability, accountability and governance are met.

Minor changes were introduced to the organisational structure in the course of the year, as a result of the following:

- The functions of CFO and COO were separated. Two ED positions – one for Finance, and one for Operations – were accordingly filled, and reporting lines for support units re-arranged;
- A separate support unit for risk and compliance was established, to report to the ED: Finance; and

- A re-alignment of reporting lines between some of the cross-cutting units after acting management positions had been filled.

**Figure 1: Organisational structure of the HSRC, 31 March 2008**



**Table 3: Research programmes and cross-cutters at 31 March 2008**

**Five integrated research programmes:**

<b>Name of programme</b>	<b>Acronym</b>	<b>Executive director</b>	<b>Headed from</b>
• Child, Youth, Family and Social Development	CYFSD	Professor Linda Richter	Durban
• Democracy and Governance	D&G	Dr Kwandiwe Kondlo	Pretoria
• Education, Science and Skills Development	ESSD	Dr Vijay Reddy	Durban
• Social Aspects of HIV/AIDS and Health	SAHA	Professor Leickness Simbayi (acting)	Cape Town
• Urban, Rural and Economic Development	URED	Dr Udesch Pillay	Pretoria

Table 3: Research programmes and cross-cutters at 31 March 2008 continued

**Seven cross-cutting units:**

<b>Name of unit</b>	<b>Acronym</b>	<b>Executive director / head</b>	<b>Headed from</b>
<ul style="list-style-type: none"> <li>• Policy Analysis and Capacity Enhancement, forming the organisational home to three cross-cutting units                             <ul style="list-style-type: none"> <li>- Policy Analysis Unit</li> <li>- Capacity Development</li> <li>- Gender and Development</li> </ul> </li> </ul>	PACE	Dr Temba Masilela, also the ED to PAU, CD and GD	Pretoria
<ul style="list-style-type: none"> <li>- Policy Analysis Unit</li> </ul>	PAU	Dr Charles Hongoro	Pretoria
<ul style="list-style-type: none"> <li>- Capacity Development</li> </ul>	CD	Professor Mukole Kongolo	Pretoria
<ul style="list-style-type: none"> <li>- Gender and Development</li> </ul>	GD	Professor Relebohile Moletsane	Durban
<ul style="list-style-type: none"> <li>• Social Aspects of HIV/AIDS Research Alliance</li> </ul>	SAHARA	Dr Vincent Agu	Cape Town
<ul style="list-style-type: none"> <li>• Knowledge Systems</li> </ul>	KS	Professor Michael Kahn	Cape Town

**Two national initiatives:**

<ul style="list-style-type: none"> <li>• National Education Quality Initiative</li> </ul>	NEQI	Dr Anil Kanjee	Pretoria
<ul style="list-style-type: none"> <li>• Employment, Growth and Development Initiative</li> </ul>	EGDI	Dr Miriam Altman	Pretoria

More information on activities and achievements of research programmes and cross-cutting units is provided below, as well as elsewhere in the HSRC Annual Report.

**3.3 Progress made with the implementation of the 2007/08 Business Plan**

Council received and reviewed quarterly reports providing an overview of organisational developments that had specific relevance to the nine strategic business objectives listed in the 2007/08 Business Plan. These reports were also included with the quarterly financial and performance reports submitted to the Minister and Department of Science and Technology, in accordance with Treasury regulations and requirements of the Shareholder's Compact.

The following provides a high-level overview of progress made in relation to each of the strategic business objectives during 2007/08:

**3.3.1 To consolidate and strengthen public-purpose research activities of the HSRC**

*Performance indicators:*

See section 6 for a consolidated report on performance against quantified indicators during 2007/08. The relevant PAITECS indicator to measure quantifiable performance in this regard was:

- Percentage of all research projects that are conducted for the benefit of the public (Indicator 1, Table 8, in section 6).



## Planned activities to support progress in relation to strategic business objective:

Activity	Progress made during reporting period
<p>Contribute to the consultative and legislative process leading to the promulgation of the new HSRC Act</p>	<p><b>Achieved:</b> The process was led by the DST. The HSRC was represented at public hearings and meetings of the Portfolio Committee on Science and Technology. The Minister of Science and Technology introduced the HSRC Bill (B-16) in Parliament on 13 September 2007, where it was approved. By 31 March 2008, the Bill had been submitted to be signed into an Act by the President of South Africa. (See also section 5: Events between the financial year-end and the publication of the Council's Report.)</p>
<p>Prioritise research dealing with issues of national importance, including:</p> <ul style="list-style-type: none"> <li>• Poverty reduction;</li> <li>• Service delivery;</li> <li>• HIV/AIDS;</li> <li>• Education quality;</li> <li>• Employment and growth;</li> <li>• Social and political transformation; and</li> <li>• R&amp;D strategy support by assigning research programmes or cross-cutting units as 'champions' or co-ordinators for these themes</li> </ul>	<p><b>Achieved:</b></p> <ul style="list-style-type: none"> <li>• Poverty reduction URED served as 'champion', while key contributions were also made by EGDI, KS (GIS) and CYFSD. Examples of important contributions include: <ul style="list-style-type: none"> <li>o Co-ordinating the HSRC's 'Homelessness' project with internal and external collaborators;</li> <li>o Collaborating with the Council for Scientific and Industrial Research (CSIR) on the DST-funded Integrated Planning, Development and Modelling (IPDM) project, developing a new method of identifying settlement types in order to speed up and improve targeting for housing and service delivery to the poor (see also: Service delivery below);</li> <li>o Completing a guideline for implementing a Food Insecurity and Vulnerability Information Management Systems (FIVIMS) in South Africa; and</li> <li>o Research-based work on social grants, including disability grants, child-care grants and the possibility of youth grants.</li> </ul> </li> <li>• Service delivery URED served as 'champion', while key contributions were also made by EGDI, KS (SES, GIS) and PAU. Examples of important contributions include: <ul style="list-style-type: none"> <li>o Embarking (with support from the Southern Africa Trust) on a four-country study titled 'Measuring Service Delivery';</li> <li>o Completing a study on 'Evaluation of Value for Money in Public Sector Delivery', for the Public Service Commission;</li> <li>o Work in the IPDM project: See Poverty reduction above; and</li> <li>o Development of Citizen Report Cards (CRCs) in municipalities, to help identify geographic areas where there are a lack of services, as well as the priority needs for services of communities (supported by the World Bank).</li> </ul> </li> <li>• HIV and AIDS SAHA served as 'champion', while key contributions were also made by CYFSD, SAHARA and GD. Examples of important contributions include: <ul style="list-style-type: none"> <li>o Considerable work in the field of HIV and AIDS with funding and technical support from the Centers for Disease Control and Prevention (USA);</li> </ul> </li> </ul>

Activity	Progress made during reporting period
	<ul style="list-style-type: none"><li>o Preparatory studies for the 2008 population-based survey, which is now officially recognised as one of the sources on data to evaluate the implementation of the NSP;</li><li>o Work on the prevalence of HIV and risk behaviour among men having sex with men (MSM) in South Africa;</li><li>o Large-scale randomised trial intervention projects dealing with vulnerable children, young people, families and communities, with financial support from the National Institutes of Health (NIH), USA; and</li><li>o Collaborative projects providing cross-continental perspectives on the social aspects of HIV/AIDS.</li></ul> <ul style="list-style-type: none"><li>• Education quality NEQI served as 'champion' while key contributions were also made by ESSD and PACE (PAU, CD, GD). Examples of important contributions include:<ul style="list-style-type: none"><li>o Managing a multi-year national Literacy and Numeracy Project (LNP) undertaken by a consortium of South African research and policy institutions, funded by the Royal Netherlands Embassy, and supported by the national Department of Education (DoE);</li><li>o Involvement in several projects aimed at identifying and assessing approaches to improve the quality of learning and teaching practices, such as the National Assessment of Learner Achievement (NALA), the National Indicator Framework (NIF) study and the Classroom Assessment Resources for Learning Improvement (CARLI) projects; and</li><li>o Work in a DST-funded study to assess the impact of gender equity policies and interventions on South African High Schools Teachers' Commitment and attitude towards gender equity in science and mathematics education.</li></ul></li><li>• Employment and growth EGDI served as 'champion', while key contributions were also made by ESSD and URED. Examples of important contributions include:<ul style="list-style-type: none"><li>o Co-ordinating the Employment Scenarios project that draws together a high level network of decision-makers to consider how the AsgiSA and MDG targets of halving unemployment and poverty could be met by 2014;</li><li>o Involving key international role-players such as the International Labour Organization (ILO), African Economic Research Consortium (AERC) and the Consumer Unity and Trust Society (CUTS) in preparation of a web-based service that will support communities of practice in employment policy; and</li><li>o Research-based policy recommendations on large-scale roll-outs of Early Childhood Development (ECD) programmes, as well as for the implementation of the Expanded Public Works Programme in the ECD arena.</li></ul></li><li>• Social and political transformation D&amp;G served as 'champion', while key contributions were also made by KS (SES) and CYFSD. Examples of important contributions include:</li></ul>

Activity	Progress made during reporting period
	<ul style="list-style-type: none"> <li>o Projects looking at women's rights in rural areas;</li> <li>o Projects focusing on migration, media, gender, social cohesion, citizenship and academic transformation; and</li> <li>o Longitudinal studies enabling the tracking of trends over time, including the South African Social Attitudes Survey (SASAS), and the GCIS Tracker study of public perceptions of government departments and agencies such as the South African Revenue Service (SARS), the Department of Health (DoH), DoPW and DoHA.</li> <li>• R&amp;D strategy support           <ul style="list-style-type: none"> <li>KS Centre for Science, Technology and Innovation Indicators (CeSTII) served as 'champion', while key contributions were also made by ESSD and PACE (notably PAU and GD). Examples of important contributions include:               <ul style="list-style-type: none"> <li>o Playing an essential role in supporting the Organisation for Economic Cooperation and Development (OECD) Review of South Africa's Innovation Policy;</li> <li>o Providing assistance, on request from the DST, in evaluating the relevance and consistency of the indicators and targets for the Ten-year Plan: 'Innovation toward the Knowledge-based Economy';</li> <li>o The detailed reports on both the 2005/06 Research &amp; Development (R&amp;D) Survey and Innovation Survey 2005 – now in the public domain – serving as important contributions to shaping R&amp;D strategy. Examples of the contribution made by these surveys include the development of a business plan for the Technology Innovation Agency (TIA) and the recent OECD Study on the City of Cape Town as a growth node; and</li> <li>o Research on Women in Industrial Science, Engineering and Technology in Science.</li> </ul> </li> </ul> </li> </ul>

Provide an 'incubation' opportunity to establish research thrusts in the following areas:

- Youth;
- Crime, corruption and social fabric;
- 'Futures' research; and
- Climate change by providing seed funding or linkages to initiatives of the Policy Analysis Unit

**Achieved:**

- Youth
  - o The Youth Policy Initiative (YPI) is an 18-month joint collaboration between the PAU and CYFSD. The initiative comprises a series of six roundtable meetings at which experts from the policy, programme and research environments come together to interrogate key research on youth development, discuss policy imperatives and respond to demands for action;
  - o Partners include the Youth Directorate in the Presidency, the national Youth Commission, the South African Youth Council, the Umsobomvu Youth Fund, together with key strategic national departments such as labour, science and technology, education, and social development; and
  - o The theme of the annual (HSRC) research conference in September 2007 'Maximising the return on investing in youth: Opportunities and challenges in the season of hope' was informed by work of the YPI.

Activity	Progress made during reporting period
	<ul style="list-style-type: none"><li>• Crime, corruption and social fabric<ul style="list-style-type: none"><li>o With support from the Parliamentary grant, two projects were launched in D&amp;G, namely (i) a study of violent offenders, undertaken in collaboration with the Centre for the Study of Violence and Reconciliation, and seeks to examine what causes people to commit violent crimes, and (ii) a study titled 'Breaking the Cycle of Violence', which looks at the link between violence and social cohesion.</li></ul></li><li>• Futures research<ul style="list-style-type: none"><li>o Supported by the Parliamentary grant, futures research work was launched in URED;</li><li>o The initiative was started by undertaking one project and a parallel set of explorations around the broader research agenda;</li><li>o The 'base' project will establish a first-in-Africa competence in developing State of the Future Indices (SOFIs), and specifically develop a South African SOFI to be launched as a regular complement to our State of the Nation reports;</li><li>o The data for the first SOFI in Africa was presented at a recent conference in Stellenbosch; and</li><li>o There has been interaction between international scholars in the field and researchers working in the HSRC in relation to methodology and to the prospects for SOFI research in southern Africa.</li></ul></li><li>• Climate change<ul style="list-style-type: none"><li>o With support from the Parliamentary grant, an initiative was launched in URED;</li><li>o A module on climate change was used for the first time in the 2007 wave of the SASAS, to allow international comparison of public opinions regarding both climate change and policy options;</li><li>o Proposals and working papers in the areas of climate change and health, climate change and migration, and social aspects of sustainable energy-use were prepared. This contributed to raising the profile of social aspects of climate change on the research agenda; and</li><li>o A paper on the 'Potential impacts of climate change on poor populations' was prepared for a Horizon Scanning exercise for the Department for International Development (DFID). This fed into a process that helps inform DFID's future research strategy.</li></ul></li></ul>

Engagement with key stakeholders: donors and government decision-makers to identify emerging research priority areas that could be addressed with joint support in future

**Achieved:**

- A donor event held on 18 May 2007, resulted in the strengthening of already existing relations with donors. Specific examples include:
  - o Collaboration with the World Bank on impact assessment;
  - o Collaboration with the Development Bank of Southern Africa (DBSA) with the intention of deepening, broadening and deploying knowledge in the area of poverty reduction and economic growth, so that evidence-based contributions can be made; and

Activity	Progress made during reporting period
	<ul style="list-style-type: none"> <li>o Follow-up meetings with four French institutions as well as with the South Africa-Netherlands Research Programme on Alternatives in Development (SANPAD) resulted on agreements on future areas of collaboration and support.</li> <li>• The annual HSRC research conference as well as the annual research Lekgotla provided opportunities for focused engagements on research priorities with researchers, policy-makers and other stakeholders.</li> <li>• Research units and research projects in the HSRC benefit from inputs from advisory panels. Specific examples include: <ul style="list-style-type: none"> <li>o NEQI has an international advisory panel, which also reviewed its five-year research plan; and</li> <li>o A representative advisory group (policy-makers, policy implementers, researchers, and civil society policy activists) was established to ensure the relevance of the projects undertaken by PAU on a year-to-year basis. The group was constituted under the auspices of the South African National Commission for UNESCO, and constituted as the Management of Social Transformation (MOST) national liaison committee for South Africa.</li> </ul> </li> </ul>
<p>Support research in programmes that will</p> <ul style="list-style-type: none"> <li>• Track and monitor service delivery; and</li> <li>• Track the state of the HIV/AIDS epidemic in South Africa</li> </ul>	<p><b>Achieved:</b></p> <ul style="list-style-type: none"> <li>• Tracking and monitoring service delivery <ul style="list-style-type: none"> <li>o See earlier information on service delivery work championed by URED.</li> </ul> </li> <li>• Tracking the state of HIV/AIDS epidemic <ul style="list-style-type: none"> <li>o Support for the HIV/AIDS and STI strategic plan for South Africa 2007-2011 National Strategic Plan (NSP) through involvement with work of the research sector of the South African National AIDS Council (SANAC); and</li> <li>o See earlier information on HIV/AIDS-related work championed by SAHA.</li> </ul> </li> </ul>
<p>Address the need to promote the humanities using history, philosophy, arts, culture, heritage, language, religion and tradition to gain new insights into our society and make sense of our lives</p>	<p><b>Achieved: (ongoing)</b></p> <ul style="list-style-type: none"> <li>• Council's Research Committee met on 24 May 2007 to engage with HSRC researchers about how best to accomplish the humanities-oriented research at the highest quality within the HSRC. Council agreed that this question remained pertinent. It was subsequently decided to commission the Chair of the Research Committee, Dr Pumla Gobodo-Madikizela, to write a think-piece on securing the future of humanities in the HSRC.</li> <li>• Examples of projects with a specific humanities thrust that were undertaken in D&amp;G during 2008/09 include work on heritage (profiling the lives and works of African intellectuals), traditional leadership and media.</li> </ul>
<p>Consolidate the EGDI to identify clear scenarios and strategies for unemployment reduction and employment creation, to contribute to government's strategy for accelerated and shared growth</p>	<p><b>Achieved:</b></p> <ul style="list-style-type: none"> <li>• EGDI achieved great successes this year in a range of projects and activities. Its research capacity was enhanced through commissioned papers, roundtable discussions, and a web portal to encourage sharing of information between researchers globally working in related areas. (Also see earlier description of work under employment and growth as a national priority.)</li> </ul>

3.3.1 To consolidate and strengthen public-purpose research activities of the HSRC continued

Activity	Progress made during reporting period
Consolidate the National Education Quality Initiative	<ul style="list-style-type: none"> <li>• The Employment Scenarios project made the cover of the 26 October 2007 issue of <i>Financial Mail</i>. This cover story includes a nine-page article titled 'Jobs for Africa' and features Dr Altman's research into the types of jobs needed, in what numbers and at what wages, to solve South Africa's jobs and poverty crisis.</li> <li>• It was decided that the employment, growth and development national initiative would be consolidated into a centre, namely the Centre for Poverty, Employment and Growth research, as of 2008/09.</li> </ul> <p><b>Achieved:</b></p> <ul style="list-style-type: none"> <li>• January 2008 marked the beginning of the second year of the five-year Literacy and Numeracy Project (LNP) funded by the Royal Netherlands Embassy (RNE). Five technical reports pertaining to the three RNE projects were completed and submitted for review to either the DoE or international panel members.</li> <li>• A range of projects aimed at developing research-based support to enhance quality teaching and learning in schools were undertaken during the year, with support from the national DoE. (Also see earlier description of work to support education quality as a national priority.)</li> <li>• The research capacity of NEQI is enhanced through collaboration with experts and research institutions locally and internationally.</li> <li>• It was decided that the National Education Quality Initiative would be consolidated into a centre, namely the Centre for Education Quality Improvement, as of 2008/09.</li> </ul>

**3.3.2 To contribute to prioritised policy issues of national importance through the work of a cross-cutting policy analysis unit**

**Planned activities to support progress in relation to strategic business objective:**

Activity	Progress made during reporting period
<p>Arrange at least two policy dialogues during the year, focusing on the following programmatic area:</p> <ul style="list-style-type: none"> <li>• Meaning, cost and impact of HIV and AIDS;</li> <li>• Regulatory aspects of employment, social protection and economic growth;</li> <li>• Capacity and procedural justice in service delivery;</li> <li>• Investment, quality and choice in education; and</li> <li>• Coherence and performance of poverty reduction strategies</li> </ul> <p>These dialogues will result in the production of policy briefs</p>	<p><b>Achieved:</b></p> <ul style="list-style-type: none"> <li>• A colloquium on national health insurance ('Health within a comprehensive system of social security') was held from 31 July to 2 August 2007 and attended by a broad range of stakeholders including the Ministry of Health. The colloquium demonstrated the need to expand work around this theme by looking at broader issues around strengthening the public health system (human resources, financing, district health systems, and defining a basic package of services for South Africa) (<a href="http://www.hsrc.ac.za/CCUP-98.phtml">http://www.hsrc.ac.za/CCUP-98.phtml</a>).</li> <li>• The director of the United Nations Research Institute for Social Development in Geneva, Dr Thandika Mkandawire led a workshop and public lecture 'Transformative Social Policy and the Developmental State: Lessons for South Africa'. The public lecture took place on 2 November 2007. The workshop was attended by a select group of 40 senior policy-makers and researchers (<a href="http://www.hsrc.ac.za/HSRC-Seminar-278.phtml">http://www.hsrc.ac.za/HSRC-Seminar-278.phtml</a>).</li> </ul>

Activity	Progress made during reporting period
<p>Conduct at least two impact assessment studies in the above five programmatic areas</p>	<p><b>Achieved: (ongoing)</b></p> <ul style="list-style-type: none"> <li>• The following impact assessment projects were initiated: <ul style="list-style-type: none"> <li>o Limpopo province institutional efficiency and effectiveness: This project focuses on the strategic objective in the Limpopo Provincial Growth and Development Strategy to 'Improve the Institutional Efficiency and Effectiveness of Government'.</li> <li>o Improving quality of life in Limpopo: Understanding relevance, efficiency, effectiveness, impact and sustainability in service delivery: The general aim of this project is to evaluate the impact of programmes and activities undertaken to improve the relevance, impact and sustainability of service delivery improvement initiatives in Limpopo province in terms of the Provincial Growth and Development Strategy.</li> </ul> </li> </ul> <p>Both projects will involve secondary data analysis. They form part of a wider evaluation of the implementation of the Limpopo provincial government's Growth and Development Strategy conducted under the auspices of a partnership between PAU, the Limpopo provincial government and the University of Limpopo.</p>
<p>Launch of the YPI in conjunction with CYFSD and ESSD:</p> <ul style="list-style-type: none"> <li>• Involve key stakeholders (implementation network meeting);</li> <li>• Conduct minimal research (gaps);</li> <li>• Host policy dialogues; and</li> <li>• Produce policy briefs</li> </ul>	<p><b>Achieved:</b></p> <ul style="list-style-type: none"> <li>• The YPI was launched in May 2007 (see <a href="http://www.hsrb.ac.za/YPI-83.phtml">http://www.hsrb.ac.za/YPI-83.phtml</a>).</li> <li>• By March 2008, five of the six scheduled policy dialogues (roundtables) of the YPI had been held, as follows: Youth policy and youth institutions, 23 May 2007; Why youth and why now? 17 July 2007; Livelihood strategies, 14 August 2007; School repetition, drop-out and discontinuation, 13 November 2007; and Pregnancy, 18 March 2008. The sixth dialogue, on Violence and violent crime, was planned for the next budget year.</li> <li>• Proceedings reports, issue papers, and policy briefs will be forthcoming.</li> </ul>
<p>Ensure appropriate approaches to public participation and dissemination of research:</p> <ul style="list-style-type: none"> <li>• Create discussion forums to focus on critical societal issues of interest;</li> <li>• Produce policy briefs, which are a synthesis of evidence generated from research; and</li> <li>• Ensure that all research for the HSRC, which has impact on the public, is communicated to grass-roots organisations</li> </ul>	<p><b>Achieved: (ongoing)</b></p> <ul style="list-style-type: none"> <li>• Selected examples of discussion forums: <ul style="list-style-type: none"> <li>o Colloquium, 'Getting research/evidence into policy into practice: HIV and AIDS in Africa', organised and hosted in conjunction with the University of Limpopo. The colloquium was attended by approximately 50 delegates from South Africa and the African continent (March 2008);</li> <li>o YPI: Roundtable approach; online poll to obtain public response to research issues (ongoing);</li> <li>o Communities of Practice on the HSRC website include the Employment Policy Network (EPN) and the Joint Learning Initiative on Children and HIV/AIDS (JLICA); and</li> <li>o Two-day workshop, 'Arriving at Solutions for Policy Implementation', involving HSRC and interested members from Parliamentary Portfolio Committees (August 2007).</li> </ul> </li> <li>• Three HSRC policy briefs were finalised for publication: <ul style="list-style-type: none"> <li>o 'High University Drop-out Rates: A Threat to South Africa's Future', by Moeketsi Letseka and Simeon Maile;</li> </ul> </li> </ul>

3.3.2 To contribute to prioritised policy issues of national importance through the work of a cross-cutting policy analysis unit continued

Activity	Progress made during reporting period
Arrange HSRC Research Conference, September 2007	<ul style="list-style-type: none"> <li>o 'No sign of Dependency Culture in South Africa', by Michael Noble and Phakama Ntshongwana; and</li> <li>o 'Age of Hope or Anxiety? Dynamics of the Fear of Crime in South Africa', by Ben Roberts.</li> <li>• Selected examples of research disseminated to the public and grass-roots organisations:               <ul style="list-style-type: none"> <li>o The quarterly HSRC news bulletin, the 'HSRC Review' is sent to over 3 700 stakeholders in print and over 2 000 electronically such as parliamentarians, scholars, media and civil society;</li> <li>o HSRC research features regularly in print and broadcast media (see information on advertising value equivalent (AVE) elsewhere in this report);</li> <li>o The HSRC Annual Report was distributed to 3 500 stakeholders and also posted on the HSRC website. There were 1 500 translated abridged versions of the Annual Report; and</li> <li>o HSRC publications are available online, with free downloads (<a href="http://www.hsrcpress.ac.za">http://www.hsrcpress.ac.za</a>).</li> </ul> </li> </ul>
Facilitate the research-policy nexus under the auspices of UNESCO's MOST programme  Establishment of a portal on the research-policy nexus as guided by the MOST national liaison committee	<p><b>Achieved:</b></p> <ul style="list-style-type: none"> <li>• The 2007 conference took place from 27 to 28 September 2007. The theme was 'Maximising the return on investing in youth: Opportunities and challenges in the season of hope'. The conference was attended by more than 280 delegates, and 150 papers presented.</li> </ul> <p><b>Achieved: (ongoing)</b></p> <ul style="list-style-type: none"> <li>• PAU has agreed to pilot test the online MOST Policy Research Tool. The terms of reference of the pilot test are being negotiated and will involve PAU producing policy briefs that are compatible with the database and assessing the utilisation and usefulness of the tool.</li> <li>• The MOST national liaison committee provided terms of reference for the portal. A wide range of stakeholders were consulted in developing the strategy document for the portal. The strategy was presented to and noted by Council, specifications were developed and a prototype developed. A content manager for the portal has been hired and the portal will be used to pilot test the online MOST Policy Research Tool.</li> </ul>

**3.3.3 To strengthen research collaboration and network activities in partnership with institutions and individuals in other parts of Africa**

**Performance indicators:**

See section 6 for a consolidated report on performance against quantified indicators. Relevant PAITECS indicators, reflected in Table 8 in section 6, are the following:

- Percentage of all research projects with a budget of R1 million or above that are done collaboratively with African researchers in other parts of the continent (Indicator 2); and
- Number of visiting research fellows from elsewhere in Africa at the HSRC (Indicator 3).



## Planned activities to support progress in relation to strategic business objective:

Activity	Progress made during reporting period
<p>Expand work in Africa more particularly through network organisations such as CODESRIA and Nepad</p>	<p><b>Achieved:</b></p> <ul style="list-style-type: none"> <li>• The Memorandum of Understanding (MoU) signed between HSRC and CODESRIA in September 2006 provides a framework for collaboration:               <ul style="list-style-type: none"> <li>o Working Committee meetings took place in July 2007 in Senegal and February 2008 in South Africa; and</li> <li>o At the third CODESRIA-HSRC Working Committee meeting in February, an addendum to the MoU was signed. Joint projects to be undertaken by the two institutions were outlined. At this meeting, a first co-published volume, <i>The Meanings of Timbuktu</i> was previewed.</li> </ul> </li> <li>• The existing MoU between HSRC and Nepad provides a framework for collaboration, notably in relation to the social aspects of HIV/AIDS and health research:               <ul style="list-style-type: none"> <li>o A CEO-led delegation of the HSRC met with the health representative of Nepad, Dr Eric Buch, in January 2008. Practical initiatives to further the relationship in the context of the signed MoU were identified;</li> <li>o It was agreed that Nepad will be co-organisers to the forthcoming SAHARA conference (2009);</li> <li>o KS CeSTII has emerged as a major continental resource for the conduct of R&amp;D and innovation surveys in emerging economies. In particular CeSTII works with the African Union (AU) and Nepad Science &amp; Technology (S&amp;T); and</li> <li>o More recently CeSTII has been requested to support S&amp;T policy and measurement capability in Mozambique, under the S&amp;T bilateral agreement, and to assist Lesotho, as requested by UNESCO.</li> </ul> </li> <li>• Council approved the establishment of a new Centre on Africa's Social Progress (CASP) as of 1 April 2008:               <ul style="list-style-type: none"> <li>o The vision for CASP is to be a continental centre of excellence that attracts leading African scholars and Africans in the Diaspora to reflect on critical issues of Africa's social progress. CASP is conceptualised in a manner that complements the objectives of both the Constitutive Act of the AU and the goals of Nepad; and takes into account the continental purview contained in the new HSRC Bill (2007).</li> </ul> </li> </ul>
<p>Engage with the National Research Foundation (NRF) regarding mobility instruments for exchange programmes involving African institutions and logistical support</p>	<p><b>Achieved:</b></p> <ul style="list-style-type: none"> <li>• DST as well as NRF representatives provided presentations on opportunities for funding and support at HSRC Research Business Meetings (RBMs). Problems and opportunities were discussed, with a view to future improved levels of access to these instruments.</li> </ul>

3.3.3 To strengthen research collaboration and network activities in partnership with institutions and individuals in other parts of Africa continued

Activity	Progress made during reporting period
<p>General support for critical engagements:</p> <ul style="list-style-type: none"> <li>• Management and evaluation of MoUs (CODESRIA, the Chinese Academy of Social Science (CASS), possibly the Economic and Social Research Council (ESRC) and others);</li> <li>• More systematic engagement with embassies and international donors; and</li> <li>• Support engagement with India-Brazil-South Africa (IBSA) particularly through building relations and links with Asia (India)</li> </ul>	<p><b>Achieved:</b></p> <ul style="list-style-type: none"> <li>• MoUs:               <ul style="list-style-type: none"> <li>o In January 2008, current international MoUs were evaluated on the basis of whether they were supporting active research collaboration or not. The MoU with Shahid Beheshti University in Iran was discontinued.</li> </ul> </li> <li>• Donors and embassies:               <ul style="list-style-type: none"> <li>o A research partner meeting with donors took place in May 2007. Representatives from embassies as well as international donor organisations participated; and</li> <li>o The <i>International Brief</i> (quarterly newsletter on HSRC international engagements) is sent to embassies and international donor organisations.</li> </ul> </li> <li>• IBSA:               <ul style="list-style-type: none"> <li>o HSRC involvement in a project proposal to the EUFP7, on innovation strategies in newcomer economies (including Brazil, China, India and South Africa) was supported. The proposal was successful; and</li> <li>o Further to the donor meeting, SANPAD offered support to strengthen research relationships with IBSA.</li> </ul> </li> </ul>
<p>Participate in the DST bilateral meetings with other countries</p>	<p><b>Achieved: (ongoing)</b></p> <ul style="list-style-type: none"> <li>• Selected examples include HSRC participation in:               <ul style="list-style-type: none"> <li>o The third Science and Technology Committee meeting between the Islamic Republic of Iran and the Republic of South Africa (20-24 January 2008, Teheran);</li> <li>o The first meeting of the Joint Commission on Science and Technology under the US-South Africa Science and Technology Cooperation Agreement (24-29 February 2008, Massachusetts and Washington DC); and</li> <li>o HSRC (KS) participation in the South Africa-Argentina bilateral and subsequent successful proposal to the call for proposals under the joint agreement.</li> </ul> </li> </ul>

**3.3.4 To increase the relevance, utilisation and potential impact of human and social science research by means of implementation networks**

***Performance indicators:***

See section 6 for a consolidated report on performance against quantified indicators. The PAITECS indicator used to operationalise this objective was:

- Percentage of large research projects with implementation networks (Indicator 4).

### Planned activities to support progress in relation to strategic business objective:

Activity	Progress made during reporting period
Create implementation networks for research projects, as a means of bridging the gap between research and policy (this includes working closely with government, universities, non-governmental organisations (NGOs) and donor organisations)	<p><b>Achieved:</b></p> <ul style="list-style-type: none"> <li>Performance in terms of PAITECS indicators reported as at 31 March 2008 showed that more than 80% of large research projects have implementation networks; thus exceeding the target set for the 2007/08 budget year by a considerable margin.</li> <li>The reports of individual research units contain examples of projects that benefited from significant involvement of stakeholders to increase the likelihood of the acceptance, uptake and implementation of research findings.</li> </ul>

#### ***3.3.5 To confirm the excellence of research work by emphasising peer-reviewed publications of scholarly articles by senior as well as emerging researchers***

##### ***Performance indicators:***

Section 6 of this report contains consolidated reporting on performance against predetermined quantified indicators of performance. PAITECS indicators selected to monitor progress in relation to this strategic business objective were Indicators 11 and 12, namely:

- Peer-reviewed publications in an international journal, per senior researcher (SRS and above); and
- Peer-reviewed publications in a recognised journal per junior researcher (RS and lower).

##### ***Other key performance indicators (KPIs):***

Table 9 in section 6 shows the targets set, and levels of performance achieved, in relation to the indicators of performance, also from the perspective of gender and race:

- Peer-reviewed publications in an internationally accredited scientific journal, per senior researcher (SRS or above) (see Indicator 18);
- Peer-reviewed publications in a scientific journal per researcher, RS or lower (see Indicator 19);
- Number of books, journal articles, reports (per average researcher head), presented in terms of all researchers, black researchers, African researchers, coloured researchers, Indian researchers, female researchers (see Indicator 19); and
- Number of peer-reviewed journal articles (per average researcher head), presented in terms of all researchers, black researchers, African researchers, coloured researchers, Indian researchers, female researchers (see Indicator 20).

It is acknowledged that the publication of internationally-accredited, peer-reviewed journal articles is a very important and valid measure of research excellence. At the same time, the HSRC is an organisation required to 'publish and cause to be published' research findings, and to ensure the effective dissemination and uptake of such findings.

Table 4 provides an overview of a broader selection of research outputs produced by HSRC researchers and research teams during 2006/07 and 2007/08:

3.3.5 To confirm the excellence of research work by emphasising peer-reviewed publications of scholarly articles by senior as well as emerging researchers continued

**Table 4: Publications**

Category	No. in 2007/08	No. in 2006/07
All HSRC research staff		
Books and chapters in HSRC books	62	69
Books and chapters in non-HSRC books	35	48
Journal articles:	163	143
<i>Refereed</i>	107	106
<i>Non-refereed</i>	56	37
Research reports to clients/users	153	79
<b>Total</b>	<b>413</b>	<b>339</b>

Category	Per capita 2007/08	Per capita 2006/07
All research staff from SR upwards	(123 persons)	(129 persons)
Books and chapters in HSRC books	0,50	0,53
Books and chapters in non-HSRC books	0,28	0,37
Journal articles:	1,33	1,11
<i>Refereed</i>	0,87	0,82
<i>Non-refereed</i>	0,46	0,29
Research reports to clients/users	1,24	0,61
<b>Total</b>	<b>3,36</b>	<b>2,63</b>

According to the information on research outputs captured in the RMS by the end of May 2008, the HSRC has produced more research products during 2007/08 than in the previous year. This is largely due to the production of more client reports. The number of journal articles – particularly non-refereed articles – also increased in comparison with the previous year.

**Planned activities to support progress in relation to strategic business objective:**

Activity	Progress made during reporting period
Continue to improve on the indicator of scientific excellence by encouraging scientists to publish in international, peer-reviewed journals	<p><b>Partially achieved:</b></p> <ul style="list-style-type: none"> <li>All researchers are encouraged to publish in peer-reviewed journals. Specific initiative to encourage this include (i) including publication targets in the personal performance objectives of individual researchers, (ii) allocation of time for researchers to support the preparation of journal publications, and (iii) particular attention on capacity building to support skills development for writing journal articles, including the mentoring of more junior researchers by involving them as co-authors in writing peer-reviewed articles.</li> <li>The target for international peer-reviewed articles per senior researcher (SRS/SRM and above), was increased from 0,85 in 2006/07 to 1,11 for 2007/08. By 31 March 2008, the target for the year had not been achieved, with actual performance recorded against this target at 0,67 (49/73).</li> </ul>

Activity	Progress made during reporting period
	<ul style="list-style-type: none"> <li>The target for peer-reviewed articles per researcher at the level of SR/SM and lower was increased from 0,45 in 2006/07 (not achieved at that time) to 0,5 for 2007/08. By 31 March 2008, this target had been exceeded, at 0,67 (42/63).</li> </ul>
Ensuring all publications emanating from Parliamentary grant funds are peer-reviewed	<p><b>Achieved: (receiving ongoing attention)</b></p> <ul style="list-style-type: none"> <li>It was agreed in June 2006 that EDs would take responsibility for ensuring compliance with this requirement. Quarterly performance reports prepared at unit level include information on publications thus reviewed.</li> </ul>
Ensure that all HSRC research programmes are reviewed	<p><b>Achieved: (ongoing)</b></p> <ul style="list-style-type: none"> <li>By 31 March 2008, the following programmes had been reviewed: CYFSD (in 2006/07), and D&amp;G and SAHA (in 2007/08). Preparations for the review of ESSD in 2008/09 were underway.</li> </ul>

### ***3.3.6 To contribute to human capital development in the human and social sciences through the consolidation and expansion of research internship and fellowship programmes***

#### ***Performance indicators:***

Section 6 of this report contains consolidated information on organisational performance against predetermined performance targets. PAITECS targets set to monitor progress against this strategic business objective feature as Indicators 13, 14 and 15 in Table 8, as follows:

- Number of interns enrolled in a Master's programme;
- Number of interns enrolled in a PhD programme; and
- Number of post-doctoral fellowships.

#### ***Other KPIs:***

KPIs related to human capital development across the organisation are reflected in Table 9 of section 6:

- The proportion of HSRC researchers (excluding interns and fieldworkers) with Master's degrees or PhDs, reported in terms of all staff as well as race and gender dimensions (see Indicator 22); and
- HSRC staff enrolled towards formal studies leading to relevant further academic qualifications (Indicator 26).

### **Planned activities to support progress in relation to strategic business objective:**

Activity	Progress made during reporting period
Select and appoint new Head: Capacity Development (CD)	<p><b>Achieved:</b></p> <ul style="list-style-type: none"> <li>A director took office in June 2007 to manage this unit.</li> </ul>
Develop a focused HSRC-wide capacity-building programme focusing on staff and new researchers (grow our own timber)	<p><b>Achieved: (ongoing)</b></p> <ul style="list-style-type: none"> <li>CD developed and implemented an HSRC-wide capacity-development training programme for both staff and research trainees since August 2007. The ESKIA MPAHLELE research programme, which is an organisation-wide CD programme, was launched in October 2007.</li> </ul>

3.3.6 To contribute to human capital development in the human and social sciences through the consolidation and expansion of research internship and fellowship programmes continued

Activity	Progress made during reporting period
Develop and maintain a record-keeping system regarding registered research trainees (interns). Monitor progress and ensure adherence to conditions of internship appointment	<ul style="list-style-type: none"> <li>• A decentralised approach to research CD is followed, with CD communicating with CD co-ordinators in the various research units.</li> <li>• Information on training sessions and workshops arranged for research trainees are communicated in advance, and may also be attended by other HSRC staff members upon request.</li> </ul>
Implement the new strategy for training Master's research interns	<p><b>Achieved: (ongoing)</b></p> <ul style="list-style-type: none"> <li>• This task is managed by CD. Information on research trainees, mentors, supervisors and respective training institutions is captured and maintained through communication with HR and the CD co-ordinators in research units.</li> <li>• A questionnaire was developed and sent to each research trainee to monitor the progress and conditions of the internship. Consequently a problem with attrition (trainees leaving the HSRC before completing their degrees) was identified. Root causes for this problem include the availability of permanent, senior positions in the public sector, in direct competition with the drive to produce more academically qualified and experienced researchers in the country.</li> </ul>
Develop a PhD intern training programme	<p><b>Achieved: (ongoing)</b></p> <ul style="list-style-type: none"> <li>• The strategy entails centralised provision of workshops on various aspects of research methodology, seminars and conferences, with decentralised placement with mentors and involvement in research work. Within research units, CD co-ordinators facilitate communication and support.</li> </ul> <p><b>Achieved: (ongoing)</b></p> <ul style="list-style-type: none"> <li>• As above.</li> </ul>
Establish a post-doctoral training programme	<p><b>Achieved: (ongoing)</b></p> <ul style="list-style-type: none"> <li>• A concept document was developed and will be implemented in the research units in a decentralised context, but with co-ordination from the CD.</li> </ul>
Develop courses to teach interns how to write scientific papers	<p><b>Achieved:</b></p> <ul style="list-style-type: none"> <li>• One of CD's training sessions deals with writing for publications.</li> <li>• CD also provides support to research trainees selected to present papers at international conferences.</li> </ul>
Develop frameworks for quarterly reporting	<p><b>Achieved:</b></p> <ul style="list-style-type: none"> <li>• The framework for quarterly reporting developed by CD is based on the requirements of the DST.</li> </ul>

**3.3.7 To accelerate transformation in the HSRC, with particular reference to African representation in senior research and management positions**

**Performance indicators:**

Section 6 contains consolidated information on organisational performance against quantified targets set for the year. PAITECS indicators used to monitor progress against this objective were Indicators 5, 6, 7 and 8, namely:

- Percentage of all researchers at senior level (SRS and above) who are African;
- Percentage of all researchers at senior level (SRS and above) who are coloured;
- Percentage of all researchers at senior level (SRS and above) who are Indian;
- Percentage of all researchers at senior level (SRS and above) who are white; and:
- Percentage of staff trained in gender sensitivity (Indicator 10).

**Other KPIs:**

KPIs reflected in Table 9, section 6 show the targets set, and levels of performance achieved, in relation to the following additional indicators of performance:

- Representativeness of researchers at senior level (SRS and above): persons who are black; who are female; who are disabled (see Indicator 12);
- Representativeness of HSRC staff overall: persons who are black (African, coloured, Indian), who are female, who are disabled (see Indicator 15);
- Representativeness of all researchers (excluding research interns and research fieldworkers): persons who are black (African, coloured, Indian), who are female, who are disabled (see Indicator 16); and
- Representativeness at executive management level: persons who are black (African, coloured, Indian) and who are female (see Indicator 17).

The HSRC has managed to meet or exceed targets in the case of overall staff representativeness, and for research staff in general. Although progress was made since 2005/06 in relation to senior research staff and executive managers, challenges to meet targets in a highly competitive market remain.

**Planned activities to support progress in relation to strategic business objective:**

<b>Activity</b>	<b>Progress made during reporting period</b>
Increase the proportion of under-represented groups (African and coloured) in the senior echelons of the HSRC	<p><b>Achieved:</b></p> <ul style="list-style-type: none"> <li>• The post level of 'deputy executive director' was created to provide for succession planning in the context of transformation targets:               <ul style="list-style-type: none"> <li>o During the year under review, eight appointments or promotions were made at senior (director, deputy executive director or executive director) levels. Of the eight persons appointed, four are female, five are African, and one is coloured. In addition, two male African research fellows were employed at director level at 31 March 2008.</li> </ul> </li> </ul>
Setting and monitoring of targets	
Ensure that the experiences of men and women inform all the research and analysis done at the HSRC, thus producing information necessary for South Africa to attain gender equity in resource allocation	<p><b>Achieved:</b></p> <ul style="list-style-type: none"> <li>• Gender-sensitivity training continued in 2007/08. The target of 60% set for 2007/08 was exceeded, with 76,2% of all staff benefiting from gender-sensitivity training.</li> <li>• Training programmes were adapted to meet the requirements of research, administrative and research technical staff.</li> <li>• Workshops for research staff focused on the conducting and analysis of research using a gender lens.</li> </ul>
Continue with provision of gender-sensitivity training	
Ensure staff are trained in writing scientific articles using the gender lens	

**3.3.8 To retain and empower critical staff and skills in the HSRC**

**Performance indicators:**

The PAITECS indicator to measure performance against this target was:

- Attrition of permanent staff at the HSRC (see Indicator 8, Table 8).

**Other KPIs:**

KPIs that were set and monitored in relation to this objective are reflected in Table 9, section 6 and include:

- Salaries to total expenditure (Indicator 11); and
- Staff enrolled towards relevant further qualifications (Indicator 22).

**Planned activities to support progress in relation to strategic business objective:**

Activity	Progress made during reporting period
Develop a strategy to make the HSRC 'an employer of choice'	<p><b>Achieved: (ongoing)</b></p> <ul style="list-style-type: none"> <li>• Current initiatives include:                             <ul style="list-style-type: none"> <li>o Commitment to the ongoing improvement of salaries, as agreed with the PSA;</li> <li>o The review of fringe benefits to ensure that they are market-related, and the introduction of new benefits as and where possible (e.g. introduction of funeral cover);</li> <li>o New categories of awards to recognise outstanding contributions from all categories of staff were presented for the first time in December 2007;</li> <li>o Emphasis on staff wellness through counselling services paid for by the HSRC and dedicated Wellness Days;</li> <li>o The administration of a 'climate survey' questionnaire on all staff to identify issues that may need to be incorporated into the current strategy; and</li> <li>o Refinement of HR policies and procedures; the development of new policies such as the post-retirement retention policy.</li> </ul> </li> </ul>
Implement approved changes to performance management system and its application and develop a new performance management system for support services	<p><b>Achieved: (ongoing)</b></p> <ul style="list-style-type: none"> <li>• The updated and approved performance management system will be used for the performance management cycle of 2007/08.</li> <li>• The PSA has indicated its support for the use of the current system.</li> </ul>
Develop coaching skills of managers	<p><b>Achieved: (ongoing)</b></p> <ul style="list-style-type: none"> <li>• Five senior staff members completed their individualised coaching sessions, a further one staff member was close to complete in June 2008.</li> </ul>
Build better relationship between management and the union	<p><b>Achieved: (ongoing)</b></p> <ul style="list-style-type: none"> <li>• Management successfully concluded salary negotiations within the agreed time period.</li> <li>• Good relations exist with the union; constructive feedback was received on proposed policies and benefit changes and on the redeployment of staff from URED to other research units.</li> </ul>



Activity	Progress made during reporting period
<p>Reduce earning pressure over traditional research work by ensuring the EDs and directors are responsible for fund-raising, while lower level staff are asked only to participate in grant-writing</p> <p>Refine and roll-out marketing strategy</p>	<p><b>Achieved: (ongoing)</b></p> <ul style="list-style-type: none"> <li>• EDs, deputy executive directors, directors and chief research specialists/managers are responsible for fund-raising.</li> <li>• The CEO takes the lead in identifying opportunities, engaging strategically with potential donors and funders, and referring opportunities to the appropriate HSRC managers. Particular attention is given to prioritised research areas of the HSRC, and units that are lagging behind in achieving predetermined external funding targets.</li> <li>• Centralised support for marketing and fund-raising is provided by the Business Development, Corporate Communications and International Liaison units in the Office of the CEO.</li> <li>• The emphasis on large-scale, multi-year funding is starting to bear fruit in some units.</li> <li>• A more pro-active approach, including broader information-sharing on opportunities and stakeholder engagement has been embarked on. Specific examples include: <ul style="list-style-type: none"> <li>o Donor event, May 2007;</li> <li>o Information on international visits;</li> <li>o Presentations by potential funding organisations, e.g. DST, NRF at RBMs; and</li> <li>o Building technical capacity for applications to major funders including the European Union (EU) and NIH.</li> </ul> </li> </ul>
<p>Ensure that exit interviews are conducted, analyse and report on possible trends emerging and ensure these inform improved management approaches</p>	<p><b>Achieved: (ongoing)</b></p> <ul style="list-style-type: none"> <li>• Findings from the exit interviews are aligned with interventions already underway in the strategy to become an employer of choice.</li> </ul>
<p>Ongoing attention to corporate staff events:</p> <ul style="list-style-type: none"> <li>• Wellness Day;</li> <li>• Corporate social responsibility;</li> <li>• Year-end/team building; and</li> <li>• Information-sharing and staff visits</li> </ul>	<p><b>Achieved: (ongoing)</b></p> <ul style="list-style-type: none"> <li>• The 2007 Wellness Day took place on 30 and 31 May. The theme was My body, Myself. Aspects of healthy lifestyles including physical health, mental health and social fitness were covered. Excellent uptake of voluntary screening and testing for HIV as well as other conditions showed that the vast majority of HSRC staff is healthy.</li> <li>• Examples of corporate social responsibility initiatives: <ul style="list-style-type: none"> <li>o World AIDS Day (December 2007) – staff donated gifts to be distributed to selected orphanages;</li> <li>o Casual Day (September 2007) – staff contributed to this national initiative by buying stickers and wearing casual attire; and</li> <li>o CANSA Relay for Life (September 2007) – 12 HSRC athletes participated in an all-night relay event.</li> </ul> </li> <li>• Year-end event: <ul style="list-style-type: none"> <li>o The corporate year-end function (November 2007) had a dual purpose, namely to recognise long-term service and to recognise outstanding performance. Staff members were nominated for awards by their peers, and adjudication panels selected winners in the following categories: Individual research excellence; Research programme; Capacity building; Ubuntu; Cornerstone; and a special CEO award.</li> </ul> </li> </ul>

3.3.8 To retain and empower critical staff and skills in the HSRC continued

Activity	Progress made during reporting period
	<ul style="list-style-type: none"> <li>• Information-sharing and staff visits:                             <ul style="list-style-type: none"> <li>o The CEO met with staff at all the offices to provide them with updates on the developments within the HSRC; and</li> <li>o Regular communication between the CEO and staff through the 'CEO note'.</li> </ul> </li> </ul>
Ongoing attention to staff well-being in refurbishment of building and equipment	<p><b>Achieved: (ongoing)</b></p> <ul style="list-style-type: none"> <li>• Upgrading of video-conference links between Cape Town, Durban and Pretoria completed.</li> <li>• Cape Town: Refurbishment including new boardroom completed.</li> <li>• Sweetwaters, near Pietermaritzburg: Refurbishment underway.</li> <li>• Pretoria: Priority attention to address Occupational Health and Safety requirements, and plans for the refurbishment of the cafeteria.</li> <li>• All offices: Computer and networking capacity enhanced thanks to deployment of the infrastructure grant received in 2007/08.</li> </ul>

**3.3.9 To ensure the financial sustainability of the HSRC**

**Performance indicators:**

Table 8 in section 6, provides an overview of performance achieved against quantified PAITECS targets. The PAITECS indicators relevant to financial sustainability are Indicators 16 and 17:

- Percentage of grants that are extra-Parliamentary; and
- Percentage of all grants that are multi-year (at least three years).

**Other KPIs:**

KPIs relevant to this strategic business objective are reflected in Table 9 in section 6. These include:

- Achievement of income target: External research income (Indicator 29); and
- Variance in budgeted expenditure: Surplus or deficit for year, as percentage of turnover (Indicator 30).

**Planned activities to support progress in relation to strategic business objective:**

Activity	Progress made during reporting period
Refine and continue implementing HSRC marketing strategy	<p><b>Achieved: (ongoing)</b></p> <ul style="list-style-type: none"> <li>• See notes on page 129</li> </ul>
Ensure economic and financial sustainability of the HSRC by securing multi-year research grants	<p><b>Achieved: (ongoing)</b></p> <ul style="list-style-type: none"> <li>• By 31 March 2008, some 55% of the external research income for the year was associated with multi-year research projects. This far exceeded the 35% target set for the year, and suggests that the funding model for the HSRC is sustainable.</li> </ul>
Attention to good stakeholder relations	<ul style="list-style-type: none"> <li>• Units in the Office of the CEO provided support:                             <ul style="list-style-type: none"> <li>o through the arrangement of a corporate donor event;</li> <li>o by identifying key stakeholders, plan visits and capture reports on meetings held – especially for international visits led by the CEO; and</li> <li>o by communicating with stakeholders through corporate publications.</li> </ul> </li> </ul>
Technical support and training to provide guidance on complex funding applications and financial models	

Activity	Progress made during reporting period
Seeking increased levels of Parliamentary funding or ring-fenced financial support from government departments	<ul style="list-style-type: none"> <li>• The EU and NIH were identified as major sources of potential funding. The Business Development unit was involved in funding proposals to the EU (successful) and the NIH (awaiting feedback) that will allow for building of capacity to prepare proposals and manage grants for these funders.</li> </ul> <hr/> <p><b>Partially achieved:</b></p> <ul style="list-style-type: none"> <li>• For 2007/08, the gap between the Parliamentary grant allocation and external research income was narrowing. However, according to current MTEF projections, this trend will not be sustained.</li> <li>• An application submitted during 2007/08 for funds for ‘unforeseen and unavoidable’ expenses to fund urgent purchase of software to improve financial controls was unsuccessful.</li> <li>• The HSRC prepared and submitted a detailed infrastructure proposal as well as full MTEF proposal in accordance with DST and National Treasury requirements. A motivated request was made for the allocation of additional baseline funds that can be used to improve the HSRC’s ability to attract and retain excellent permanent staff. No additional funds were made available for these purposes in the allocation letter for 2008/09.</li> </ul>

Council is satisfied that the HSRC remained committed to objectives set in the strategic and business plans guiding its work during 2007/08. Quantifiable performance indicators highlighted under PAITECS received attention alongside ongoing work to support strategic business objectives outlined in the HSRC’s 2007/08 Business Plan.

## 4. Other matters of importance

### 4.1 Finances and sustainability

During the 2007/08 financial year the HSRC achieved an overall turnover of R264 million (R245,5 million in 2006/07). This is the highest turnover that the HSRC has achieved in its history and represents an increase of 7,6% or R18,8 million from the 2006/07 financial year. However, compared against the budget for 2007/08, this is 6,3% or R17,6 million under the budgeted income of R282 million.

The main reason for the variance of 6,3% is that some research units had failed to achieve their external income targets for the year. The total shortfall against budgeted income for five of the research units in the HSRC was in the region of R37 million for the year. Savings and increased external income earnings in the rest of the organisation helped to address the shortfall in external research income.

External research income earned by research programmes and cross-cutters amounted to R113,6 million (excluding ring-fenced funding) for 2007/08. The comparative amount for 2006/07 was R124,6 million. The increased level of funding received from the Parliamentary grant – baseline as well as ring-fenced funding – made an important contribution to the overall sound financial position of the HSRC by year-end.

A positive trend in terms of external research income is the number of larger-scale, multi-year projects, providing more security in terms of future external research earnings. The result is that the HSRC

4.1 Finances and sustainability continued

commenced the 2006/07 and 2007/08 financial years with more than half of the target for external research earnings already under contract. It is entering the 2008/09 financial year with some 57% of its total earnings target already secured in the form of income received in advance and the MTEF allocation. Even more external research income has already been secured in the form of signed contracts for work to be undertaken in 2008/09 and beyond, although these amounts are not yet reflected in Financial Statements as at 31 March 2008.

Table 5 provides an overview of the 'top ten' research projects in terms of total income for the year, with an indication of funding obtained from external sources, the HSRC Parliamentary grant, and ring-fenced allocations. It is noteworthy that the total external income of some R61 million coming from the top ten research projects represents more than half (some 53,7%) of the total external research income of the HSRC, for 2007/08.

**Table 5: Top ten research projects, 2007/08**

<b>Project title</b>	<b>External funder</b>	<b>Parliamentary grant R'000</b>	<b>Ring-fenced R'000</b>	<b>External R'000</b>	<b>Total R'000</b>
Department of Labour Critical Research Projects	South African Department of Labour	1 505	-	10 708	12 213
Literacy and Numeracy Research Programme	Royal Netherlands Embassy	-	-	11 416	11 416
CDC/PEPFAR Programme to Improve Capacity of an Indigenous Statutory Institution to Enhance Monitoring and Evaluation of HIV/AIDS in the Republic of South Africa as Part of the President's Emergency Plan for AIDS Relief	Centres for Disease Control and Prevention	-	-	11 309	11 309
Project Accept	NIH, via University of California plus sundry income from local authorities	-	-	6 354	6 354
Study on Global Ageing and Adult Health (SAGE)	National Department of Health	-	-	6 252	6 252
Birth to twenty study	Wellcome Trust	-	-	6 169	6 169

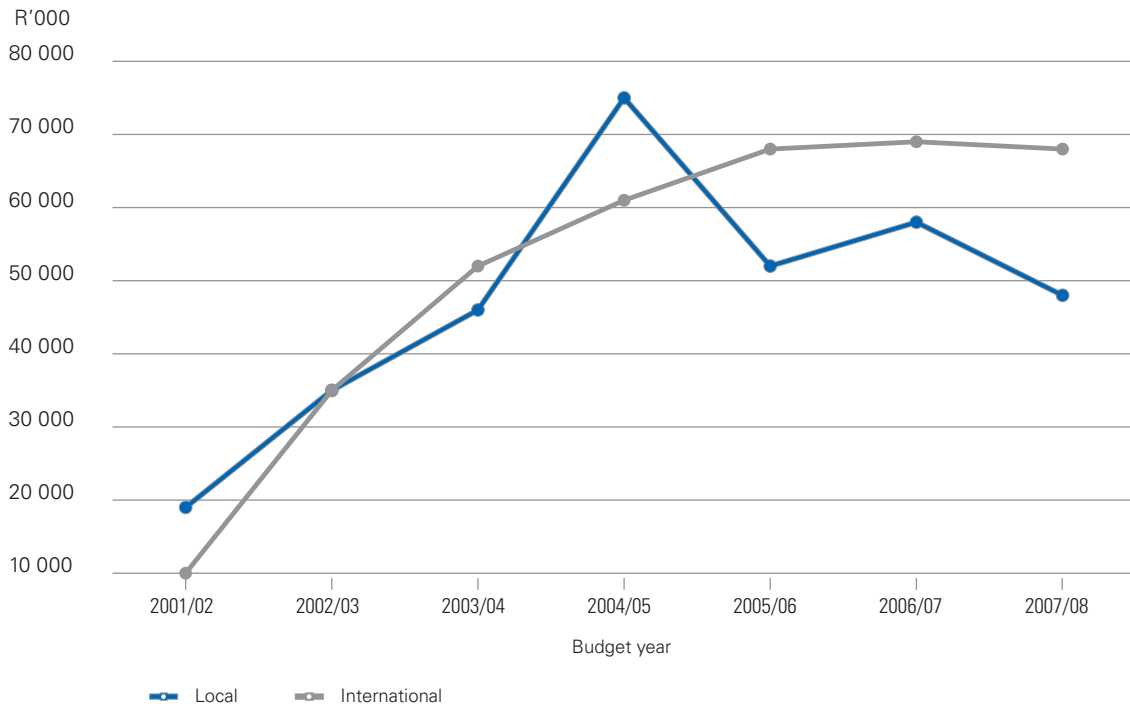
<b>Project title</b>	<b>External funder</b>	<b>Parliamentary grant R'000</b>	<b>Ring-fenced R'000</b>	<b>External R'000</b>	<b>Total R'000</b>
Teacher Education	Royal Netherlands Embassy Development Cooperation	69	-	3 581	3 650
R&D Survey	Ring-fenced funding	-	2 975	-	2 975
ANSA (Affiliated Network for Social Accountability) Africa	The World Bank	-	-	2 635	-
Developing a system for the monitoring and tracking of the youth into science strategy and reporting on the strategy	DST	-	-	2 530	2 530
<b>Total</b>		<b>1 574</b>	<b>2 975</b>	<b>60 954</b>	<b>65 503</b>

The table further illustrates the broad range of the HSRC's funding base. South African government departments as well as international foundations, departments and development agencies are included in the list of top HSRC research funders for the year under review. Ring-fenced funding was strategically deployed to support projects with specific deliverables. These large-scale projects also entailed significant levels of engagement with external stakeholders, given the frequency of survey-type studies and conference engagement supported.

The HSRC has continued to receive funding support from international sources over recent years. This extends the S&T funding base of the country as a whole, and the benefits are experienced not only by the HSRC but also by its collaborators on these projects in higher education institutions and NGOs. For the top ten research projects for 2007/08, listed in Table 5, some 68% of research funding came from international sources.

In terms of total external research income secured for the year under review, income from international sources represented some 59% of total external research income (R66,9 million out of a total of R113,6 million). The comparative figures for 2006/07 were R68 million international funding from R124,6 million of total external income, or 55% from international sources (see Note 1 to the Annual Financial Statements). The grey line in Figure 2 shows how the level of external income from international sources has performed over the last seven financial years.

**Figure 2: Local and international sources of external research funding**



With regard to Parliamentary grant allocations, Table 6 as well as Note 2 to the Annual Financial Statements of the HSRC on page 164 show the net effect of adjustments for deferred income in relation to depreciation costs, for 2006/07 and 2007/08. This explains the difference between anticipated Parliamentary grant income shown in the MTEF allocation letter received from the DST and the actual income reflected in the Statement of Financial Performance.

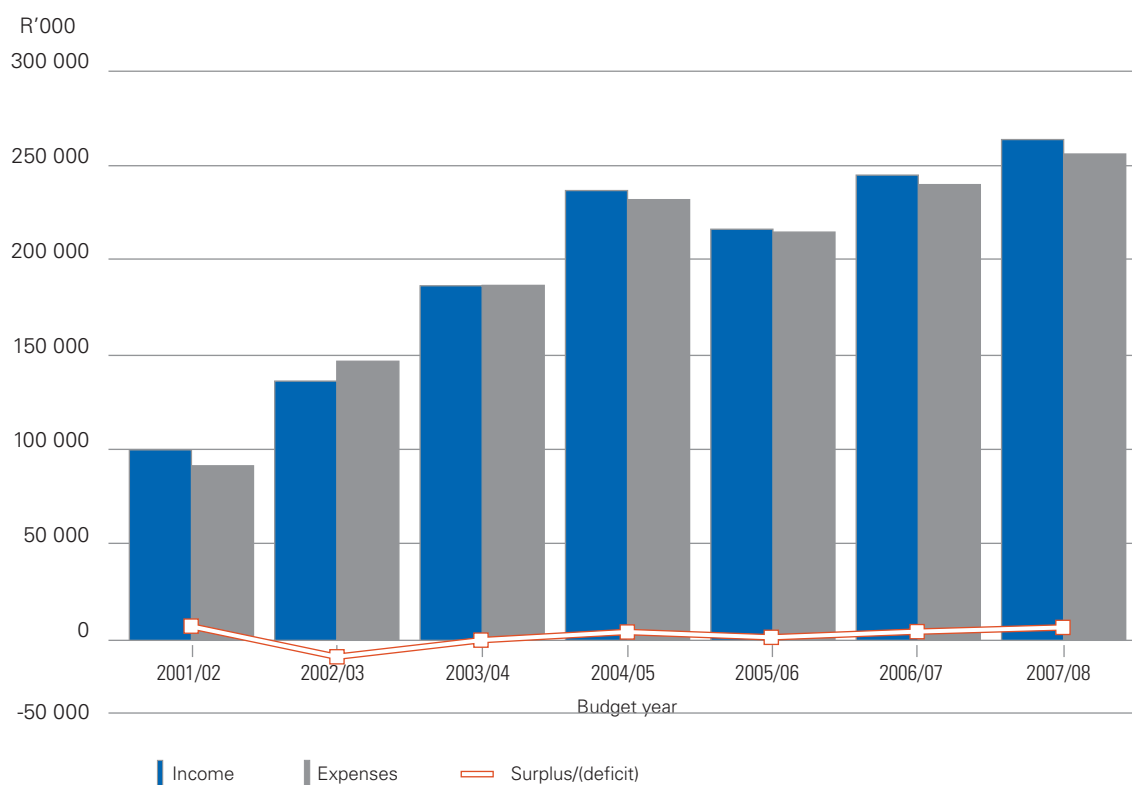
**Table 6: Parliamentary allocation**

	<b>2007/08</b> <b>R'000</b>	2006/07 R'000
Parliamentary grant received	101 603	96 412
Plus: Net adjustment in respect of deferred income	194	765
Parliamentary grant as per statement of financial performance	101 797	96 979

Overall expenditure in 2007/08 was R256,7 million (R240,6 million in 2006/07) which represents an 6,7% increase. This resulted in a surplus of R7,6 million for 2007/08.

Figure 3 shows trends over the past seven years in relation to income, expenditure, surpluses and deficits, in nominal rands.

**Figure 3: Income, expenditure, surpluses and deficits for the past seven years**



Employee cost, R128,1 million (R104,05 million in 2006/07), the largest cost component, increased by 5,7% in 2007/08. This increase includes the effect of cost-of-living salary increases. The HSRC continues to be strategically driven in its recruitment activities, prioritising the appointment of senior research staff and managers who come from previously disadvantaged groups. Owing to the fact that a large portion of its research income is derived from external, project-related sources, the HSRC appoints contract staff, or external service providers, to extend the capacity of its permanent staff complement.

The Statement of Financial Position on page 154 shows that the HSRC had total assets of R180,8 million at 31 March 2008 (R156,5 million at 31 March 2007), of which current assets were worth R88,2 million (2006/07: R67 million). The current liabilities were R69,3 million (2006/07: R62,6 million). The financial status of the HSRC is therefore sound. The Council's considered opinion on the going-concern status of the HSRC is reflected in section 2.3.4 above.

More detailed financial information, including extensive notes, can be found in the audited Annual Financial Statements on page 153.

#### **4.2 Human resources and transformation**

The HSRC's ability to deliver on its mandated objectives is dependent on the quality of its people. Institutional performance with regard to human resources and transformation is clearly prioritised in the HSRC's strategic and business plans. Under PAITECS, there is an emphasis on representativeness in respect of race at senior researcher level, but not in isolation from other imperatives. For instance, PAITECS indicators reflected under 'capacity building' and 'excellence' demonstrate the HSRC's

commitment towards mainstreaming gender, and to invest in the development of emerging researchers through internship opportunities, skills development, as well as focused attention on publication support. The comprehensive set of KPIs reflected in Table 9, section 6 of Council's Report also shows that the HSRC has not lost sight of targets for overall staff representativeness in relation to gender, race and disability amongst research, research technical and administrative staff at all levels.

In accordance with other compliance reports prepared by the HSRC, this Council's Report focuses on 'permanent' staff on the payroll of the HSRC at 31 March 2008. 'Permanent', in this context, refers to staff who are appointed for an indefinite period, or for a fixed period of at least 12 months. Temporary or casual appointments are also made, and regulated through appropriate employment contracts. Where relevant, particularly when applicable to specific objectives listed under PAITECS, information on persons appointed for a shorter period of time (e.g. some visiting African research fellows) is also provided. The HSRC Council wishes to acknowledge the important role played by those individuals and institutions that help to expand the capacity of the HSRC at crucial times of delivery.

At 31 March 2008, some 77 persons were working on short-term contract assignments for the HSRC, over and above the 406 persons already employed by the HSRC in a more permanent capacity. The majority of these short-term contract workers, as reflected on 31 March 2008, were African (16 male and 30 female). They mostly provided professional, administrative or fieldwork services as required for specific research projects. The number of 'assignees' appointed is largely dependent on project-specific operational requirements, varies from month to month, and may be in excess of 200 in any one month.

With specific reference to the 406 staff members on permanent payroll at 31 March 2008 (360 on 31 March 2007), the following broad trends are noteworthy:

- The largest single staff category remains research, with 167 researchers. This is followed by 148 administrative staff members and 91 research technical staff. Comparative figures for the previous year were 165 researchers, 132 administrative staff members and 63 research technical staff;
- Research staff at the level of SRS or above has remained relatively stable, at 73 for 2007/08 (72 in 2005/06 and 75 in 2006/07); and
- The HSRC operates from offices in Pretoria (224 staff members), Cape Town (97 staff members), Durban (83 staff members – this includes staff working from the Sweetwaters office in Pietermaritzburg) and a Port Elizabeth office (2 staff members). Comparative figures for the previous year were 216 in Pretoria, 86 in Cape Town and 57 in Durban.

The HSRC has thus shown net growth in terms of its staff between 2006/07 and 2007/08. The greatest growth was in relation to research technical staff, and staff based in the Durban/Pietermaritzburg office. This is largely due to the roll-out of large-scale intervention-based projects in the Sweetwaters area. The relative increase in the number of administrative and technical staff members may be a reflection of the new types of large-scale, collaborative research projects in which the HSRC is increasingly involved.

Real progress was made in relation to overall staff representativeness, as shown in Table 7, as well as in Figures 4 and 5.



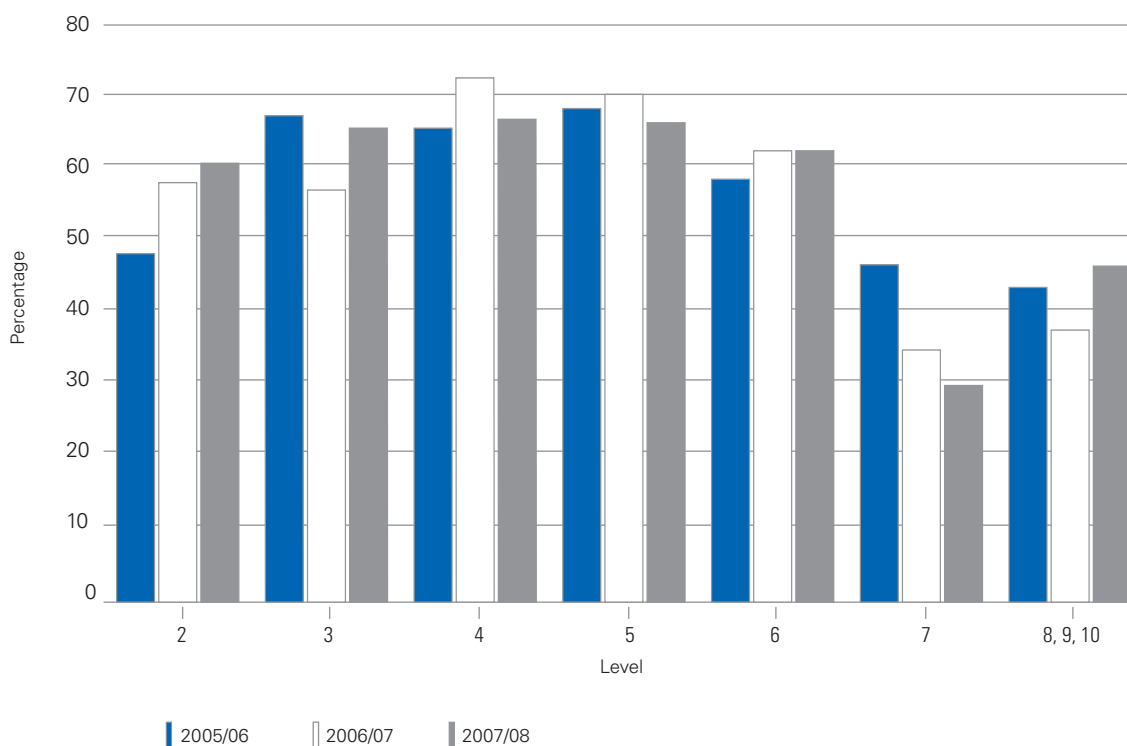
**Table 7: HSRC staff composition according to race and gender (31 March 2008 and 31 March 2007)**

	Year	African	Coloured	Indian	Black	White	Total
Female	2007	29,4%	8,9%	3,3%	41,7%	18,1%	59,7%
	<b>2008</b>	<b>34,2%</b>	<b>7,9%</b>	<b>3,0%</b>	<b>45,1%</b>	<b>14,8%</b>	<b>59,9%</b>
Male	2007	21,9%	3,9%	3,3%	29,2%	11,1%	40,3%
	<b>2008</b>	<b>26,1%</b>	<b>3,4%</b>	<b>2,7%</b>	<b>32,2%</b>	<b>7,9%</b>	<b>40,1%</b>
Total	2007	51,4%	12,8%	6,7%	70,8%	29,2%	100%
	<b>2008</b>	<b>60,3%</b>	<b>11,3%</b>	<b>5,7%</b>	<b>77,3%</b>	<b>22,7%</b>	<b>100%</b>

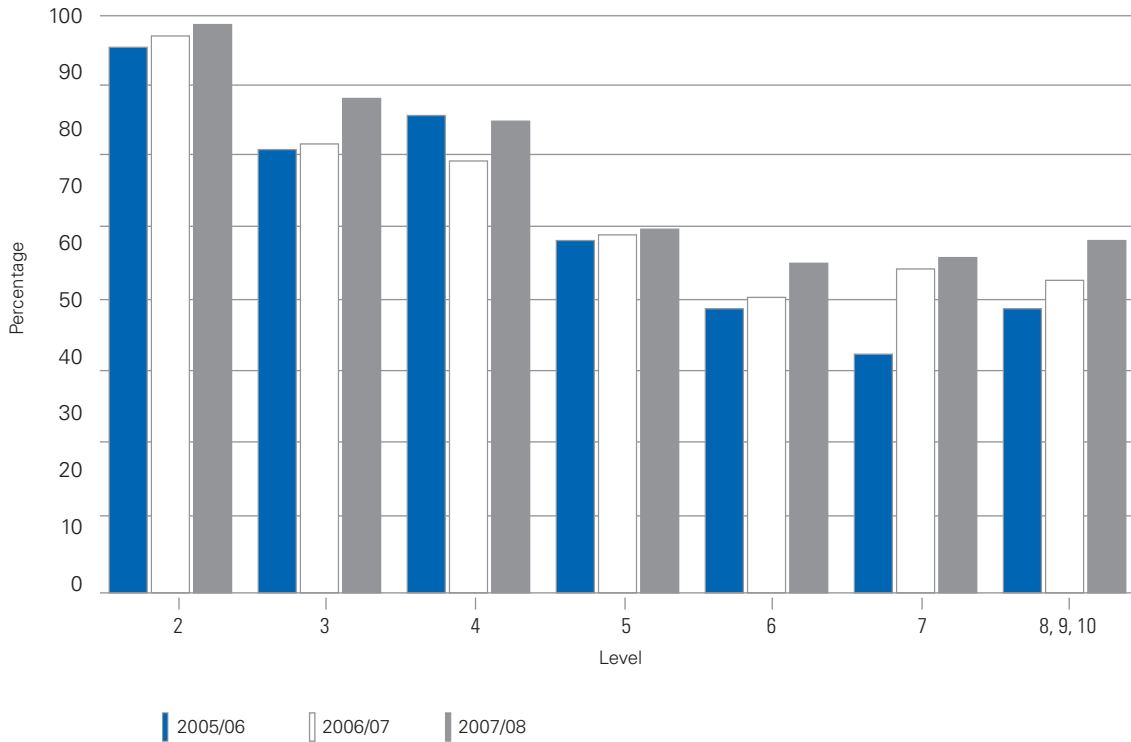
The HSRC is a predominantly black organisation. African staff members comprised the majority at 60,3% (51,4% at 31 March 2007). African females comprise the single largest employee category in the HSRC, followed by African males (Table 7).

The 2007/08 budget year has also shown clear increases in the relative representation of black, and female, staff at the executive management levels (CEO, executive directors and deputy executive directors). These trends are illustrated in Figures 4 and 5.

**Figure 4: Female employees in employment levels, 2005/06 to 2007/08**

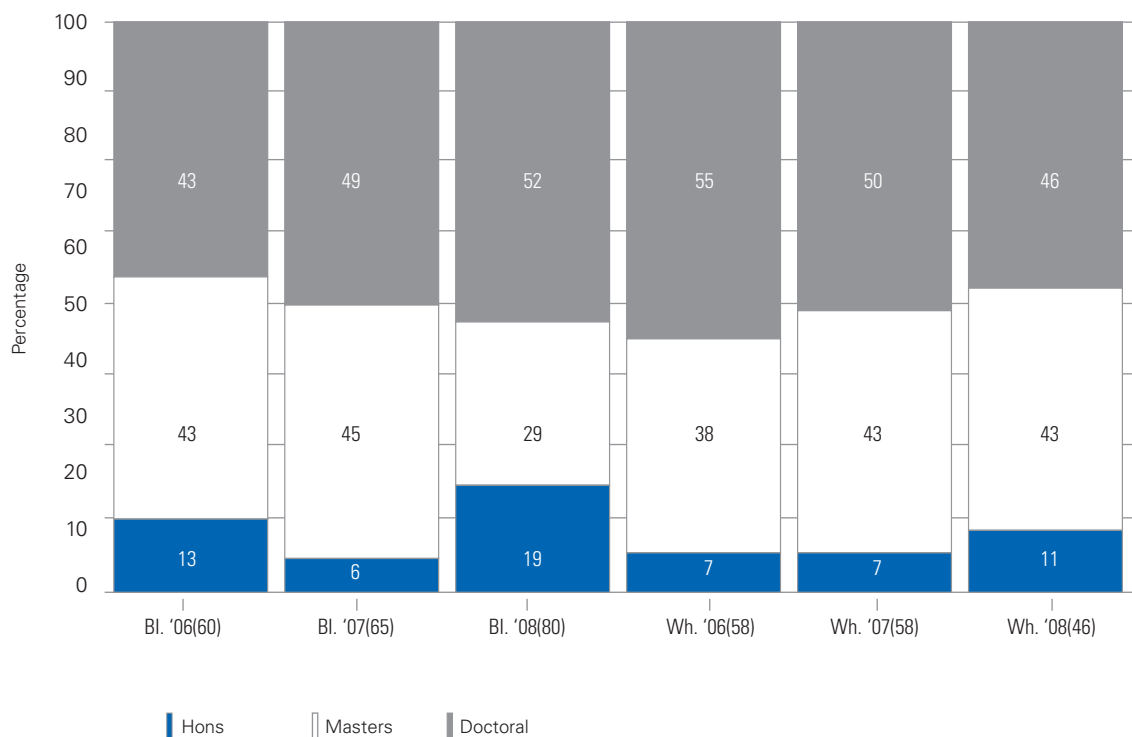


**Figure 5: Black employees in employment levels, 2004/05 to 2006/07**



In terms of representativeness of research staff (excluding research interns) it is noteworthy that black researchers (79) are outnumbering white researchers (46) overall, with African researchers (53) now comprising the largest sub-category of research staff. Comparative figures for preceding reporting periods were 60 black, 58 white (2005/06) and 65 black, 58 white (2006/07). At 31 March 2008, male and female research staff (excluding research interns) had almost equal representation, at 63 (male) and 62 (female) respectively. In terms of relative qualification levels, Figure 6 shows that black researchers with PhD degrees (41) do not only outnumber white researchers with the same degree (21), but that the relative percentage of black researchers with a PhD (52%) is also higher than the comparative percentage in the case of white researchers (46%). Figure 6 also shows that there has been an increase over time in the relative percentage of research staff that have not yet obtained a Master's degree.

**Figure 6: Proportions of researchers (excluding interns) with Master's degree or PhD, 2005/06 to 2007/08**



More detailed information on progress made in relation to staff representativeness, analysed according to race categories, gender and disability, and according to different levels and categories of staff is provided in Table 9 in section 6.

### 4.3 HSRC corporate social responsibility, research communication and outreach

#### 4.3.1 Corporate social responsibility

The Council conceives the HSRC's social-responsibility obligations at the following levels:

- Intrinsically, as a non-profit public-sector entity, in the execution of its mandate;
- In the public-benefit orientation that informs the way in which it designs and executes projects and disseminates their results;
- In the additional community-oriented activities it might undertake; and
- In the conduct of its business affairs, including its relation to its staff as a public-sector employer, and its responsibility towards the environment – with particular reference to energy-saving measures.

At all four levels, the Council seeks to ensure that the HSRC is sensitive to the needs and interests of disadvantaged and marginalised groupings, usually by engaging with their representative organisations.

### 4.3.1 Corporate social responsibility continued

---

#### ***Social-benefit research mandate***

The HSRC has social-responsibility obligations as an intrinsic part of its mandate, which is to benefit all South Africans through conducting and fostering policy-relevant social research. The strong focus on 'public purpose' research activities, as first rubric under PAITECS, underlines this commitment. By planning and undertaking research projects with the involvement of implementation networks, the likelihood of research implementation, intended to improve current conditions of practices, is enhanced. Research activities presented in the HSRC's Annual Report, provide an overview of the HSRC's commitment to undertake its public-purpose research in a socially responsible and beneficial manner.

#### ***Distinctive research approach***

At the second level, the HSRC's Research Ethics Committee ensures that researchers provide participants in research projects with sufficient, relevant and understandable information before asking them to give or withhold consent to participate.

One of the reasons for establishing a distinct, cross-cutting GD unit, was to help 'mainstream' gender considerations in the HSRC's research activities and organisational-development priorities. The GD unit has played an important part in institutionalising gender-sensitivity training, and the recognition of prior experience in conducting research, or building research capacity with a gender lens.

Participatory approaches in the conception, implementation and dissemination stages of research enable researchers, where appropriate, to obtain inputs to adapt their research, recommendations and research implementation strategies to the needs of beneficiaries and users of research.

The HSRC has been adopting extra avenues of disseminating information, to try to improve the uptake of its research by the public and possible beneficiaries: For instance, the issuing of publications free of charge on the Internet, the use of other media such as videos and photographic exhibitions, the distribution to all high schools of the quarterly 'HSRC Review' containing accessible presentations of recent research outputs; and the translation of key parts of its Annual Report into official languages other than English. Regular engagement with decision-makers, including Parliamentary Portfolio Committees, also remains a priority. Web-based dissemination strategies are increasingly receiving attention, with several discussion portals launched or developed during the year under review. The pilot phase of a data curation project led to the placement of clean and appropriately described data sets from the 2003 Social Attitudes Survey in the public domain, together with online tools to enable easy manipulation of data by interested researchers within or outside the HSRC.

#### ***Community-oriented activities***

Several research projects in the HSRC have spawned initiatives aimed at addressing the development needs of communities. So, for instance, the SAHA and CYFSD research programmes have appointed community-based counsellors to ensure that people involved in research focusing on social aspects of HIV and AIDS have access to appropriate counselling and support services.

A specific example of how involvement in large-scale, long-term research projects at community level may benefit communities in a variety of ways, is the series of research projects that will be managed from the Sweetwaters site, just outside Pietermaritzburg. Apart from research-based interventions and pilot studies that may benefit individuals and communities involved in the studies, the development of a cadre of research/community workers will create jobs and opportunities for development in the area. The project office is housed in a now-unused Bus Driver Training centre in the area, used by Rotary to run community projects. The monthly rental fee from the HSRC was used by the centre to help run a feeding scheme, a preschool, computer training and a women's micro-income quilting project.

The corporate publishing unit of the HSRC, the HSRC Press, has continued with a number of capacity-building initiatives. These include opportunities for practical training to selected interns participating in a publishing internship programme administered by the Publishing Association of South Africa (PASA), in association with the Media, Advertising, Publishing, Printing and Packaging Sector Education and Training Authority (MAPPSETA) and the universities of the Witwatersrand and Pretoria; offering training for postgraduate students at the universities of the Western Cape and Cape Town aimed at broadening interest in the field of scholarly publishing, and assistance from the editorial board in the development of some publications by providing practical guidelines for revision and supporting authors in developing a publishable manuscript by allowing, and deliberating on, resubmissions of promising work.

Examples of corporate activities benefiting from voluntary giving of staff have been described in section 3.

#### ***Organisational responsibility***

The HSRC approved, and is implementing, a Code of Ethics to inform its business and research activities. The following serve as further examples of the HSRC's ongoing commitment to the economic, social and environmental aspects of the 'triple bottom line':

- In its procurement policy and practice the HSRC is committed to the promotion of Black Economic Empowerment (BEE) and the advancement of black-owned small, medium and micro-enterprises (SMMEs);
- The HSRC is involved in research capacity development through its research intern scheme, and other forms of short-term appointments in a research environment. Support service units such as the library and the HSRC Press provide workplace experience opportunities to other students;
- As part of its three-year employment equity strategy, the HSRC is rolling-out an employment equity awareness strategy that includes an awareness campaign and training; and
- With the assistance of a service provider, the HSRC has in place a wellness programme. This contains an AIDS-intervention programme for all permanent employees and their immediate family members, including informative materials on the provision of antiretroviral drugs and medical monitoring, and a 24-hour hotline. A successful employee Wellness Day was managed jointly by the Corporate Communications and HR units of the HSRC during 2007/08. During 2007/08, a funeral protection plan for employees and their dependants was introduced by the HSRC, at no cost to the employees.

#### ***Environmental responsibility and energy-saving initiatives***

On the environmental side, energy-saving initiatives receive ongoing attention, as described in more detail below. Paper recycling in the Pretoria office is facilitated by the sorting of waste on the point of collection by cleaning service providers, and a service level agreement with the provider of shredding services to the office. The use of the video-conference centre and telecommunication facilities is reducing the need for air and surface travel, savings that also contribute to a cleaner and safer environment.

Energy-saving mechanisms have been in place for several years. Since the installation of a small Building Management System (BMS) in 1996, the HSRC has achieved considerable savings in energy consumption and associated costs. The following additional measures were introduced during 2007/08, to assist in meeting the national target of a 12% reduction in energy consumption by 2015 for all economic sectors:

- In the Pretoria building, during the period March 2007 to February 2008, the HSRC has reduced energy consumption from an average of 12000kWh per day to 11200kWh per day. This represents a saving of 8,5%. As part of Demand Side Management (DSM) the HSRC has reduced maximum demand peak from 1300KVA to 1200KVA and is kept under 1200KVA by

4.3.1 Corporate social responsibility continued

internal load shedding procedures for the building. When the peak of 1200KVA is almost reached, high energy consumption equipment is ripped off by the BMS to maintain this level and avoid exceeding this 1200KVA predetermined peak. Since the HSRC building is almost fully occupied, this maximum demand peak can be sustained for now. Further improvement in DSM is only possible by improving equipment efficiency that will require substantial capital expenditure. Energy management training and awareness programmes for building occupants will further contribute to DSM and will be rolled-out in 2008/09, but can be expected to have a lesser effect.

- The HSRC has less control over energy-saving initiatives in Cape Town, Durban and other offices where premises are leased from private owners. The energy saved there was mainly due to awareness programmes educating staff in energy-saving techniques, such as switching off office lights and air conditioners when occupants are going to be out of the office for a while, and keeping office windows closed when air conditioning is running. Specific energy management training and awareness programmes are therefore planned for the Cape Town and Durban offices.

**4.3.2 Research communication and outreach**

At corporate level, units for publishing (the HSRC Press) and Corporate Communications play key roles in co-ordinating and facilitating research communication and outreach. These activities are closely related to the vision of the organisation, to become a 'knowledge hub' and further its public-purpose orientation.

**The HSRC Press**

The HSRC Press is a 'public benefit' publisher of works emanating from HSRC research activities. In line with the Council mandate outlined in the current HSRC Act, it also publishes other research-based works of exceptional quality in the fields of social and human sciences. As a not-for-profit publisher, the HSRC Press employs a dual-media publishing strategy, publishing simultaneously in print and online electronic formats. Print-based publications are promoted through conventional book distribution channels, while electronic publications are available for free on an Open Access basis.

Research publications produced by the HSRC Press range from edited, peer-reviewed books to monographs and client reports. Quality control of published book manuscripts is managed by an independent editorial board, which comprises members of the HSRC and external academics representing the broad field of social sciences and humanities research. The chairperson of the board is an experienced editor of scholarly publications, serving both on national and international editorial associations. Under the guidance of the board, all book manuscripts are subjected to stringent peer-review processes, comprising at least two double-blind peer reviews per publication, followed by deliberation at quarterly board meetings.

During the 2007/08 financial year, the HSRC Press produced a total of 27 publications with 17 in production at year-end. These publications comprised a mix of research monographs, occasional papers and books. During the previous financial year the HSRC Press produced 39 publications, with 11 in production at year-end.

For the financial year under review, 13 204 copies of printed publications were sold, which is virtually the same as the previous year. In addition to purchased copies, 17 640 publications were given to stakeholders. Therefore over 30 000 copies of the year's output have been disseminated in printed form. The HSRC Press held 42 launches or exhibits over the year, a slight increase from 40 held the previous year.

The download of free electronic copies increased to 54 755 from 46 109 in the previous year. Browsers reading online increased to 488 229 from 316 843. For the year under review visitors to the HSRC Press came from 185 different countries, suggesting that knowledge generated in South Africa reaches people across the world.

### ***Corporate Communications***

The Corporate Communications unit of the HSRC remains responsible for internal and external communication in the HSRC. It continued to provide support to the corporate HSRC and added value in raising the profile of the organisation. This was achieved through events, publications, conferences, exhibitions and content management of the HSRC web portal. As the custodian of the HSRC brand, Corporate Communications also manages media relations with the print and broadcast media industry. Support to research units and other departments in the HSRC increased tremendously through database support, graphics design (posters, brochures and pop-up banners for research programmes) and the selection of information brochures and gifts for visitors.

Activities to support internal communication continued during the year. Support was given to a number of events to bring staff together, including year-end and happy-hour events.

The annual Wellness Day, arranged in conjunction with the HR department and with the support from external service providers, took place in May 2007. The Wellness Day's theme was My body, Myself. This was in line with HSRC's determination to encourage healthy lifestyles and bring awareness to issues that impact quality of life, including physical health, mental health and social fitness. Several HSRC staff took HIV tests and also underwent free medical testing for high blood pressure, cholesterol and diabetics. A total of 380 employees participated in voluntary counselling and testing for HIV, and 268 benefited from screening on other aspects of health and well-being.

A new initiative to recognise outstanding achievements of HSRC staff was launched in 2007/08. A range of possible awards for individuals and teams were identified through a consultative process, and an open nomination process followed. The success of the first awards ceremony in 2007 has led to a decision to institutionalise this initiative in future.

External communication support continued and expanded on the front of support for stakeholder engagement. Apart from support for annual corporate signature events such as the launch of the HSRC Annual Report, Corporate Communications took the lead in organising the first structured and consultative meeting of HSRC research leaders with development partners, in May 2007. Areas of common interest and opportunities to address development challenges through strategic research-based interventions were identified. This first donor event was followed by several one-on-one engagements, where opportunities for future collaboration through the strategic sharing of resources were identified.

The *HSRC Review*, a quarterly news bulletin, which is now entering its sixth year, remains an important vehicle to disseminate information on HSRC research to a broad range of stakeholders. Print copies of the *HSRC Review* are distributed to more than 3 200 ambassadors, schools, municipalities, universities, national and international donor and funder organisations, Parliament, and heads of national and provincial government departments. The publication is available on the website and further distributed by means of electronic newsletters to almost 2 000 recipients. The *HSRC Review* has become an important dissemination tool to the media and a measurable spike in media reports follows every publication.

The HSRC received media coverage to the AVE, which is the monetary value attached to the free media publicity, of R59,3 million for both broadcast and print media during the year under review. This is down from the R71,9 million recorded in 2006/07.

The HSRC remains aware of the opportunities and challenges of communicating with stakeholders in a diverse society. The highlights from the Annual Report are regularly translated into more South African languages, to signal its commitment to serve a multi-lingual society. The HSRC has also been

commended by members of the Portfolio Committee on Science and Technology for the ability of researchers and research managers to communicate in indigenous languages when addressing the broadcast media.

## 5. Events between the financial year-end and the publication of this report

- The HSRC Bill as approved in September 2007 was not signed by the President of South Africa, but referred back to Parliament in May 2008, because of constitutional implications.
- The updated Shareholder's Compact, to cover the 2008/09 budget year, was signed on 29 May 2008.
- A DST-appointed selection committee to recommend short-listed names for the HSRC Council to the Minister of Science and Technology met in June 2008.

## 6. Achievement of performance targets

Performance targets for 2007/08 were aligned with the PAITECS strategy and associated indicators of performance. The extent to which the HSRC responded to challenges, and performed against predetermined targets, can be summarised as follows:

According to the PAITECS strategy, the HSRC was meant to focus its activities on the achievement of 14 selected indicators of performance. (Indicators 5, 6, 7 and 8 were treated as a 'cluster', recognising that the achievement of these indicators is interrelated.) It is clear that the HSRC did well in meeting, or exceeding the majority of these targets for 2007/08. Many of these targets were set at challenging levels from the outset, to signal organisational commitment, particularly in relation to equity and transformation at senior research levels.

**Table 8: PAITECS targets and performance, 2007/08**

		<b>Target 2006/ 07</b>	<b>Perfor- mance 2006/ 07</b>	<b>Target 2007/ 08</b>	<b>Perfor- mance 2007/ 08</b>	<b>Additional comment</b>
<b>P Public purpose</b>						
1	Percentage of all research projects that are conducted for the benefit of the public	80%	91,9%	90%	93,1%	This target has been met.
<b>A Africa focus</b>						
2	Percentage of all research projects with a budget of R1m or above, done collaboratively with African researchers in other parts of the continent	30%	33,3%	30%	31,3%	This target has been met.
3	Number of African research fellows at the HSRC	12	4	12	7	This target has not been met. An ongoing recruitment drive remains in place.



	Target 2006/ 07	Perfor- mance 2006/ 07	Target 2007/ 08	Perfor- mance 2007/ 08	Additional comment
<b>I Implementation networking</b>					
4 Percentage of large research projects with implementation networks	40%	70%	50%	81,3%	This target has been met.
<b>T Transformation: Equity and representativeness</b>					
5 Percentage of all researchers at senior level (SRS and above) who are African	37,8%	25,3%	40% (or higher)	37,1%	This target has not been met Please note: 5,6,7 and 8 are related indicators. The composite target for black researchers at senior level (combination of Indicators 5, 6 and 7) has been met See above.
6 Percentage of all researchers at senior level (SRS and above) who are coloured	8,9%	10,7%	9%	10,0%	See above.
7 Percentage of all researchers at senior level (SRS and above) who are Indian	6,7%	9,3%	6%	10,0%	See above.
8 Percentage of all researchers at senior level (SRS and above) who are white	46,6%	54,7%	45%	42,9%	This target has been met See above.
9 Attrition of permanent staff at the HSRC	12% (or lower)	11,3%	11% (or lower)	14,6%	This target has not been met
10 Percentage of (all) staff trained in gender sensitivity	50%	57,2%	60%	76,2%	This target has been met.
<b>E Excellence</b>					
11 Peer-reviewed publications in an international journal, per senior researcher (SRS and above)	0,85	1,11	1,1	0,67	This target has not been met.
12 Peer-reviewed publications in a recognised journal per junior researcher (RS and lower)	0,45	0,35	0,5	0,67	This target has been met.

Table 8: PAITECS targets and performance, 2007/08 continued

	Target 2006/ 07	Perfor- mance 2006/ 07	Target 2007/ 08	Perfor- mance 2007/ 08	Additional comment
<b>C Capacity building</b>					
13 Number of interns enrolled in a Master's programme	35	29	40	46	This target has been met.
14 Number of interns enrolled in a PhD programme	20	20	25	35	This target has been met
15 Number of post-doctoral fellowships	10	4	12	10	This target has not been met.
<b>S Sustainability: Contracts and grants obtained</b>					
16 Percentage of grants that are extra-Parliamentary	60%	63,8%	61%	59,5%	This target has not been met.
17 Percentage of all grants that are multi-year (at least three years)	35%	46,2%	35%	55,4%	This target has been met.

Out of 13 different PAITECS Indicators, 8 were met or exceeded. In relation to the composite indicator of representativeness at senior researcher level (Indicators 5, 6, 7 and 8 above) it should be noted that the target for the individual sentinel indicator (staff at SRS/SRM level or above who are African) has not been met. However, the target for relative representation of black researchers (composite African, Indian and coloured) researchers at this level has been met for the first time in the history of the HSRC.

Table 9 on pages 147 to 152 contains a slate of detailed performance indicators and associated targets. Some of these detailed targets have been deliberately idealistic. The Council is satisfied that the HSRC has performed well in respect of each of these targets.

With a combined score of 18 out of 30 clusters of performance indicators, the HSRC did well in responding to each of the targets it had set itself in a challenging year. Where targets have been missed, the margin was relatively small. With respect to specific indicators or clusters of indicators against which performance has been lower than anticipated, the following should be noted:

- Achievement of external income targets: The HSRC managed to contain expenditure to counter the relatively lower levels of external income achieved during 2007/08. It remains committed to its strategy to contain growth on the external income side, while focusing on opportunities to raise more long-term forms of funding, also via the Parliamentary grant. With regard to the lower level of external income achieved per staff member, it should be noted that this can also be attributed to the growth in contract staff appointed for one year or longer during 2006/07.
- Representativeness at senior levels: The HSRC has made rapid progress in terms of overall staff representativeness. In the research component, it has met and achieved its targets; in the senior research component it has met the overall target in relation to black representativeness. At executive director level, the target will be achieved in 2008/09.

- Achievements of targets related to research excellence: The HSRC has done exceptionally well compared to any international targets, when it comes to the number of peer-reviewed articles per researcher. During 2007/08 the more junior component managed for the first time to achieve the publication targets set for staff at the level SR/SM or lower. This bodes well for the future of the organisation.

**Table 9: HSRC performance against comprehensive set of key performance indicators for 2007/08**

No	Strategic objective	Key performance indicator	Performance 2005/06	Target 2006/07	Achievement 2006/07	Target 2007/08	Achievement 2007/08
<b>P</b>	<b>Public purpose</b>	<b>('Stakeholder perspective')</b>					
1.	SENTINEL PAITECS INDICATOR	Percentage of all research projects that are conducted for the benefit of the public (regardless of the source of funding)	New indicator	80%	91,9%	90%	93,1%
<b>A</b>	<b>Africa focus</b>	<b>('Stakeholder perspective')</b>					
2.	SENTINEL PAITECS INDICATOR	Percentage of all research projects with a budget of R1 million or above that are done collaboratively with African researchers in other parts of the continent	New indicator	30%	33,3%	30%	31,3%
3.	SENTINEL PAITECS INDICATOR	Number of visiting research fellows from elsewhere in Africa at the HSRC	New indicator	12	4	12	7
<b>I</b>	<b>Implementation networking</b>	<b>('Internal business processes')</b>					
4.	SENTINEL PAITECS INDICATOR	Percentage of large research projects with implementation networks	New indicator	40%	70%	50%	81,3%
		Other 'internal business processes'					
5.		Known successful proportion of total competitive tender/ funding applications submitted, at May	51%	35%	52,4%	40%	50%
6.		Free media coverage	R70,4 m	R30 m	R71,9 m	R40 m	R59,32 m

Table 9: HSRC performance against comprehensive set of key performance indicators for 2008/09 continued

No	Strategic objective	Key performance indicator	Performance 2005/06	Target 2006/07	Achievement 2006/07	Target 2007/08	Achievement 2007/08
7.		Productivity of HSRC investment in its employees: external research earnings per head (all staff on 'permanent payroll' – indefinite and longer-term contract appointments)	R424 630	R485 600	R346 125	R391 330	R279 802
8.		Share of payroll spent on researcher salaries	61%	60%	64%	59%	48%
9.	REQUIRED BY DST	Proportion of researchers in total staff	54%	50%	63,3%	50%	63,6% (research technical staff included with researchers)
10.	REQUIRED BY DST (DST formulation: Ratio of overhead costs to total costs)	Overhead efficiency: Ratio of non-overhead costs to total costs	0,71	0,75	0,72	0,75	0,74
11.	REQUIRED BY DST	Salaries to total expenditure	52%	44%	50,4%	44%	49,9%
<b>T</b>	<b>Transformation: Equity and representativeness</b>	<b>('Transformation')</b>					
12.	SENTINEL PAITECS INDICATORS (a) (i) (ii) (iii) and (iv)	Transformation at senior researcher level: a. % black researchers (SRS/SRM or above) <i>i</i> % African <i>ii</i> % coloured <i>iii</i> % Indian  <i>iv</i> % white  b. % female researchers (SRS/SRM or above)	New indicator	53,4%	45,3%	55%	57,1%
				37,8%	25,3%	40%	37,1%
				8,9%	10,7%	9%	10%
				6,7%	9,3%	6%	10%
				46,6%	54,7%	45%	42,9%
				42%	40,0%	45%	41,4%

No	Strategic objective	Key performance indicator	Performance 2005/06	Target 2006/07	Achievement 2006/07	Target 2007/08	Achievement 2007/08
		c. % researchers (SRS/SRM or above) with a disability		2%	2,7%	2%	2,9% 5 out of 7 sub-targets achieved
13.	SENTINEL PAITECS INDICATOR	Attrition rate of permanent staff	New indicator	12%	11,3%	11%	14,1%
14.	SENTINEL PAITECS INDICATOR	Percentage of staff trained in gender sensitivity	New indicator	50%	57,2%	60%	76,2%
15.	REQUIRED BY DST: Black (overall) Female Disabled	Overall staff representativeness: a. % black staff: overall <i>i. % African</i> <i>ii. % coloured</i> <i>iii. % Indian</i> <i>iv. % white</i> b. % female staff c. % staff with a disability	65% 41% 15% 9% 35% 57% 1%	68% 46% 14% 8% 32% 55% 1,5%	70,8% 51,4% 12,8% 6,7% 29,2% 59,7% 1,1%	70% 48% 14% 8% 30% 54% 2%	77,3% 60,3% 11,3% 5,7% 22,7% 59,9% 1% 6 out of 7 sub-targets achieved
16.	REQUIRED BY DST: Black (overall) Female Disabled	Research staff representativeness (interns and research technical staff excluded): a. % black research staff <i>i. % African</i> <i>ii. % coloured</i> <i>iii. % Indian</i> <i>iv. % white</i> b. % female research staff c. % research staff with a disability	51% 27% 12% 12% 49% 48% 1,7%	57% 38% 10% 9% 43% 49% 2%	64,2% 44,2% 10,9% 9,1% 35,8% 52,7% 1,2%	60% 41% 10% 9% 40% 50% 2%	63,2% 42,4% 11,2% 9,6% 36,8% 49,6% (50% if rounded) 1,6% 6 out of 7 sub-targets achieved

Table 9: HSRC performance against comprehensive set of key performance indicators for 2008/09 continued

No	Strategic objective	Key performance indicator	Performance 2005/06	Target 2006/07	Achievement 2006/07	Target 2007/08	Achievement 2007/08
17.	REQUIRED BY DST: Black (overall) Female Disabled	Executive management representativeness (EDs, DEDs & CEO): a. % black executive managers <i>i. % African</i> <i>ii. % coloured</i> <i>iii. % Indian</i>  <i>iv. % white</i>  b. % female executive managers  c. % disabled executive managers	55%          45%  N/a	70%          50%  N/a	63,6%          45,5%  N/a	80%          50%  N/a	71,4%          42,9%  N/a  2 out of 6 targets achieved
<b>E</b>	<b>Excellence</b>	<b>('Learning and growth')</b>					
18.	SENTINEL PAITECS INDICATOR	Peer-reviewed publications in an internationally accredited scientific journal, per senior researcher (SRS or above)	New indicator	0,85	1,11	1,10	0,67
19.	SENTINEL PAITECS INDICATOR	Peer-reviewed publications in a scientific journal per researcher, RS or lower	New indicator	0,45	0,22	0,50	0,67
20.	REQUIRED BY DST	Number of books, journal articles, reports (per average researcher head): a. all researchers b. black researchers <i>i. African</i> <i>ii. coloured</i> <i>iii. Indian</i>  <i>iv. white</i>  c. female researchers	3,79 4,32 3,37 4,50 6,69  New	3,5 3,5 3,5 3,5 3,5  (3,5)	2,63 2,58 2,60 3,06 4,54  3,65	3,8 3,8 3,8 3,8 3,8  3,8	3,36 2,47 2,48 3,00 5,17  5,24  3,51 4 out of 7 targets achieved

No	Strategic objective	Key performance indicator	Performance 2005/06	Target 2006/07	Achievement 2006/07	Target 2007/08	Achievement 2007/08
21.	REQUIRED BY DST	Number of refereed journal articles per average researcher head:					
		a. all researchers	0,99	0,9	0,82	1,1	0,87
		b. black researchers	1,03	0,9	0,94	1,1	0,74
		<i>i. African</i>	1,00	0,9	1,02	1,1	0,73
		<i>ii. coloured</i>	1,08	0,9	1,13	1,1	0,79
		<i>iii. Indian</i>	1,08	0,9	1,77	1,1	1,67
		<i>iv. white</i>	<i>New</i>	<i>(0,9)</i>	<i>0,98</i>	<i>1,1</i>	<i>1,47</i>
		c. female researchers	0,93	0,9	0,79	1,1	0,84
							2 out of 7 targets achieved
22.	REQUIRED BY DST	Human capital: Proportion of researchers (excluding interns and fieldworkers) with Master's degree or PhD:					
		a. all researchers	90%	92%	93,5%	95%	84,0%
		b. black researchers	87%	92%	93,8%	95%	80,0%
		<i>i. % African</i>	91%	92%	97,3%	95%	81,1%
		<i>ii. % coloured</i>	79%	92%	92,9%	95%	85,7%
		<i>iii. % Indian</i>	86%	92%	85,7%	95%	75%
		<i>iv. % White</i>	<i>(New)</i>	<i>(92%)</i>	<i>93,1%</i>	<i>95%</i>	<i>89,1%</i>
		c. female researchers	89%	92%	97,7%	95%	79,0%
<b>C</b>	<b>Capacity building</b>	<b>('Learning and growth')</b>					
23.	SENTINEL PAITECS INDICATOR	Number of interns (research trainees) enrolled in a Master's programme	New indicator	35	29	40	46
24.	SENTINEL PAITECS INDICATOR	Number of interns (research trainees) enrolled in a PhD programme	New indicator	20	20	25	35
25.	SENTINEL PAITECS INDICATOR	Number of post-doctoral fellowships (research associates)	New indicator	10	4	12	10

Table 9: HSRC performance against comprehensive set of key performance indicators for 2008/09 continued

No	Strategic objective	Key performance indicator	Performance 2005/06	Target 2006/07	Achievement 2006/07	Target 2007/08	Achievement 2007/08
26.	REQUIRED BY DST	Staff enrolled towards relevant further qualifications: a. research staff enrolled towards Master's degree or PhD, as percentage of research staff without such degrees b. % of interns enrolled towards Master's degree or PhD c. % of administrative staff enrolled towards higher education qualifications	33%	60%	45,2%	60%	34%
			65%	70%	56,8%	75%	45%
			15%	40%	12,9%	40%	15%
<b>S</b>	<b>Sustainability: Contracts and grants obtained</b>	<b>('Financial')</b>					
27.	SENTINEL PAITECS INDICATOR  REQUIRED BY DST ('Dependency ratio')	Percentage of (research) grants that are extra-Parliamentary – ring-fenced amounts allocated as part of MTEF included with Parliamentary grant. <i>NB to note: Ring-fenced funding included with external research earnings, until 2005/06</i>	New indicator (58% with ring-fenced)	60%	63,8%	61% at RP level (after top-slice)	47% at HSRC level 59,5% at RP level (after top-slice)
28.	SENTINEL PAITECS INDICATOR	Percentage of all (research) grants that are multi-year – at least three years	New indicator	35%	46,2%	35%	55,4%
29.		Achievement of income target: External research income <i>NB to note: Ring-fenced funding included with external research earnings, until 2005/06</i>	R119 m	R152 m	R124,6 m	R141 m	R113,6 m
30.		Variance in budgeted expenditure: Surplus or deficit for year, as % of turnover	0,7%	5%	2,1%	5%	2,9%