

# Council's report

for the period ending 31 March 2007

## 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, 1968, No. 23 of 1968, as amended.

The following summarise some of the main functions of the Council provided in the Act:

- (a) to undertake or cause to be undertaken research on behalf of the state or any person or authority;
- (b) to advise the Minister with respect to the undertaking and promotion of social scientific research and its utilisation for the benefit of the country;
- (c) to effect coordination of research;
- (d) to cooperate with departments of state, institutions of higher education, training colleges, schools and other persons and authorities for the promotion and conduct of research;
- (e) to cooperate with persons and authorities in other countries conducting or promoting research in the human sciences; and
- (f) to 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 previous two Council's Reports (covering the periods 2004/05 and 2005/06) made mention of progress made with the redrafting of the 1968 Human Sciences Research Act. A draft Bill prepared by the Department of Science and Technology (DST) was reviewed, with inputs from the Council and other internal and external stakeholders of the HSRC, towards the end of 2004/05. This draft, which draws on the recommendations of the HSRC Institutional Review undertaken in 2003, focuses more specifically on the public purposes of the HSRC and is in keeping with the current legislative framework within which the Council operates. During 2006/07, the refinement of the draft Bill received ongoing attention. On 6 December 2006, Cabinet approved the Human Sciences Research Council Bill, thereby signalling that the legislative process to approve a new HSRC Act would start during 2007.

## 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 Public Finance Management Act (PFMA), No. 1 of 1999, as amended, 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 abovementioned 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.

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## 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 expires on 31 October 2008.

Members of the Council during the 2006/07 period were:

Professor GJ Gerwel (*Chair*)

Ms N Gasa

Dr P Gobodo-Madikizela

Mr T Makwetu

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 25 May 2006, 24 August 2006, 23 November 2006 and 22 February 2007.

## 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. The 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. Following internal restructuring during 2005/06, existing delegations were updated to provide for new post descriptions such as that of Chief Operating Officer (COO). These amendments were approved at the Council meeting of 9 February 2006. Following further refinements, the most recent version of the delegations was approved by Council, by means of electronic communication agreed to in advance, on 31 March 2006.

The HSRC is listed as a national public entity under Schedule 3A of the PFMA. This classification is aligned with the public-purpose mandate of the HSRC.

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## **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. A Shareholder's Compact between the Council of the HSRC and the Minister of Science and Technology was signed in May 2006.

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 plan and the business plan for 2006/07. A framework for regular reporting and a schedule containing a list of supporting documents to be submitted to DST are also included in the Compact.

Council is satisfied that the HSRC complied with the requirements of implementing and managing the Shareholder's Compact. It wishes to place on record its appreciation for the way in which the Minister and DST proceeded to honour all undertakings made in the Compact by the executive authority.

## **2.3.3 New policy on governance standards for SETIs**

A new policy on governance standards for science, engineering and technology institutions (SETIs) was introduced by 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 Chief Executive Officers' (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 annual financial statements for 2006/07 and information regarding the forthcoming financial year, the Council has every reason to believe that the HSRC will remain a going concern:

- It continues to receive substantial Parliamentary grant funding. Its Parliamentary allocation increased from R107,5 million for 2006/07 to R160,4 million (inclusive of VAT and an allocation towards infrastructure) for 2007/08. According to current MTEF projections, this is set to increase slightly to a total of R161,2 million (inclusive of VAT and an allocation towards infrastructure) for 2008/09. The projected MTEF allocation for 2009/10 is lower, at R153,9 million (inclusive of VAT), since no provision is made for an infrastructure allocation for that year.
- In terms of funding for 2006/07, the HSRC has succeeded in raising a total amount of R245,5 million, the highest amount it has ever achieved. This amount was made up of external research income, other external income, and income from the Parliamentary grant (baseline funding plus ring-fenced funding). Once again the HSRC has demonstrated its ability to secure substantial funding from a range of external sources, to supplement funding from its Parliamentary grant.
- By mid-May 2007, the HSRC had already secured almost R90 million, some 64% of its external target of R141 million for the 2007/08 budget year. If other sources of funding, notably the Parliamentary grant allocation, are added to this amount, the total income secured to date for 2007/08 is R224 million, or 79,4% of the total income budget of R282 million for the year.
- The HSRC continues to receive rental income from the Department of Public Works, for part of the Pretoria office building.
- The statement of financial position reflects total assets of the organisation at 31 March 2007 as R156,4 million. Total current assets, at R67,0 million, exceeded its current liabilities of R62,3 million. The current ratio is then 1,07 which means that the HSRC had R1,07 in current assets to cover every R1 in current liabilities.

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- The HSRC has continued to manage its cash flow better by accelerating collection from trade and other receivables since 2005/06. In addition, the volume of trade and other receivables has grown from 2005/06 to 2006/07, indicating an increase in external income.

## 2.4 Sub-committees

On 31 March 2007 the Council had four sub-committees: an Executive Committee, a Human Resources and Remuneration Committee, a Research Committee and an Audit Committee. It is envisaged that a separate Finance Committee will be established during 2007/08 to work alongside the Audit Committee that will then become the Audit and Risk Committee, and that a Governance Committee may be established once the new HSRC Act has been promulgated.

### 2.4.1 Executive Committee

The Executive Committee comprised the following members:

Professor GJ Gerwel (*Chair*)

Mr SM Pityana (*Chair of the Audit 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 25 May 2006, 24 August 2006, 23 November 2006 and 22 February 2007.

### 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*)

Professor Morrow, 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 2006.

Members of the Research Committee also participated in the 2006 Social Sciences Conference, which was held from 27 to 29 September 2006.

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## **2.4.4 Audit Committee**

The members of the HSRC Audit Committee are appointed for a calendar year. During 2006/07 the Audit Committee comprised two specialist external members and three members of the Council.

The specialist members were:

Mr RJ Page-Shipp

Ms R Xaba

The members of the Council on the Audit Committee were:

Mr SM Pityana (*Chair, from 16 November 2006*)

Mr T Makwetu (*Chair, until November 2006*)

Professor WE Morrow

Dr O Shisana (*President and CEO*)

The Audit Committee functions in accordance with the PFMA and associated Treasury regulations. The Audit Committee also functions as the Finance Committee of the HSRC, which is reflected in its formal terms of reference (Audit and Finance Committee Charter), adopted on 27 January 2005 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
- the external audit plan
- periodic internal audit reports
- the proposed budget for the year
- quarterly and annual financial statements
- quarterly compliance reports to DST in terms of the PFMA
- debtors' reports
- the annual external audit report of the HSRC.

The Audit 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 11 May 2006, 25 July 2006, 16 November 2006 and 15 February 2007.

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 Committee is also responsible for monitoring the scope and effectiveness of the outsourced internal audit function.

Further to a PFMA compliance review undertaken by KPMG in 2004/05, the development of a revised Code of Ethics remained on the agenda. This matter was finalised when requirements for the Shareholder's Compact entered into between the HSRC Council and the Minister of Science and Technology, were dealt with. A Code of Business Ethics for the HSRC, plus a framework for the related register of interests were developed and subsequently approved by Council. These will be implemented and updated on a regular basis.

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.

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Under the guidance of the Audit Committee, a first strategic assessment of the HSRC's risk areas was conducted in 2001/02. The new internal audit service provider, KPMG, 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. At a key workshop facilitated by internal audit in 2005/06, executive management identified, assessed and ranked the risks that needed to be managed to achieve the mission and strategic goals of the HSRC. For 2006/07 these were:

- information technology (IT)-related risks
- negative cash flow
- fraud and corruption
- public image risks
- availability of suitably skilled staff
- supply chain management.

With specific reference to the above risks, the following received attention during 2006/07:

- The implementation of the recommendations of an earlier IT audit was monitored on a quarterly basis. A draft IT strategy document was completed in February 2006, following which a consultative process started with a view to submitting the IT strategy to the Council in May 2006. Feedback on the management of IT services that were outsourced in the course of 2005/06 also received attention. Although the selection of key risks for 2007/08 has not yet been finalised, evidence of growing confidence in the organisation's IT capacity is to be found in the much lower priority now given by executive management to this risk.
- A number of measures aimed at improving cash flow management were implemented during 2006/07. These proved to be successful: there was no stage during the year that the HSRC's cash resources were at a level low enough to cause concern. Moreover, the organisation finished the year with cash in hand of R29,3 million.
- 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 purpose of this assignment was to provide the HSRC with a comprehensive anti-fraud strategy and prevention plan, including a whistle-blowing policy and mechanism, a fraud risk register and action plans to address identified fraud risks. Aspects of the assignment were completed and implemented during 2006/07. A whistle-blowing policy, which makes provision for anonymous hotlines operated by an independent service provider, was approved by Council in February 2007. The comprehensive fraud prevention strategy, which includes a detailed implementation action plan, is expected to be approved by Council in May 2007.
- Following concerted efforts to engage with stakeholders ranging from decision-makers in government and in Parliament to higher education institutions during 2006/07, a situation has been reached that 'public image' was no longer rated by management as a significant risk. It is acknowledged that the status enjoyed by the HSRC also rests on its ability to perform outstandingly not just in respect of earnings or publications but across the broad range of dimensions that jointly make up its PAITECS commitments. This matter receives ongoing management attention.
- Of the top-ranking risks that were prioritised for attention in 2006/07, only one – the availability of suitably skilled staff – remains, by consensus, a major concern. The approach adopted to manage this risk has focused on improving the ability of the HSRC to attract and then to develop and retain such staff. A number of initiatives related to this risk received attention during the year, including the commissioning of a survey to

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benchmark salaries in the HSRC against universities, science councils, the public sector at large, the private sector and the national labour market. The results of this survey indicated gaps at most skills levels in the organisation, and a programme aimed at eliminating these gaps over a three-year period commenced with the negotiated implementation of salary adjustments as of 1 April 2007. Other initiatives undertaken in 2006/07 included the first phase of a leadership development programme, gender sensitivity training for more than half of the staff, and further steps to reduce the pressure to earn external income. New, non-remuneration-based measures to help the HSRC to become an 'employer of choice' are to be investigated in 2007/08.

- A supply chain management (SCM) framework was implemented and reviewed on a regular basis.

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. On the appointment of an Executive Director: Finance (expected in mid-2007), which will in effect separate the roles of COO and CFO, the role of CRO and, with it, supervision of the risk management function and of the Risk Compliance Officer (RCO) will pass to the ED: Finance.

## 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 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 the research programmes and cross-cutting units (some attending on a rotation basis). The committee is empowered to recognise the authority of ethics committees at other institutions to approve proposals on behalf of the HSRC where necessary. 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. The REC began functioning in 2003 and successfully applied to the US 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.

In the financial year under review the REC met ten times and considered some 75 new project proposals and an additional eight extensions. Of the new applications, some 64 had been approved by May 2007, some following the incorporation of feedback from the committee and resubmission. All the applications for extension of studies were approved.

During 2006/07 the external REC members were:

- Professor Doug Wassenaar – School of Psychology, University of KwaZulu-Natal, Pietermaritzburg (*Chairperson*)
- 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

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## 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 determination by the National Treasury.

Non-HSRC members of the Audit 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 executive directors (EDs) of the HSRC, in accordance with an agreement reached with the union (the Public Service Association) in 1998. During 2003/04, and prior to her becoming a member of the HSRC Council, Ms N Gasa was appointed as lead consultant for an HSRC contract project dealing with women's role in transforming South Africa. Payments made for this service during 2006/07 are reflected in Note 6 of the audited annual financial statements. The project concerned was completed in December 2006.

## 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 detail 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, matters that must be reported on in the Annual Report and Financial Statements, the following were specified:

- (i) any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year. 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 R0,68 million or 0,25% of the overall budget for 2006/07;
- (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.

During March 2007, it was reported to the CEO that payments normally made by the HSRC's payroll office to certain third parties had not been received by the parties concerned. While the problem reported turned out to be relatively straightforward to resolve, the investigation into the reasons for the breakdown revealed a number of additional problems relating both to systems and to capacity that required attention. To assess the extent of the problems and to gain insight into their causes, a comprehensive exercise was launched, going back to 2005. One of the preliminary findings was the discovery of a number of transactions that had taken place without the necessary authorisation. Having voluntarily written and signed a statement to acknowledge this lack of authorisation, the payroll officer in question was dismissed, and a charge was laid with the SA Police Service.



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A forensic audit has subsequently commenced to establish the nature and extent of the fraud and to help further in identifying the deficiencies that enabled it to take place. The dismissed officer, who was released on bail, has undertaken to assist in this exercise.

Following discovery of the fraud, the payroll function was transferred from Human Resources (HR) to Finance, while the CEO has directed that the necessary control systems be established in HR as a matter of urgency.

The HSRC is satisfied that it has reliable measures in place to swiftly detect and address any such occurrences. These are reflected in its financial policies and procedures, and the ongoing process of revising and improving policies and procedures. A number of workshops with staff members took place during 2006/07 to help identify and address further possible fraud risks, and the Council-approved anti-fraud plan and implementation framework was further developed, communicated and implemented during the year.

## 2.9 Judicial proceedings filed during the year

Two judicial matters relating to the HSRC were dealt with during the year. In the first, judgement was passed in the High Court in favour of the HSRC in respect of a long-running dispute over the retrenchment of a former senior employee during restructuring in 2001/02. In the second, the state commenced the prosecution on four counts of fraud of a former employee who was dismissed in 2004/05. The case is still *sub judice*.

## 2.10 Review of the Human Sciences Research Council

### 2.10.1 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 overseeing 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.

Several high-level proposals and recommendations were made, addressing matters such as the following:

- engaging with stakeholders on the role and public purposes of the HSRC, towards incorporating these in a new Act to be prepared in conjunction with the DST;
- institutionalising and systematising its numerous collaborations with research partners, especially in higher education institutions;
- further extending its outreach into the rest of Africa through projects and organisational partnerships, under the New Partnership for Africa's Development (NEPAD) rubric;
- deepening and widening transformation in the organisation and its research activities, taking into account gender, disability and race and marginalised communities and individuals;
- improving its management information systems and updating its policies and procedures, and providing support to staff in relation to external earnings pressures; and
- addressing issues of data preservation, intellectual property and information sharing.

The recommendations of the Review Panel, and the Council's response to these recommendations, fed into the subsequent strategic planning process of the HSRC. In February 2004, the Council approved an ongoing process for implementing the main recommendations of the Review which was initially led by 13 task teams. These task teams progressed with putting in place plans for implementing recommendations, and the Council received regular reports on this progress at its quarterly meetings.

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The Council's report for 2005/06 contains reference to a new strategic plan, performance objectives and institutional objectives that were introduced, adopted and implemented after the current President and CEO had taken office on 1 August 2005. The recommendations of the 2003 Review Panel were incorporated into the new strategic approach and business plan of the HSRC, as illustrated in the table below. Section 3 of this Council's Report provides more detail on organisational developments during 2006/07, also in relation to strategic objectives that had been set for the year.

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

High-level recommendation	2004 task team	New strategic priority under PAITECS	2006/07 business plan objective
Engaging with stakeholders on the role and public purposes of the HSRC, towards incorporating these in a new Act	<ul style="list-style-type: none"> <li>• New legislation for the HSRC</li> </ul>	<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>• Developing more productive relationships with higher education institutions (HEIs)</li> <li>• Taking forward the Science and Technology for Poverty Reduction (SATPOR) initiative</li> </ul>	<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>• Assisting NEPAD</li> </ul>	<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>• Research quality, impact and implementation</li> <li>• Balance between scholarly and earnings work</li> <li>• Foregrounding gender, race and disability</li> <li>• Building networks with collaborators and stakeholders in marginalised communities; promoting access by such communities to the HSRC's research capacity</li> </ul>	<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> <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>

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

High-level recommendation	2004 task team	New strategic priority under PAITECS	2006/07 business plan objective
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>• Systems development</li> <li>• Professional development</li> <li>• Building project management capacity</li> </ul>	<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>• Communicating research findings</li> <li>• Intellectual property</li> </ul>	<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>

## 2.10.2 The 2006 DST review of institutional review reports of science councils

During February 2006, a review panel was appointed by the DST to review the institutional review reports for various science, engineering and technology institutions (SETIs) developed in the period 2001 to 2004. This second 'wave' of institutional reviews was intended to assess the extent to which institutions have implemented the generic and specific recommendations of the 1997/98 System-wide SETI Review and to identify universal problems with implementation and the related implications for the governance of the science and technology system.

Members of the HSRC Council and executive management team met with the 2006 Review Team on 9 February 2006. Discussions during this meeting also focused on new strategic objectives for the HSRC and the SETI environment in general. The draft report of this team was discussed with members of the Committee of Heads of Organisations of Research and Technology (COHORT). The main findings and recommendations made by this team were in agreement with principles informing organisational governance as well as strategic planning of the HSRC, and Council has already responded positively to specific initiatives from the DST that were aimed at implementing recommendations regarding good governance at institutional as well as system-wide levels.

The first meeting of the CEOs' Forum, established in accordance with the new policy on governance standards for SETIs, took place on 20 March 2007. At this meeting, the report of the system-wide review team was discussed and it was agreed that the report would help to stimulate ideas on how to improve the performance and collaboration among science councils.

## 2.10.3 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. The executive management team of the HSRC, consisting of the CEO, COO and executive directors of the HSRC, developed guidelines for such programme or unit reviews during 2006/07, and agreed that the purpose of these reviews would be as follows:

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for the period ending 31 March 2007

- to provide an opportunity for the restatement of research programme mandates and objectives;
- to take stock of congruence with, and progress towards those objectives;
- to assess the relevance and effectiveness of the programmes;
- to assess the impact of the programme on public policy and the community, and stakeholder perceptions of the programme outputs;
- to evaluate the scientific rigour of the programme as measured by peer-reviewed publications output;
- to test alignment with HSRC objectives and priorities such as transformation, gender equity and capacity development; and
- to 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 Child, Youth, Family and Social Development (CYFSD) research programme was the first HSRC programme to be evaluated in this way, and its review took place in February 2007.

The external review panel of CYFSD was headed by Professor Dan Ncayiyana, a distinguished scientist and advisor to the CEO of the HSRC. Other members represented national as well as international perspectives, namely:

Professor Alan Stein (University of Oxford)

Professor Wiseman Chirwa (University of Malawi)

Professor Lebo Moletsane (University of KwaZulu-Natal)

Professor Mahomed Seedat (University of South Africa)

The report of the review panel, once completed, will be considered by Council and the executive management of the HSRC, to identify appropriate responses to the recommendations. The report will also be submitted to the Minister and Department of Science and Technology. The next two research programmes to be evaluated, in 2007/08, will be Social Aspects of HIV/AIDS and Health (SAHA) and Democracy and Governance (D&G).

## 2.11 Self-assessment of performance

The Protocol on Corporate Governance was developed for public entities such as state-owned enterprises 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 2006/07. However, the information contained in this section (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, viz:

- composition of the Council
- Council sub-committees
- meetings of the Council
- Council mandate

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for the period ending 31 March 2007

- orientation and continuing education of Council members
- code of business conduct and ethics
- nomination and selection of Council members
- compensation of Council members
- assessment of Council performance, including assessment of the performance of individual Council members.

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 2006/07, 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 10 of this report contains an overview of such performance during 2006/07. 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 2006/07 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 new 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 researchers' conference and strategic planning *lekgotla*.

Examples of major contributions made by the HSRC Council during 2006/07 include:

- strategic engagement with the development of a new HSRC Bill;
- involvement in the development and successful implementation of the Shareholder's Compact between the HSRC Council and Minister of Science and Technology;
- adoption of a code of business ethics and register of interests;
- approval of the three-year strategic plan for 2007/08 to 2009/10 and the business plan for 2007/08, both of which are building on the new strategic direction embarked upon in 2005/06;
- monitoring of HSRC progress against stated objectives in the 2006/07 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 finances; and
- overseeing the implementation of an improved approach towards cash flow and debt management.

Matters remaining high on the agenda of the HSRC Council and management team include:

- the refinement and subsequent promulgation of a new HSRC Act, informed by careful consideration of the mandated objectives – or public purposes – of a new HSRC;
- active involvement in conducting and coordinating research, while developing new models of research collaboration in consultation with higher education institutions and other roleplayers in South Africa, other parts of Africa and abroad;

# Council's report *continued*

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- 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 its research, which includes continuing engagement on how to find the most appropriate indicators for research excellence;
- 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; 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 2007/08 and beyond, and in its business plan for 2007/08, and dedicated meetings of Council or its sub-committees.

## 2.12 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 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 New 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 2.10, above, provides a summary of the main business objectives introduced in the three-year strategic plan for 2006/07 to 2008/09 and in the business plan for 2006/07. These business objectives are closely aligned with the recommendations of the 2003 Institutional Review Panel and were further informed by a detailed analysis of strengths, weaknesses, opportunities and threats in relation to the HSRC.

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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. Public purpose, Africa focus, Implementation networking, Transformation, Excellence, Capacity building, and Sustainability.

The strategic business objectives map onto sentinel PAITECS indicators, as follows:

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

Performance area	Strategic business objective	Indicator
P Public purpose	To consolidate and strengthen public-purpose research activities of the HSRC	Percentage of all research projects that are conducted for the benefit of the public
	To contribute to prioritised policy issues of national importance through the introduction of a cross-cutting policy unit	
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	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
	To retain and empower critical staff and skills in the HSRC	Attrition rate of permanent staff
		Percentage of staff trained in gender sensitivity
E Excellence	To confirm the excellence of research work by emphasising peer-reviewed publication 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)

# Council's report *continued*

for the period ending 31 March 2007

**Table 2: HSRC business objectives and PAITECS indicators (continued)**

Performance area	Strategic business objective	Indicator
C Capacity building	To contribute to human capital development in the human and social sciences through the consolidation and expansion of research internship 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 2006/07 is reported on in Section 10 of this report. Section 3.3, below, provides an overview of how the strategic business objectives were operationalised and implemented during 2006/07.

## 3.2 Organisational structure

The organisational structure was realigned in 2005/06, to reflect the new strategic approach and objectives of the HSRC. At 31 March 2007, the structure of the HSRC reflected the following:

- five integrated research programmes (RPs), laying the foundation for HSRC work in undertaking, promoting and coordinating 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 interdisciplinary, problem-oriented research in these areas;
- seven cross-cutting units, intended to help mobilise and coordinate the resources, knowledge and support required to address national and institutional priorities; and
- twelve 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.

Changes in the organisational structure that took place between 31 March 2006 and 31 March 2007 evolved in the course of the year, as a result of the following:

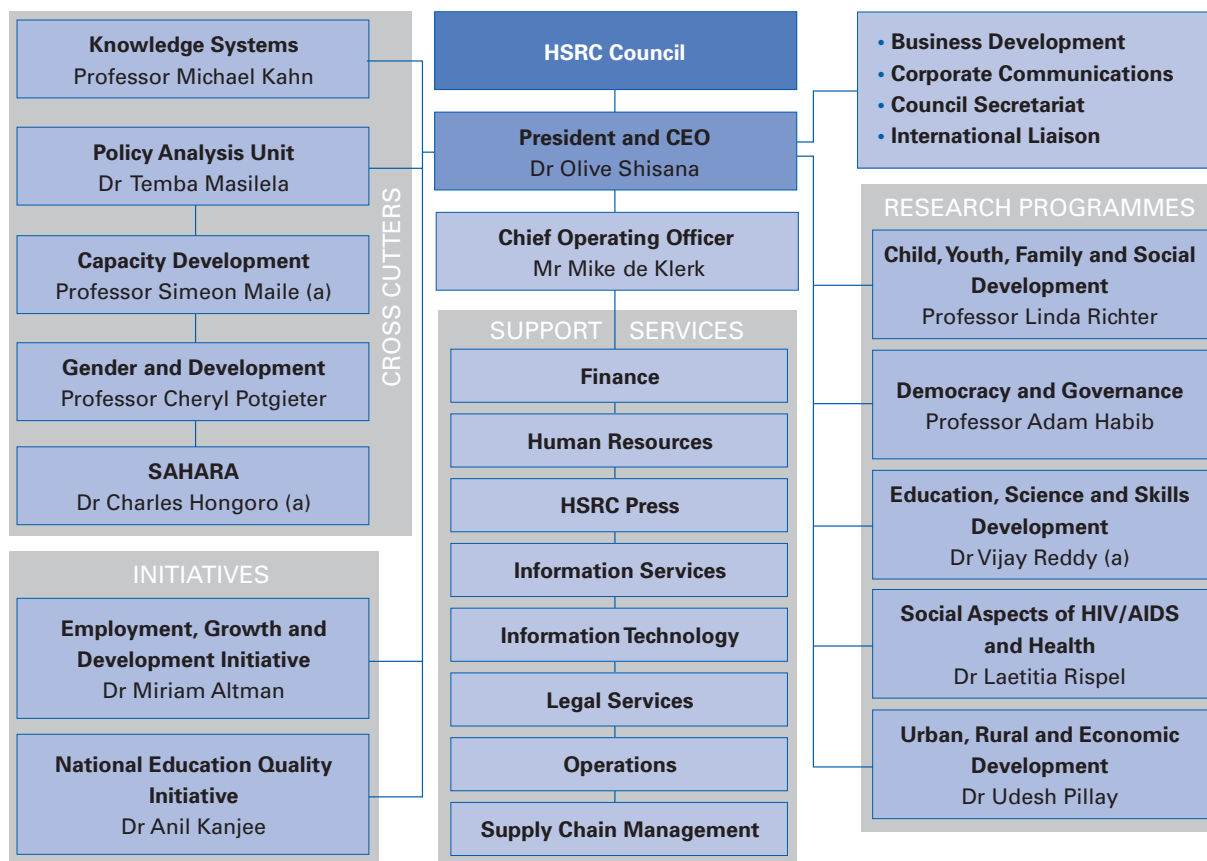
- The Society, Culture and Identity (SCI) research programme was temporarily merged with the Democracy and Governance (D&G) research programme, following the resignation of the ED of the programme on 30 November 2006.
- The reporting lines and relationships between cross-cutting units were refined in the course of 2006/07, and following the appointment of the ED of the Policy Analysis Unit (PAU) on 1 July 2006.
- Two support functions were 'spun out' from the units where they were incubated. These include Legal Services, growing from a one-person function in the Business Development unit which focused on contract advisory and administrative services, and supply chain management, which was initially established with staff from the Finance directorate, but is required to function independently.



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for the period ending 31 March 2007

Figure 1: Organisational structure of the HSRC, 31 March 2007



By 31 March 2007, the research portfolio and associated cross-cutting initiatives were arranged as follows:

Table 3: Research programmes and cross-cutters at 31 March 2007

<b>Five integrated research programmes:</b>			
Name of programme	Acronym	Executive director	Headed from
Child, Youth, Family and Social Development	CYFSD	Professor Linda Richter	Durban
Democracy and Governance	D&G	Professor Adam Habib	Pretoria
Education, Science and Skills Development	ESSD	Dr Vijay Reddy (acting)	Durban
Social Aspects of HIV/AIDS and Health	SAHA	Dr Laetitia Rispel	Pretoria
Urban, Rural and Economic Development	URED	Dr Udesh Pillay	Pretoria

# Council's report *continued*

for the period ending 31 March 2007

**Table 3: Research programmes and cross-cutters at 31 March 2007 (continued)**

<b>Seven cross-cutting units:</b>			
Name of unit	Acronym	Executive director/head	Headed from
Policy Analysis Unit, currently overseeing three other cross-cutting initiatives:	PAU	Dr Temba Masilela (from 1 July 2006)	Pretoria
<i>Capacity Development</i>	CD	Prof Simeon Maile (acting)	Pretoria
<i>Gender and Development</i>	G&D	Professor Cheryl Potgieter	Pretoria
<i>Social Aspects of HIV/AIDS Research Alliance</i>	SAHARA	Dr Charles Hongoro (acting)	Pretoria
Two national initiatives:			
<i>National Education Quality Initiative</i>	NEQI	Dr Anil Kanjee	Pretoria
<i>Employment, Growth and Development Initiative</i>	EGDI	Dr Miriam Altman	Pretoria
Knowledge Systems	KS	Professor Michael Kahn	Cape Town

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

### 3.3 Progress made with the implementation of the 2006/07 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 2006/07 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 of each of the strategic business objectives during 2006/07:

#### 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 2006/07.

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)

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

Planned activity	Progress made during 2006/07
Contributing to the process of discussing and finalising relevant aspects of the draft HSRC Bill, to reach agreement on mandated objectives and public purposes of the HSRC	<i>Achieved: The Bill was approved by Cabinet on 6 December 2006 and will enter the legislative process in 2007/08.</i>

# Council's report *continued*

for the period ending 31 March 2007

Planned activity	Progress made during 2006/07
<p>Prioritising research dealing with issues of national importance, including poverty reduction, service delivery, HIV/AIDS, education quality, employment and growth, social and political transformation, R&amp;D strategy support, by assigning research programmes or cross-cutting units as 'champions' or coordinators for these themes</p>	<p><i>Achieved:</i>  <i>With the support of a ring-fenced allocation, the Policy Analysis Unit (PAU) was established. The areas of specialisation of the team of senior research managers and directors appointed in the PAU are aligned with the identified priority areas of research, where they will play cross-cutting roles in coordinating research involving specialists within and outside the HSRC.</i></p> <p><i>Research programmes and cross-cutters in the HSRC were designated to champion these priority areas, as follows:</i></p> <ul style="list-style-type: none"> <li>• <i>Poverty reduction: URED</i></li> <li>• <i>Service delivery: URED</i></li> <li>• <i>HIV/AIDS: SAHA</i></li> <li>• <i>Education quality: NEQI</i></li> <li>• <i>Employment and growth: EGDl</i></li> <li>• <i>Social and political transformation: D&amp;G</i></li> <li>• <i>R&amp;D strategy support: KS</i></li> </ul>
<p>Supporting research in programmes that will track and monitor service delivery, and track the state of the HIV/AIDS epidemic in South Africa</p>	<p><i>Achieved:</i>  <i>Within URED, a directorate for infrastructure and service delivery research undertook and coordinated a number of projects dealing with aspects of service delivery in various areas.</i></p> <p><i>SAHA undertakes and supports research to track the state of HIV/AIDS prevalence in South Africa. Findings from two collaborative national HIV Prevalence, HIV Incidence, Behavioural Risks and Communication Surveys (2003 and 2005) helped government to target actions and to monitor the impact of the Comprehensive Plan for Management, Care and Treatment of HIV and AIDS. SAHA is currently preparing for the third national survey, with support obtained from the USA Centers for Disease Control and Prevention (CDC), and the involvement of the South African Presidency and all relevant government departments.</i></p>

Selected example of impact: support for the National R&D Strategy

*KS, notably with the support of a ring-fenced grant to the value of R5,5 million earmarked for work of the Centre for Science, Technology and Innovation Indicators (CeSTII), provides strategic information to government to monitor progress in implementing the national R&D strategy. During 2006/07 it further undertook an Innovation Survey; participated in a contract project to prepare the business case for the new Foundation for Technological Innovation as mooted in the 2002 national R&D strategy, and played a major role in providing both data and analysis for the Organisation for Economic Co-operation and Development (OECD) Review of the South African System of Innovation that was tabled at the meeting of the OECD Committee on S&T Policy in March 2007.*

# Council's report *continued*

for the period ending 31 March 2007

## 3.3.2 To contribute to prioritised policy issues of national importance through the introduction of a cross-cutting policy unit

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

Planned activity	Progress made during 2006/07
<p>Establish a Policy Analysis Unit (PAU) to conduct national programme impact assessments related to key international development goals adopted by South Africa and the internationally community of which South Africa is a member</p>	<p><i>Achieved:</i>  <i>Dr Temba Masilela took office as ED of the newly-established PAU on 1 July 2006. Eight new staff members were appointed, to manage, coordinate and undertake cross-cutting projects in areas of national, regional and international importance.</i></p>
<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</li> </ul> <p>Ensure that all research for the HSRC, which has impact on the public, is communicated to grass-roots organisations</p>	<p><i>Achieved:</i>  <i>The PAU will play a key role in coordinating the Management of Social Transformation (MOST) National Liaison Committee for South Africa, under the auspices of the South African National Commission for UNESCO. The establishment of networks to promote the interaction between social science researchers and policymakers is a key strategy of MOST.</i></p> <p><i>The HSRC Press granted free usage rights to 21 different non-profit institutions during 2006/07.</i></p> <p><i>The PAU, in conjunction with CYFSD and ESSD, launched a National Youth Initiative to host policy dialogues, produce policy briefs and conduct research where gaps are evident.</i></p> <p><i>Print and broadcast media coverage of HSRC research remains an effective vehicle of communicating findings to grass-roots organisations, also in languages other than English. The advertising value equivalent of free media coverage received by the HSRC in 2006/07 was R71,9 million.</i></p>
<p>Consolidate a new initiative called Employment, Growth and Development Initiative (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><i>Achieved:</i>  <i>EGDI established a core research team to undertake initial research focusing on core elements of employment scenarios.</i></p> <p><i>An implementation network was established, including a working group of experts, and senior officials from government, trade unions, and business, and a reference group of business, union and government leaders.</i></p> <p><i>To support employment policy networking, a web-based network was established, a seminar series launched, frequent roundtable events hosted, and global outreach supported through presentations at international institutions.</i></p>

# Council's report *continued*

for the period ending 31 March 2007

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

Planned activity	Progress made during 2006/07
Consolidate the National Education Quality Initiative (NEQI), to capitalise on regional collaboration to develop and evaluate a systems model for improving educational quality based on evidence	<p><i>Achieved:</i> NEQI continued with work on education quality indicators as well as universal access to primary education from the perspective of impact analysis and policy analysis work.</p> <p><i>In addition, NEQI has established and is leading a consortium of four education service providers in research aimed at assisting the Department of Education (DoE) to improve the quality of reading, writing and numeracy outcomes in South Africa. The five-year project is funded by the Royal Netherlands Embassy (RNE).</i></p>
Convene social science conference jointly with AISA and engage social scientists from universities and policymakers in establishing research priorities for social sciences, thus providing leadership on social science in South Africa	<p><i>Achieved:</i> The 2006 Social Sciences Conference took place from 27 to 29 September 2006, as a collaborative venture between the Africa Institute of South Africa (AISA), the Social Science Network of South Africa (SSNSA), and the HSRC. More than 200 delegates attended the conference. Funding to co-sponsor the conference was provided by the DST.</p>

### 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, 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:

Planned activity	Progress made during 2006/07
Establish an International Liaison Unit in the Office of the CEO	<p><i>Achieved:</i> A Director: International Liaison was appointed towards the end of 2005/06. An office was established in Cape Town, and systems for reporting and coordinating international visits introduced. During 2006/07, specific activities were prioritised to:</p> <ul style="list-style-type: none"> <li>• enhance HSRC involvement in bilateral science and technology agreements</li> <li>• support the implementation of memoranda of understanding with international partners</li> <li>• increase the visibility of the HSRC and HSRC research internationally, particularly in the US and Europe</li> <li>• support work in Africa and international engagement on social aspects of HIV/AIDS research</li> <li>• communicate regularly with the DST's International Cooperation and Resources section (particularly the directorate for Africa and Multilaterals) to enhance further planning and collaboration.</li> </ul> <p><i>In addition, and at the request of the DST, a senior HSRC staff member was appointed as National Contact Point (NCP) for the socio-economic sciences and humanities, to enhance South African involvement under this theme in the seventh European Union Framework Programme for Research.</i></p>

# Council's report *continued*

for the period ending 31 March 2007

Planned activity	Progress made during 2006/07
Collaborate with researchers across the African continent and create Africa-wide networks of research partners.	<i>Achieved: The emphasis on collaboration with researchers in other parts of Africa has led to the introduction of two new institutional performance targets under PAITECS, both of them requiring considerable efforts from researchers in the HSRC to achieve the reported levels of performance.</i>
Finalise the memorandum of understanding (MoU) with CODESRIA	<i>The MoU between CODESRIA and the HSRC was drafted, approved by both institutions and signed on 29 September 2006, the final day of the Social Sciences Conference, by Dr Olive Shisana (HSRC CEO) and Dr Adebayo Olukoshi (CODESRIA Executive Secretary). Areas of collaboration will focus on issues that face the continent as a whole, development of all-Africa networks, collaborative research projects, building capacity through exchange programmes and active collaboration between the publishing houses of the respective organisations with the publication, translation and dissemination of materials.</i>
Strengthen the Social Aspects of HIV/AIDS Research Alliance (SAHARA) as a vehicle to contribute to attainment of the Millennium Development Goal of halting and reversing the spread of HIV/AIDS by 2015	<i>Achieved: The SAHARA core office in South Africa as well as regional offices in Dakar, Senegal and Kisumu, Kenya have continued with coordination of the main programmatic activities, which include networking, coordinating and facilitating research activities and the identification of best practices, providing multi-media platforms for the exchange of information, and management of the SAHARA database and journal.  SAHARA has developed strategic partnerships with key bodies such as UNAIDS and NEPAD, the latter formalised through a MoU. These have significantly improved SAHARA's capacity in the implementation of its mission.  Collaborative research, conferences and planning workshops aimed at halting and reversing the spread of HIV/AIDS by 2015 address themes such as monitoring and evaluation, gender inequalities, male circumcision and vaccine research.</i>

### 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).

# Council's report *continued*

for the period ending 31 March 2007

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

Planned activity	Progress made during 2006/07
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 and donor organisations)	<p><i>Achieved:</i>  <i>Performance in terms of PAITECS indicators reported as at 31 March 2007 showed that more than 70% of large research projects have implementation networks; thus exceeding the target set for the 2006/07 budget year by a considerable margin.</i></p> <p><i>The reports of individual research programmes and cross-cutting units will contain examples of projects that benefited from significant involvement of stakeholders to increase the likelihood of the acceptance, uptake and implementation of research findings.</i></p>
Consult universities to build a strong coordinating and cooperative relationship	<p><i>Achieved:</i>  <i>On 10 February 2006, a workshop dealing with collaboration between the HSRC and Higher Education South Africa (HESA) was organised. This was attended by 31 participants from higher education institutions. Following the workshop, a joint media statement was released indicating HSRC/HESA intention towards collaboration.</i></p> <p><i>Thus far, the HSRC has signed MoUs with the University of Cape Town (UCT) and University of South Africa (UNISA). Further MoUs are likely to be signed with universities such as the Universities of Johannesburg, Rhodes, Fort Hare, Venda and Stellenbosch. The HSRC is also pursuing collaboration with the Association of African Universities (AAU).</i></p> <p><i>A follow-up workshop between the HSRC and HESA will take place to consider the progress made with existing and new HSRC-university collaborations, and for the development of draft policy in this sphere.</i></p>

### 3.3.5 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

Indicator 10:

- Percentage of staff trained in gender sensitivity.

# Council's report *continued*

for the period ending 31 March 2007

Other Key Performance Indicators (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:

Planned activity	Progress made during 2006/07
Increase the proportion of underrepresented groups (African and coloured) in the senior echelons of the HSRC	<i>Progress made, targets not achieved: PAITECS as well as KPI targets were set and monitored throughout the year. Progress was made even though targets were not achieved in full.</i>
Set and monitor targets	<i>In the case of representativeness at executive management level, it should be noted that these percentages were closer to the targets set in the course of 2006/07, but prior to the resignation of an African executive director on 30 November 2006.</i>
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	<i>Progress made: Gender mainstreaming training was introduced in 2006/07. The training was differentiated to address specific needs of research staff and support staff in different ways.</i>
Introduce gender sensitivity training	<i>Target achieved: The Gender and Development (G&amp;D) unit of the HSRC facilitated the selection of appropriate service providers for gender sensitivity training in 2006/07. Two different service providers offered training courses to researchers as well as to support staff in the course of the year. In addition, the G&amp;D unit granted recognition to staff with demonstrated prior knowledge and experience in relation to gender mainstreaming in research.  The 2006/07 target for gender sensitivity training in the HSRC was met.</i>



# Council's report *continued*

for the period ending 31 March 2007

## 3.3.6 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 (Indicator 8, Table 8)

Other 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:

Planned activity	Progress made during 2006/07
Review performance management system and its application	<i>Progress made:</i> <i>The COO and Director: HR have embarked on a process of introducing Key Performance Areas (KPIs) for all staff that are aligned with the new strategic direction of the HSRC and PAITECS indicators.</i>
Develop coaching skills of managers	<i>Progress made:</i> <i>A Leadership Development programme, initially involving the CEO, COO, executive directors and directors in the support units, commenced on 26 July 2006. Individual coaching for a number of heads of units was supported. Decisions on how best to take the progress forward, and cascade the initiative to the wider HSRC, are expected early in 2007/08.</i>
Build better relationship between management and the union	<i>Progress made:</i> <i>Towards the end of 2005/06, it was agreed that negotiations on salary adjustments would in future be finalised with a view to implementation on 1 April, rather than 1 July. The negotiations prior to the 1 April 2007 salary adjustments covered more complex issues than usual, encompassing not only the customary annual cost-of-living increase but also sliding scale-based increases to improve the HSRC's market competitiveness.</i>  <i>Agreement on this matter was reached in early April 2007, with a view to implementation in the same month. The Public Service Association (PSA) commended management on the fairness and transparency of its approach. Another product of this positive relationship was the rapid, constructive response by the union to the adaptations proposed by management to the annual performance appraisal and goal-setting process to incorporate the PAITECS strategy (see above).</i>

# Council's report *continued*

for the period ending 31 March 2007

Planned activity	Progress made during 2006/07
<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>Develop and implement new marketing strategy</p>	<p><i>Progress made:</i></p> <p><i>The overall goal of the new marketing and fund-raising strategy is to ensure the sustainability of the HSRC by focusing on larger, long-term grants aligned with the public purposes and strategic plan of the organisation.</i></p> <p><i>During 2006/07, the CEO, with relevant senior staff members, participated in strategic discussions with key stakeholders in government departments, Parliament and selected donor organisations, nationally and internationally.</i></p> <p><i>Significant funding applications for large and long-term research projects, led by the CEO and EDs during 2006/07, yielded successes such as the following:</i></p> <ul style="list-style-type: none"> <li>• <i>Ring-fenced funding and further contract-based support obtained for the establishment and work of a Policy Analysis Unit</i></li> <li>• <i>Appointment of an HSRC-led consortium to support research work of the Department of Labour</i></li> <li>• <i>Obtaining significant funding from the US-based Centers for Disease Control and Prevention (CDC) to undertake work in the area of HIV/AIDS</i></li> <li>• <i>Funding from the Royal Netherlands Embassy (RNE) to support an HSRC-led research consortium to do work on education quality.</i></li> </ul>
<p>Ensure that exit interviews are conducted, analyse and report on possible trends emerging</p>	<p><i>Progress made:</i></p> <p><i>All staff who have resigned from the HSRC are approached by Human Resources (HR) to request an exit interview, These interviews are conducted on a voluntary and confidential basis. Information gathered from such interviews is analysed, and incorporated into the quarterly HR report to the HSRC Council. A working group appointed to identify requirements for the HSRC to become an 'employer of choice' will also draw on information obtained from exit interviews.</i></p>

Employee wellness remains a high priority on the agenda of the HSRC. During 2006/07, massage chairs were procured and placed in the various HSRC offices to provide HSRC staff with the opportunity to relax and improve blood circulation while in the office.

The annual employee wellness day, a joint initiative of Human Resources (HR) and Corporate Communications (CC), has become a noteworthy event on the HSRC calendar. The theme for the wellness day in May 2006 was, 'Come stay well together'. Staff throughout the HSRC offices had an opportunity to find out about their HIV status, cholesterol, diabetes, and even took more time to use the newly procured massage chairs.

# Council's report *continued*

for the period ending 31 March 2007

### 3.3.7 To confirm the excellence of research work by emphasising peer-reviewed publication 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 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' the findings of research findings, and to ensure the effective dissemination and uptake of research findings.

The following table provides an overview of a broader selection of research outputs produced by HSRC researchers and research teams during 2005/06 and 2006/07:

**Table 4: Publications**

Category	No. in 2006/07	No. in 2005/06
<i>All HSRC research staff</i>		
Books and chapters in HSRC books	69	119
Books and chapters in non-HSRC books	48	35
Journal articles	143	166
<i>Refereed</i>	106	116
<i>Non-refereed</i>	37	50
Research reports to clients/users	79	124
<b>Total</b>	<b>339</b>	<b>444</b>

# Council's report *continued*

for the period ending 31 March 2007

**Table 4: Publications (continued)**

Category	No. in 2006/07	No. in 2005/06
<i>All research staff from SR upwards</i>		
Books and chapters in HSRC books	0,53	1,02
Books and chapters in non-HSRC books	0,37	0,30
Journal articles	1,11	1,42
<i>Refereed</i>	0,82	0,99
<i>Non-refereed</i>	0,29	0,43
Research reports to clients/users	0,61	1,06
<b>Total</b>	<b>2,63</b>	<b>3,79</b>

According to the information on research outputs captured in the RMS by the end of May 2007, the HSRC has not produced as many individual research products during 2006/07 as in the preceding years. A contributing factor for the lower level of performance could include the new emphasis on longer-term, large-scale research projects that might lead to fewer client reports being required during the year under review.

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

Planned activity	Progress made during 2006/07
Improve on the indicator of scientific excellence by increasing the number of publications in international, peer-reviewed journals	<p><i>Achieved:</i></p> <p><i>The indicator for publications in peer-reviewed journals was further refined. As of 2006/07, listing in the following indices would be prerequisites for journal articles published by senior research staff to be recognised under the PAITECS indicator:</i></p> <ul style="list-style-type: none"> <li>• <i>The Sciences Citation Index of the Institute of Scientific Information (ISI)</i></li> <li>• <i>The Social Sciences Citation Index of the ISI</i></li> <li>• <i>The Arts and Humanities Citation Index of the ISI</i></li> <li>• <i>The International Bibliography of Social Sciences (IBSS)</i></li> </ul> <p><i>The target for international peer-reviewed articles, per senior researcher (SRS and above), was set at 0,85 for 2006/07, and the target was exceeded by 31 March 2007. The achievement of 0,99 articles for SRS and above reflects a qualitative improvement over the performance of researchers (SR and above) during 2005/06.</i></p> <p><i>Targets were also set for researchers below the level of SRS and above. These were not achieved by the end of 2006/07 and remain a challenge for capacity development.</i></p>
Ensuring all publications emanating from Parliamentary grant funds are peer-reviewed	<p><i>Progress made:</i></p> <p><i>It was agreed at the June 2006 ED workshop that EDs would take responsibility for ensuring compliance with this indicator.</i></p>

# Council's report *continued*

for the period ending 31 March 2007

Planned activity	Progress made during 2006/07
Ensure that all HSRC research programmes are reviewed	<p><i>Progress made:</i>            A document to inform the general approach to the review of HSRC research programmes as well as cross-cutters was discussed and approved at the June 2006 ED workshop. The first research programme to be reviewed was CYFSD. Its review plan was discussed and approved in July 2006, and the review process completed by February 2007. The final report from the external review panel will be considered by the HSRC Council. Further programme reviews will take place in 2007/08, and the CEO has allocated budgetary support for such reviews.</p>

### 3.3.8 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 objectives 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 performance indicators related to human capital development across the organisation are reflected in Table 9 of Section 6 and relate to:

- the proportion of HSRC researchers (excluding interns and fieldworkers) with master's or doctoral degrees, 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).

Research staff in general are well qualified. Where support is made available for further training opportunities, the uptake is relatively uneven.

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

Planned activity	Progress made during 2006/07
Develop a focused HSRC-wide capacity-building programme focusing on staff and new researchers (grow our own timber)	<p><i>Progress made:</i>            Following the resignation of the head: Capacity Development in June 2006, an acting director was appointed.</p> <p>Capacity development initiatives and approaches in different research programmes were discussed at the ED workshop so that shared learning could take place.</p> <p>A funding application for coordinated capacity development support led to the inclusion of a R7 million ring-fenced allocation towards capacity development in the 2007/08 budget allocation to the HSRC.</p>

# Council's report *continued*

for the period ending 31 March 2007

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

*Performance indicators:*

Table 8, 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 relevant to this strategic business objective, are reflected in Table 9, Section 6. These include:

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

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

Planned activity	Progress made during 2006/07
Finalise and implement new marketing strategy	<p><i>Achieved:</i>  <i>The overall goal of the new strategy which was jointly developed by the directors: Business Development and Corporate Communications, is to ensure the sustainability of the HSRC by focusing on larger, long-term grants aligned with the public purposes and strategic plan of the organisation. Three main objectives were identified, namely</i></p> <ul style="list-style-type: none"> <li>• <i>growing the Parliamentary grant</i></li> <li>• <i>improving access to public funds (national and international)</i></li> <li>• <i>securing grants from selected donor organisations.</i></li> </ul> <p><i>The CEO plays a cardinal role in presenting a coordinated view of the HSRC to potential donors and international funding agencies. To support the integrated implementation of this strategy, the revised structure of the regular research business meetings (RBMs) provides specific focus on information sharing and the coordination of stakeholder relations at local and international levels. New appointments in the Business Development unit and the strengthening of the International Liaison unit provided more focused corporate support for the HSRC marketing and fund-raising strategy.</i></p>
Ensure economic and financial sustainability of the HSRC by securing multi-year research grants	<p><i>Achieved:</i>  <i>By 31 March 2007, more than 40% of external research grant funding to the HSRC was reported to be derived from multi-year grants</i></p> <p><i>To complement multi-year grants received in the form of ring-fenced funding from the Parliamentary grant allocation to the HSRC, the HSRC secured a number of new large externally-funded projects during 2006/07 to support research and research coordination over several years. Table 5 in Section 4 provides an overview of the top twenty large-scale projects registered during 2006/07.</i></p>

# Council's report *continued*

for the period ending 31 March 2007

Planned activity	Progress made during 2006/07
Seeking increased levels of Parliamentary funding or ring-fenced financial support from government departments	<p><i>Achieved:</i></p> <p><i>The HSRC submitted its Medium-Term Expenditure Framework (MTEF) proposal to DST towards the end of July 2006. This submission contained a motivated case for ongoing support of HSRC research programmes and existing ring-fenced activities. In addition, specific requests were prepared in relation to the need to strengthen capital and infrastructural investment in the HSRC, and for research and capacity building activities that are specifically aligned with the Accelerated and Shared Growth Initiative of South Africa (AsgiSA).</i></p> <p><i>During 2006/07, the CEO, accompanied by relevant EDs, met with Directors-General in the various government clusters to identify areas of shared interest, with a view to common strategic planning and coordination of research activities.</i></p>

Council is satisfied that the HSRC remained committed to objectives set in the strategic and business plans guiding its work during 2006/07. Quantifiable performance indicators highlighted under PAITECS received attention alongside ongoing work to support strategic business objectives outlined in the 2006/07 business plan of the HSRC.

## 4. Other matters of importance

### 4.1 Finances and sustainability

During the 2006/07 financial year the HSRC achieved an overall turnover of R245,5 million (2005/06: R217 million). This is the highest turnover that the HSRC has achieved in its history, and represents an increase of 13,1% or R28,5 million from the previous financial year. However, compared against the budget for 2006/07, this is 10% or R27,5 million under the budgeted income of R273 million.

Reasons for the variance of 10% are the following:

- Two units (SCI and CD) failed to meet their external income targets, accounting for the major portion of the shortfall, namely R11,6 million. Both of these units experienced changes in leadership in the course of the year.
- Several of the other units missed their external income targets by smaller amounts, nevertheless accumulating a combined shortfall of R10,6 million.
- There was a double count of R5 million as income in the budget approved for 2006/07.

Savings and increased external income earnings in the rest of the organisation helped to address the shortfall in external income. Following the resignation of the ED of SCI, the programme was transferred to the D&G research programme, until such time as a decision has been made on the most viable approach and structure(s) to support humanities research in the HSRC. Work undertaken by the Capacity Development unit will for the foreseeable future, as of 2007/08, be funded with the support of a ring-fenced Parliamentary grant allocation.

External research income earned by research programmes and cross-cutters amounted to R124,6 million (excluding ring-fenced funding) for 2006/07. The comparative amount for 2005/06 was (R113,8 million – R117,3 million if the ring-fenced amount is added).

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 commenced the

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for the period ending 31 March 2007

2005/06 and 2006/07 financial years with more than half of the target for external research earnings already under contract, and is entering the 2007/08 financial year with almost 63% of its external earnings already secured in the form of signed contracts.

Table 5 below provides an overview of the 'top twenty' research projects in terms of total expenditure for the year, with an indication of funding obtained from external sources, the HSRC Parliamentary grant, and ring-fenced allocations.

**Table 5: Top 20 research projects, 2006/07**

Project title	External funder	Parliamentary grant R'000	Ring-fenced R'000	External R'000	Total R'000
OVC project : 3 countries (Botswana, SA and Zimbabwe)	WK Kellogg Foundation			7 440	7 440
Birth to Twenty study	Wellcome Trust			7 425	7 425
Department of Labour critical research projects	Department of Labour			7 018	7 018
Study on Global Ageing and Adult Health (SAGE)	World Health Organisation			5 809	5 809
Project Accept	University of California			5 262	5 262
Research and Development (R&D) Survey	Department of Science and Technology	1 539	2 028		3 567
SAHARA Resource Network: CIDA	Canadian International Development Agency (CIDA)			3 463	3 463
CeSTII Development	Department of Science and Technology	482	1 891	1 027	3 400
The Client Survey	South African Revenue Service (SARS)			3 184	3 184
Safety and Security Sector Education and Training Authority (SASSETA)	SASSETA			2 902	2 902
Teacher Education	Ambassade van het Koninkrijk der Nederlanden (Royal Netherlands Embassy)	529		2 340	2 869
Innovation Survey	Department of Science and Technology	1 178	1 581		2 759
DFID Bridging Funds	Department for International Development			2 751	2 751
Race and Redress	Ford Foundation	868		1 817	2 685
SAHARA resource networking	Ministerie van Buitenlandse Zaken (Dutch Ministry of Foreign Affairs)			2 612	2 612
Socio-economic and Epidemiology Survey: Lesotho Highlands Water Project: Phase 1 Dams	Lesotho Highlands Development Authority			2 549	2 549
Western Cape Education Department Grade 8 Learner Assessment	Western Cape Education Department	30		2 498	2 528



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for the period ending 31 March 2007

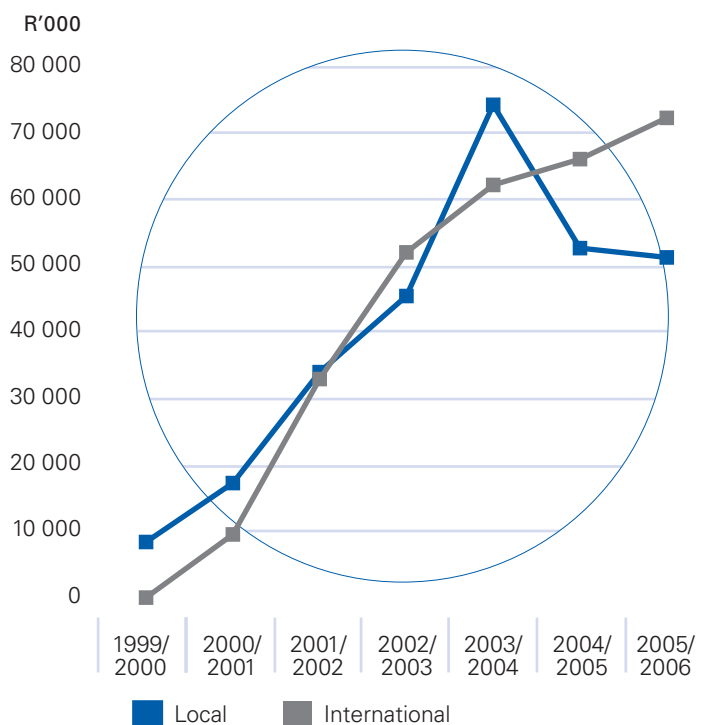
**Table 5: Top 20 research projects, 2006/07 (continued)**

Project title	External funder	Parliamentary grant R'000	Ring-fenced R'000	External R'000	Total R'000
Tracking Public Research and Development Expenditure study	National Advisory Council on Innovation (NACI)			2 050	2 050
Phaphama 2 – Theory-based behavioural risk reduction intervention project in 3 clinics	National Institute of Mental Health			1 936	1 936
The Collaborative HIV/AIDS and Adolescent Mental Health Project (CHAMP)	National Institute of Mental Health			1 703	1 703
<b>Total</b>		<b>4 626</b>	<b>5 500</b>	<b>63 786</b>	<b>73 912</b>

The table further illustrates the broad range of the HSRC's funding base. Government departments, civil society as well as international and South African foundations are included in the impressive list of top HSRC research funders for the year under review. 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 increase in foundation and international competitive grants is also reflected in the proportion of the HSRC's support from international sources that has risen over recent years. This extends the science and technology (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. The grey line in Figure 2 below shows how the level of external income from international sources has risen over the last seven financial years.

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



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for the period ending 31 March 2007

With regard to Parliamentary grant allocations, Table 6 below as well as Note 2 to the Annual Financial Statements of the HSRC show the net effect of adjustments for deferred income in relation to depreciation costs, for 2005/06 and 2006/07. 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>2006/07</b> <b>R'000</b>	2005/06 R'000
Parliamentary grant received	<b>96 214</b>	84 458
<b>Plus:</b> Net adjustment in respect of deferred income	<b>765</b>	672
<b>Parliamentary grant as per statement of financial performance</b>	<b>96 979</b>	85 130

The HSRC received R12,3 million additional funding from National Treasury for the Value-Added Tax (VAT) liability incurred by the HSRC during the 2006/07 financial year due to changes in the VAT legislation. These changes made the transfer payments received from the DST taxable, at a 14% VAT rate. The actual VAT liability of the HSRC was in fact R14,7 million. The shortfall of R2,4 million was jointly financed by the HSRC and DST, with DST agreeing to pay R1,6 million of the shortfall. All information in the financial statements of the HSRC is reflected net of VAT.

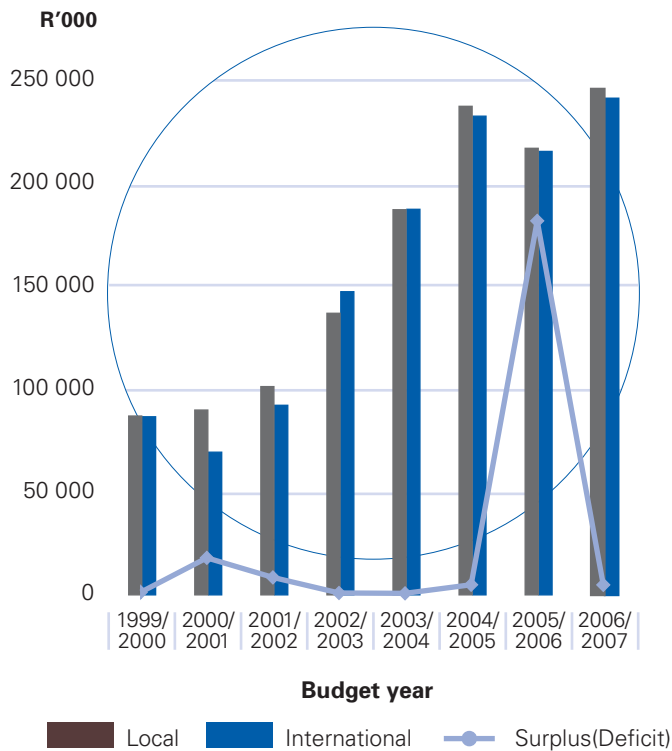
Overall expenditure in 2006/07 was R240,2 million (R215,4 million in 2005/06) which represents an 11,5% increase. This resulted in a surplus of R5,2 million for 2006/07, compared to the adjusted surplus of R2,7 million at the end of 2005/06. The R6,7 million is divided into two amounts: An amount of R5,4 million was created with the recalculation of asset values following the introduction of new International Financial Reporting Standards (IFRS) requirements on the depreciation of assets. This amount will be moved to general reserves to provide for future depreciation of these assets. The other amount, R1,2 million, is the actual surplus, which will be utilised to cover costs of refurbishing the Cape Town office in 2007/08, if permission is obtained to retain the surplus.

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

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for the period ending 31 March 2007

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



Employee cost, R121,1 million (2005/06: R112,6 million), the largest cost component, increased by 7,5% in 2006/07. 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 151 shows that the HSRC had total assets of R156,4 million at 31 March 2007 (R129,8 million at 31 March 2006), of which current assets were worth R67,0 million (2005/06: R39,3 million). The current liabilities are R62,3 million (2005/06: R40,2 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 of its report.

More detailed financial information, including extensive notes, can be found in the audited annual financial statements appended to this report.

## 4.2 Human resources and transformation

As a knowledge-intensive research organisation (KIRO), 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

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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 key performance indicators reflected in Table 9, Section 6 of this 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 and administrative staff at all levels.

In accordance with other compliance reports prepared by the HSRC, this Council's Report will focus on 'permanent' staff on the payroll of the HSRC at 31 March 2007. 'Permanent', in this context, refers to staff who are appointed for an indefinite period, or for a fixed period of at least 12 months. Other categories of persons on different payrolls of the HSRC are persons appointed on short-term contract (less than 12 months) and those appointed to undertake specific assignments (for instance, a fieldworker for a specific survey project or an academic appointed to review a draft report). Where relevant, particularly where relevant to specific objectives listed under PAITECS, information on persons appointed for a shorter period of time (e.g. some of our visiting African research fellows) will be 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 2007, some 53 persons were working on short-term contract assignments for the HSRC, over and above the approximately 360 persons already employed by the HSRC in a more permanent capacity. The majority of these short-term contract workers, as reflected on 31 March 2007, were African (15 male and 12 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 360 staff members on permanent payroll at 31 March 2007, the following broad trends are noteworthy:

- The largest single staff category remains research, with 165 researchers, 132 administrative staff members and 63 research technical staff on payroll. Comparative figures for 2005/06 were 152 researchers and 128 administrative staff members. The HSRC has thus shown net growth in terms of staff members between 2005/06 and 2006/07.
- Research staff at the level of SRS or above has increased slightly from 72 in 2005/06 to 75 in 2006/07.
- The HSRC operates from offices in Pretoria (216 staff members), Cape Town (86 staff members) and Durban (57 staff members). It also has a research presence in Port Elizabeth.
- Real progress was made in relation to overall staff representativeness, as shown in Table 7, Figure 4 and Figure 5, below.

**Table 7: HSRC staff composition according to race and gender composition, 31 March 2007**

	African %	Coloured %	Indian %	Subtotal: Black %	White %	Total ∞%
Female	29,4	8,9	3,3	41,7	18,1	59,7
Male	21,9	3,9	3,3	29,2	11,1	40,3
<b>Total</b>	<b>51,4</b>	<b>12,8</b>	<b>6,7</b>	<b>70,8</b>	<b>29,2</b>	<b>100,0</b>

The HSRC is a predominantly black organisation, and for the first time in history African staff members comprised the majority at 51,4%. African females comprise the single largest employee category in the HSRC, followed by African males.

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for the period ending 31 March 2007

Figure 4: Female employees in employment levels, 2004/05 to 2006/07

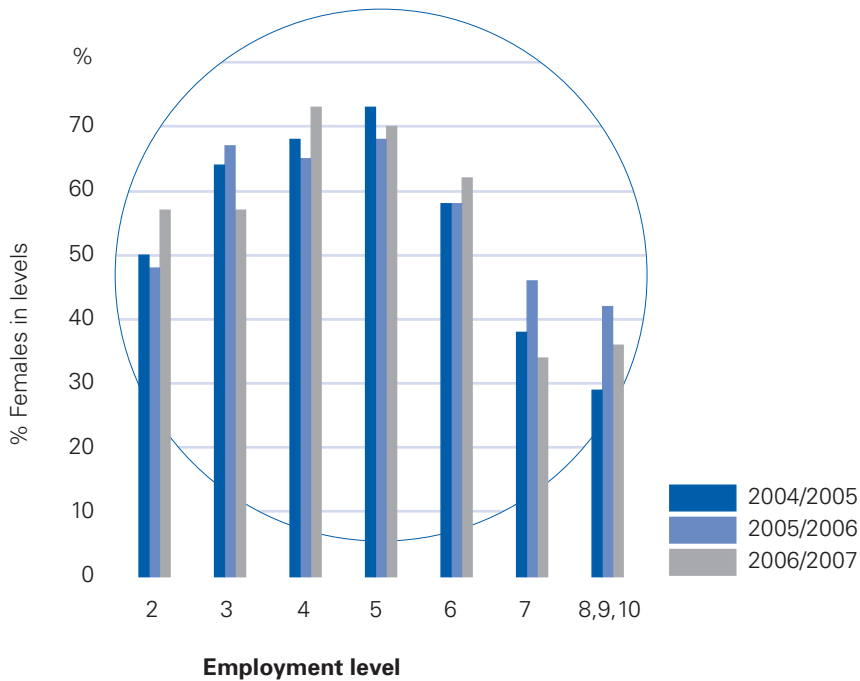
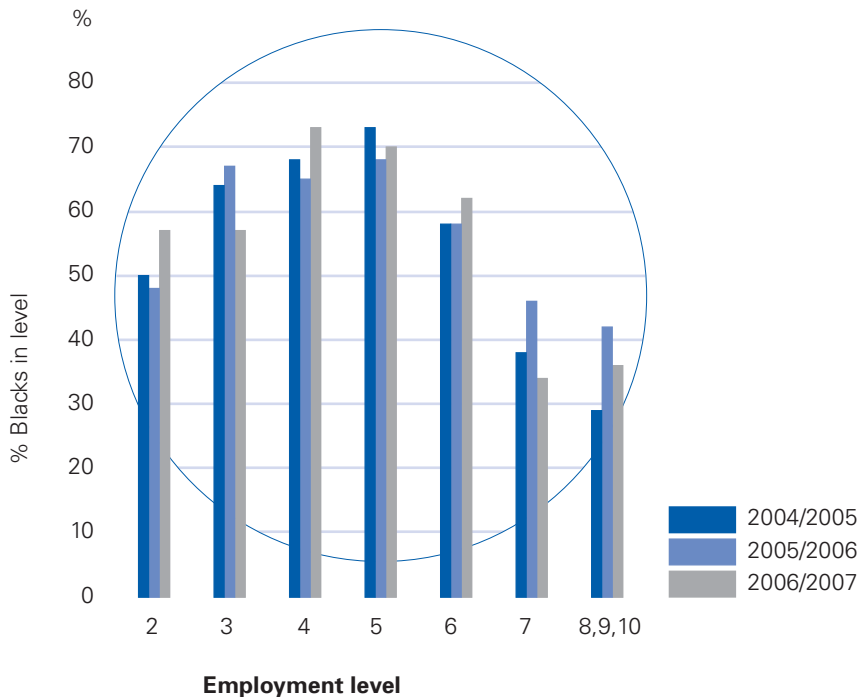


Figure 5: Black employees in employment levels, 2004/05 to 2006/07

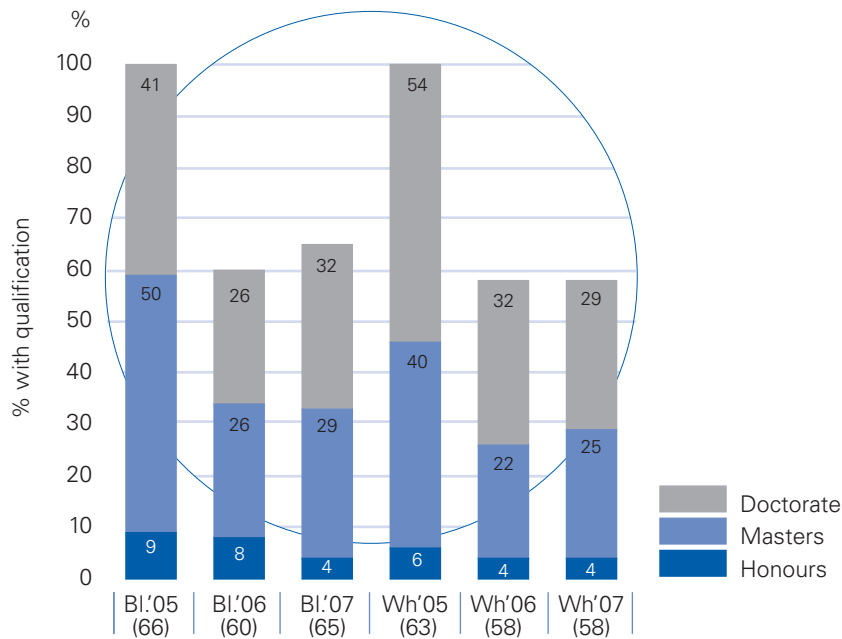


In terms of representativeness of research staff (excluding research interns) it is noteworthy that black researchers (65) are now outnumbering white researchers (58) overall, and that black researchers with PhD degrees (32) now outnumber white researchers with the same degree (29). These trends are shown in Figure 6, on page 137.

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Figure 6: Proportions of researchers with master's or doctoral degrees



Appointments, resignations and transfers of senior staff at the level of ED and above include the appointment of Professor Sinfree Makoni, on 16 May 2006, and Dr Temba Masilela, on 1 July 2006. Professor Makoni was appointed as ED of the Society, Culture and Identity (SCI) research programme and Dr Masilela as ED of the PAU cross-cutter. Professor Makoni subsequently resigned on 30 November 2006. This led to the decision to merge the SCI research programme with D&G, at least until such time as a formal decision has been made about how best to prioritise and mainstream humanities research in the HSRC. Dr Vijay Reddy took over as acting ED for the ESSD research programme on 1 April 2006, after the five-year contract period as ED of Dr Andre Kraak had expired. Dr Kraak remained in the ESSD research programme, as a research director. Dr Romilla Maharaj, ED responsible for CD, resigned on 30 June 2006, and internal arrangements were made to fill the ensuing vacancy until such time as a suitable replacement could be recruited.

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, Section 6 of this report.

## 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 four 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.

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.

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## *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.

The establishment of a cross-cutting Gender Development unit will help to 'mainstream' gender considerations in the HSRC's research activities and organisational-development priorities.

Participatory approaches in the conception, implementation and dissemination stages of research enable researchers, where it is 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 dissemination 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 decisionmakers, including Parliamentary Portfolio Committees, also remains a priority.

## *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. Community-based research focusing on service delivery, undertaken in the URED research programme, led to the development of training materials that have subsequently been submitted for accreditation by the ETDP-SETA.

In commemoration of the World AIDS Day, all HSRC staff showed *Ubuntu* spirit when they collected over 300 gifts, bought from their own resources, which were given to three NGOs, the Tapoloo Orphans & Vulnerable Children (OVC) project in Rustenburg, the Khumbulani Home in Khayelitsha and the Lily of the Village in Mophela near Eston in KwaZulu-Natal. Organisations that were identified as recipients of gifts collected by staff were identified as such by researchers working at community level in the area of HIV/AIDS research.

## *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).

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- 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 Services 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.
- 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 anti-retroviral 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 2006/07.
- On the environmental side, energy-saving initiatives are in place in the large Pretoria building, as well as paper recycling. The use of the videoconference centre and telecommunication facilities is reducing the need for air and surface travel, savings that also contribute to a cleaner and safer environment.

## 4.3.2 Publishing

### *Overview of the HSRC Press*

The HSRC Press is a 'public benefit' publisher of publications emanating from the Council's research activities and other research-based works of exceptional quality. Deriving its mandate from the Council's obligation to disseminate its research and support humanities and social science scholarship, it is an important element of the Council's drive to become a 'knowledge hub' and further its public purpose orientation.

The Press is a not-for-profit publisher employing 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 on an Open Access basis.

### *Editorial board*

Quality control of published book manuscripts is managed by an independent editorial board. The board comprises members of the HSRC and external academics, representing a broad range of research expertise in the social sciences and humanities.

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 financial year under review 88 potential book publications were submitted to the board, of which 15 have been accepted for publication. During the previous year 43 submissions were considered and 17 accepted for publication. In line with the Council's strategy of capacity building, the board assists in the development of some publications by providing practical guidelines for revision and supporting authors in developing a publishable manuscript. Currently seven manuscripts are under revision.

### *Outputs*

During the 2006/07 financial year the Press produced a total of 39 publications with 11 in production at year-end. This comprises a mix of research monographs, occasional papers and books. During the previous financial year the Press produced 59 publications, with 21 in production at year-end.

### *Dissemination*

For the financial year, 13 529 copies of printed publications were sold, an increase on the 10 951 sold in the previous year. In addition to purchased copies, 27 408 publications were given to stakeholders. Therefore over 30 000 copies of the year's output have been disseminated.



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The download of free electronic copies increased to 46 109 from 30 905 of the previous year. Browsers reading online increased to 316 843 from 222 706. The regions that showed the largest increase in electronic usage are respectively Kenya, India, Argentina and Nigeria.

In line with the dissemination mandate of the HSRC Press, it granted free usage rights to 21 different non-profit institutions over the year. This includes 13 higher education institutions, where HSRC output was generally incorporated into course readings, thus infusing current research into university curricula. When considered in addition to rights granted over previous years, this amounts to a significant contribution to the social science and humanities academic landscape. Other institutions to which the Press contributed free publishing rights include Oxfam, South African Library for the Blind to produce a Braille edition of a key text on disability in South Africa, and Hokkaido Red Ribbon Africa Support to produce Japanese editions of two HIV/AIDS-related publications.

The Press held 40 launches or exhibits over the year, a significant increase from 21 held the previous year.

### *Internship programme*

The Press continued its publishing internship programme administered by the Publishing Association of South Africa (PASA). The year-long programme is sponsored by the MAPPSETA and run in collaboration with the University of Pretoria and University of the Witwatersrand, who provide off-site training as well as monitoring and assessment.

Nationally, 30 interns who are younger than 30 years old, black and currently unemployed are selected by PASA. The Press accommodated two interns for 2006/07.

### *Publishing awards*

One of the Press' publications won the Concepts and Methods Award from the International Political Science Association and the Conceptual Innovation in Democratic Studies Award from the Centre for Economic Research and Teaching.

Other titles were nominated for the Alan Paton Award, Noma Award and African Politics Conference Group Award in the USA.

### **4.3.3 Corporate Communications**

Corporate Communications 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 the enhancement of the website into a web portal.

One of the highlights of the past financial year was the development of a corporate identity manual, which formed the basis for the redesign of all corporate material, among others, a new HSRC brochure. The corporate identity manual also allowed Corporate Communications to re-establish and strengthen the HSRC brand. In turn, this allowed for the redesign of the new HSRC web portal.

This unit played a major role in developing the content architecture of the new portal, and following the appointment of a project manager, was progressively drawn into the fast-tracking of the web portal project, which was by then long overdue. The website was successfully launched at an event organised by Corporate Communications and attended by nearly 200 members of staff.

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The *HSRC Review*, a quarterly news bulletin which is now entering its fifth year, was also redesigned to give it a fresh new look. 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 close to 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 advertising value equivalent (AVE), which is the monetary value attached to the free media publicity, of R71,94 million for both broadcast and print media compared to R70,44 million in 2005/06.

During the last few years, HSRC research has become imbedded in 'media memory' as source documents, frequently quoted whenever certain topics come up for discussion. These publications all have certain elements in common: they are rich in data and information; they address issues of critical importance to the country; they are groundbreaking work; and they contribute towards a better understanding of the South African society.

The theme for the annual wellness day was, 'Come stay well together'. Staff throughout the HSRC offices had an opportunity to find out about their HIV status, cholesterol, diabetes, and even took more time to use the massage chairs.

During the year under review Corporate Communications produced an induction video for new staff members for Human Resources, supported numerous colloquia, conferences, workshops and other events such as DST's 2006 Insite exhibition, the Toronto AIDS Conference where the HSRC brand was quite visible at an exhibition booth, contributed to a DST coffee book table on projects in Africa, and participated in the DST exhibition at the Rand Easter Show.

Support to research programmes and other departments in the HSRC increased tremendously through database support, graphic design (posters, brochures and pop-up banners).

There was an increased internal communication drive with the *CEO note* which is more personalised and informal. Corporate Communications ensured that major communiqués were sent through the *CEO note* in order to lend breadth and depth to the message. There was positive feedback, particularly to informal messages, like the year-end note by the CEO. In addition a number of events were arranged which facilitated staff interaction, such as the year-end functions and the happy hour events.

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

- The new HSRC Bill entered the legislative process. On 19 June 2007, the Bill was introduced to members of the Portfolio Committee for Science and Technology. The Committee discussed and adopted the Bill on 26 June 2007.
- The updated Shareholder's Compact, to cover the 2007/08 budget year, was signed on 17 May 2007.

# Council's report *continued*

for the period ending 31 March 2007

- The Audit and Finance Committee of Council was divided into two committees, an Audit and Risk Committee and a Finance Committee.
- A meeting of the Research Committee of Council took place on 24 May 2007. Matters discussed included the position of the humanities in the HSRC; an approach to undertaking research on violent crime; and the identification of appropriate and reliable measures of research excellence to complement the current indicator on peer-reviewed journal articles.
- A meeting between the HSRC and strategic development partners, notably from the private sector, large foundations and international development agencies, took place on 18 May 2007. Areas of common interest, potential collaboration and mutual support were identified.
- Preparations for the programme reviews of D&G and SAHA continued.
- Senior appointments and resignations: Appointment of a new ED: Finance and ED: ESSD, appointment of a new Acting Director: IT for a two-year period, and the resignation of the ED: D&G
- HR matters: Introduction of Deputy ED position, and a new retirement policy, both to provide for succession planning, capacity development.

## 6. Achievement of performance targets

Performance targets for 2006/07 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 2006/07. 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, 2006/07**

Indicator	Target: 31 March 2007	Performance 31 March 2007	Additional comments
<b>P</b> <i>Public purpose:</i> 1 Percentage of all research projects that are conducted for the benefit of the public	80%	91,9%	This target has been met
<b>A</b> <i>Africa focus:</i> 2 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	30%	33,3%	This target has been met
3 Number of African research fellows at the HSRC	12	4	This target has not been met
<b>I</b> <i>Implementation networking:</i> 4 Percentage of large research projects with implementation networks	40%	70%	This target has been met and exceeded by a wide margin

# Council's report *continued*

for the period ending 31 March 2007

**Table 8: PAITECS targets and performance, 2006/07 (continued)**

Indicator	Target: 31 March 2007	Performance 31 March 2007	Additional comments
<b>T</b> <i>Transformation: Equity and representativeness:</i>			
5 Percentage of all researchers at senior level (SRS and above) who are African	37,8%	25,3% (19/75)	This target has not been met Please note: Overall representativeness of black SRS and above has improved to 45,3% in March 2007
6 Percentage of all researchers at senior level (SRS and above) who are coloured	8,9%	10,7% (8/75)	(This indicator is a function of 5, 7 and 8)
7 Percentage of all researchers at senior level (SRS and above) who are Indian	6,7%	9,3% (7/75)	(This indicator is a function of 5, 6 and 8)
8 Percentage of all researchers at senior level (SRS and above) who are white	46,6%	54,7% (41/75)	(This indicator is a function of 5, 6 and 7)
9 Attrition of permanent staff at the HSRC	12% maximum	11,3%	This target has been met
10 Percentage of staff trained in gender sensitivity	50%	57,2% (206/360)	This target has been met
<b>E</b> <i>Excellence:</i>			
11 Peer-reviewed publications in an international journal, per senior researcher (SRS and above)	0,85	1,11	This target has been met and exceeded by a wide margin
12 Peer-reviewed publications in a recognised journal per junior researcher (RS and lower)	0,45	0,35	This target has not been met
<b>C</b> <i>Capacity building:</i>			
13 Number of interns enrolled in a Master's programme	35	29	This target has not been met (6 less than target)
14 Number of interns enrolled in a PhD programme	20	20	This target has been met
15 Number of post-doctoral fellowships	10	4	This target has not been met (6 less than target)
<b>S</b> <i>Sustainability: Contracts and grants obtained:</i>			
16 Percentage of grants that are extra-Parliamentary	60%	63,8%	This target has been met
17 Percentage of all grants that are multi-year (at least three years)	35%	46,2%	This target has been met

Out of fourteen different PAITECS indicators, nine were met or exceeded.

# Council's report *continued*

for the period ending 31 March 2007

Table 9 on pages 145 to 149 contains a slate of detailed performance indicators and associated targets. Some of these detailed targets have been set for the first time for 2006/07, and some of them 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 the exception of the targets set for staff currently enrolled towards further studies.

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 2005/06. Notable reasons for under-performance in two units of the HSRC have been identified and will be addressed in 2006/07. 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 is making notable progress in terms of overall staff representativeness. Challenges remaining at senior research and executive management levels are also related to the realities of supply and demand in a limited labour market. The HSRC nevertheless remains committed to meeting and exceeding targets for representativeness in terms of race, gender and disability at all levels and in all categories of staff. Specific management initiatives introduced to address challenges in this regard will relate to capacity development: renewed focus on research internships and staff development programmes: career pathing and the intention to appoint deputy executive directors in some units as of 2007/08.
- Appointment of specific categories of staff, including African research fellows, research interns and research fellows. These matters will receive concerted attention from the outset of 2007/08.
- Publications other than peer-reviewed journal articles: In some instances, the drop in number of publications (e.g. fewer client reports) may be explained in the light of fewer short-term, small, consultancy projects being undertaken. In other instances, the greater emphasis placed on publications in peer-reviewed journals might have impacted negatively on the publication of books and book chapters. Reasons for lower levels of publications will be identified in 2007/08 so that indicators and targets can be refined in 2008/09, to reflect strategic priorities of the HSRC.
- Human capital development in the form of current involvement in formal studies at university level: It should be noted that the percentage of research staff with Master's or doctoral degrees is already high. Staff in research and support units are also involved in capacity development and training opportunities that are not necessarily captured under the indicators used for this report. It is expected that indicators and performance targets for this form of staff development may be further refined in future.

In general, Council remains confident that the HSRC has the necessary capacity and commitment to deliver on its mandated objectives, also when the new HSRC Act is promulgated.

# Council's report *continued*

for the period ending 31 March 2007

Table 9: HSRC performance against comprehensive set of key performance indicators for 2006/07

Strategic No: objective	Key performance indicator	Performance 2004/05	Target 2005/06	Performance 2005/06	Target 2006/07	Achievement 2006/07
<b>P</b>	Public purpose (Stakeholder perspective)					
1.	<b>SENTINEL PAITECS INDICATOR</b> Percentage of all research projects that are conducted for the benefit of the public (regardless of the source of funding)	New indicator	New indicator	New indicator	80%	91,9%
<b>A</b>	Africa focus (Stakeholder perspective)					
2.	<b>SENTINEL PAITECS INDICATOR</b> 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	New indicator	New indicator	30%	33,3%
3.	<b>SENTINEL PAITECS INDICATOR</b> Number of visiting research fellows from elsewhere in Africa at the HSRC	New indicator	New indicator	New indicator	12	4
<b>I</b>	Implementation networking (Internal business processes)					
4.	<b>SENTINEL PAITECS INDICATOR</b> Percentage of large research projects with implementation networks	New indicator	New indicator	New indicator	40%	70%
5.	Other internal business processes (6) Known successful proportion of total competitive tender/funding applications submitted, at May	43%	33%	51%	35%	52,4%
6.	(8) Free media coverage	R46 million	R20 million	R70,4 million	R30 million	R71,9 million
7.	(12) Productivity of HSRC investment in its employees: external research earnings per head (all staff on 'permanent payroll' – indefinite and longer-term contract appointments)	R486 000	R448 000	R424 630	R485 600	R346 125
8.	(13) Share of payroll spent on researcher salaries	62%	61%	61%	60%	64%
9.	(14) <b>REQUIRED BY DST</b> Proportion of researchers in total staff	53%	52%	54%	50%	63,3%
10.	(15) <b>REQUIRED BY DST</b> (DST formulation: Ratio of overhead costs to total costs)	0,75	0,70	0,71	0,75	0,72

# Council's report *continued*

for the period ending 31 March 2007

Table 9: HSRC performance against comprehensive set of key performance indicators for 2006/07 (continued)

Strategic No: objective	Key performance indicator	Performance 2004/05	Target 2005/06	Performance 2005/06	Target 2006/07	Achievement 2006/07
11. <b>REQUIRED BY DST (16)</b>	Salaries to total expenditure	47%	48%	52%	44%	50,4%
<b>T</b>	(Transformation)					
12. <b>SENTINEL PAITECS INDICATORS (a) (i) (iii) and (iv)</b>	Transformation at senior researcher level:	New indicator	New indicator	New indicator	New indicator	
	a. % black researchers at senior level (SRS or above)		a. 53,4%		a. 45,3%	
	i. % African		i. 37,8%		i. 25,3%	
	ii. % coloured		ii. 8,9%		ii. 10,7%	
	iii. % Indian		iii. 6,7%		iii. 9,3%	
	iv. % white		iv. 46,6%		iv. 54,7%	
	b. % female researchers at senior level (SRS or above)		b. 42%		b. 40,0%	
	c. % researchers at senior level (SRS or above) with a disability		c. 2%		c. 2,7%	
13. <b>SENTINEL PAITECS INDICATOR</b>	Attrition rate of permanent staff	New indicator	New indicator	New indicator	12%	11,3%
14. <b>SENTINEL PAITECS INDICATOR</b>	Percentage of staff trained in gender sensitivity	New indicator	New indicator	New indicator	50%	57,2%
15. <b>REQUIRED BY DST: (9) Black (overall) Female Disabled</b>	Overall staff representativeness	a. 63%	a. 66%	a. 65%	a. 68%	a. 70,8%
	a. % black staff: overall	i. 39%	i. 45%	i. 41%	i. 46%	i. 51,4%
	i. % African	ii. 14%	ii. 12%	ii. 15%	ii. 14%	ii. 12,8%
	ii. % coloured	iii. 10%	iii. 9%	iii. 9%	iii. 8%	iii. 6,7%
	iii. % Indian	iv. 37%	iv. 34%	iv. 35%	iv. 32%	iv. 29,2%
	iv. % white	b. 58%	b. 53%	b. 57%	b. 55%	b. 59,7%
	b. % female staff: overall	c. 1%	c. 2%	c. 1%	c. 1,5%	c. 1,1%
	c. % staff with a disability: overall					
16. <b>REQUIRED BY DST: (10) Black (overall) Female Disabled</b>	Research staff representativeness (interns and fieldworkers excluded)	a. 51%	a. 55%	a. 51%	a. 57%	a. 64,2%
	a. % black research staff	i. 31%	i. 36%	i. 27%	i. 38%	i. 44,2%
	i. % African	ii. 9%	ii. 9%	ii. 12%	ii. 10%	ii. 10,9%
	ii. % coloured	iii. 11%	iii. 10%	iii. 12%	iii. 9%	iii. 9,1%
	iii. % Indian	iv. 49%	iv. 45%	iv. 49%	iv. 43%	iv. 35,8%
	iv. % white	b. 43%	b. 45%	b. 48%	b. 49%	b. 52,7%
	b. % female research staff	c. 1,5%	c. 2%	c. 1,7%	c. 2%	c. 1,2%
	c. % research staff with a disability					

# Council's report *continued*

for the period ending 31 March 2007

Table 9: HSRC performance against comprehensive set of key performance indicators for 2006/07 (continued)

Strategic No: objective	Key performance indicator	Performance 2004/05	Target 2005/06	Performance 2005/06	Target 2006/07	Achievement 2006/07
17. <b>REQUIRED BY DST:</b> (11) <i>Black (overall)</i> <i>Female</i> <i>Disabled</i>	Executive management representativeness (EDs, COO & CEO)	a. 50%	a. 66%	a. 55%	a. 70%	a. 63,6%
	i. % African	i. 17%	i. 25%	i. 9%	i. 30%	i. 18,2%
	ii. % coloured	ii. 0%	ii. 8%	ii. 9%	ii. 10%	ii. 9,1%
	iii. % Indian	iii. 33%	iii. 33%	iii. 36%	iii. 30%	iii. 36,4%
	iv. % white			(iv. 45%)	(iv. 30%)	(iv. 36,4%)
	b. % female executive managers	b. 33%	b. 42%	b. 45%	b. 50%	b. 45,5%
	c. % disabled executive managers	c. 0%	c. Not set	c. N/a	c. N/a	c. N/a
<b>E</b>	(Learning and growth)					
18. <b>SENTINEL PAITECS INDICATOR</b>	Peer-reviewed publications in an internationally accredited scientific journal, per senior researcher (SRS or above)	New indicator	New indicator	New indicator	0,85	1,11
19. <b>SENTINEL PAITECS INDICATOR</b>	Peer-reviewed publications in a scientific journal per researcher, RS or lower	New indicator	New indicator	New indicator	0,45	0,22
20. <b>REQUIRED BY DST</b> (18)	Number of books, journal articles, reports (per average researcher head)					
	a. All researchers	a. 2,9	a. 3,0	a. 3,79	a. 3,5	a. 2,63
	b. Black researchers	b. 1,8	b. 3,0	b. 4,32	b. 3,5	b. 2,58
	i. African		i. 3,0	i. 3,37	i. 3,5	i. 2,60
	ii. coloured		ii. 3,0	ii. 4,50	ii. 3,5	ii. 3,06
	iii. Indian		iii. 3,0	iii. 6,69	iii. 3,5	iii. 4,54
	iv. white			iv. New	(iv. 3,5)	iv. 3,65
	c. Female researchers	c. 1,5	c. 3,0	c. 4,02	c. 3,5	c. 2,70
21. <b>REQUIRED BY DST, but</b> (19) <i>as part of previous indicator</i>	Number of refereed journal articles per average researcher head					
	a. All researchers	a. 0,79	a. 0,75	a. 0,99	a. 0,9	a. 0,82
	b. Black researchers	b. 0,47	b. 0,6	b. 1,03	b. 0,9	b. 0,94
	i. African		i. 0,6	i. 1,00	i. 0,9	i. 1,02
	ii. coloured		ii. 0,6	ii. 1,08	ii. 0,9	ii. 1,13
	iii. Indian		iii. 0,75	iii. 1,08	iii. 0,9	iii. 1,77
	iv. white			iv. New	(iv. 0,9)	iv. 0,98
	c. Female researchers	c. 0,46	c. 0,6	c. 0,93	c. 0,9	c. 0,79



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for the period ending 31 March 2007

**Table 9: HSRC performance against comprehensive set of key performance indicators for 2006/07 (continued)**

Strategic No: objective	Key performance indicator	Performance 2004/05	Target 2005/06	Performance 2005/06	Target 2006/07	Achievement 2006/07
22. <b>REQUIRED BY DST (17)</b> <i>(DST also requires separate reporting on doctoral degrees only – this is done in the KPI report)</i>	Human capital: proportion of researchers (excluding interns and fieldworkers) with master's or doctoral degrees					
	a. All researchers	a. 92%	a. 92%	a. 90%	a. 92%	a. 93,5%
	b. Black researchers	b. 91%	b. 92%	b. 87%	b. 92%	b. 93,8%
	i. % African		i. 92%	i. 91%	i. 92%	i. 97,3%
	ii. % coloured		ii. 92%	ii. 79%	ii. 92%	ii. 92,9%
	iii. % Indian		iii. 92%	iii. 86%	iii. 92%	iii. 85,7%
	iv. % white			iv. (New)	iv. 92%	iv. 93,1%
	c. Female researchers	c. 91%	c. 92%	c. 89%	c. 92%	c. 97,7%
<b>C</b>	Capacity building (Learning and growth)					
23. <b>SENTINEL PAITECS INDICATOR</b>	Number of interns (research trainees) enrolled in a Master's programme	New indicator	New indicator	New indicator	35	29
24. <b>SENTINEL PAITECS INDICATOR</b>	Number of interns (research trainees) enrolled in a PhD programme	New indicator	New indicator	New indicator	20	20
25. <b>SENTINEL PAITECS INDICATOR</b>	Number of post-doctoral fellowships (research associates)	New indicator	New indicator	New indicator	10	4
26. <b>REQUIRED BY DST (20)</b>	Staff enrolled towards relevant further qualifications:					
	a. Research staff enrolled towards master's or doctoral degrees, as percentage of research staff without such degrees	a. 42%	a. 60%	a. 33%	a. 60%	a. 45,2%
	b. % of interns enrolled towards master's or doctoral degrees	b. 44%	b. 70%	b. 65%	b. 70%	b. 56,8%
	c. % of administrative staff enrolled towards higher education qualifications	c. Not recorded	c. 40%	c. 15%	c. 40%	c. 12,9%

# Council's report *continued*

for the period ending 31 March 2007

Table 9: HSRC performance against comprehensive set of key performance indicators for 2006/07 (continued)

Strategic No: objective	Key performance indicator	Performance 2004/05	Target 2005/06	Performance 2005/06	Target 2006/07	Achievement 2006/07
<b>S</b>	Sustainability: Contracts and grants obtained (Financial)					
27. (3)	<b>SENTINEL PAITECS INDICATOR REQUIRED BY DST ('Dependency ratio')</b> 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 (64% with ring-fenced)	New indicator (63% with ring-fenced)	New indicator (58% with ring-fenced)	60	63,8%
28.	<b>SENTINEL PAITECS INDICATOR</b> Percentage of all (research) grants that are multi-year – at least three years	New indicator	New indicator	New indicator	35	46,2%
29. (2)	Achievement of income target: External research income <i>NB to note: Ring-fenced funding included with external research earnings, until 2005/06</i>	R140 million	R141 million	R119 million	R152 million	R124,6 million
30. (4)	Variance in budgeted expenditure: surplus or deficit for year, as % of turnover	2%	5%	0,7%	5%	2,1%