



NCHE ANNUAL REPORT 2008

FEBRUARY 2009



Kummissjoni Nazzjonali għall-Edukazzjoni Oghla
National Commission for Higher Education

**REPORT BY THE NATIONAL
COMMISSION FOR HIGHER EDUCATION**

to the Minister of Education, Culture, Youth and Sport



Kummissjoni Nazzjonali għall-Edukazzjoni Oghla
National Commission for Higher Education

ANNUAL REPORT **2008**

National Commission for Higher Education Malta

February 2009

NCHE ANNUAL REPORT 2008

National Commission for Higher Education
Old University Building,
Valletta, Malta.

Tel. (+356) 21226862

Fax. (+356) 21226056

Email: info.nche@gov.mt

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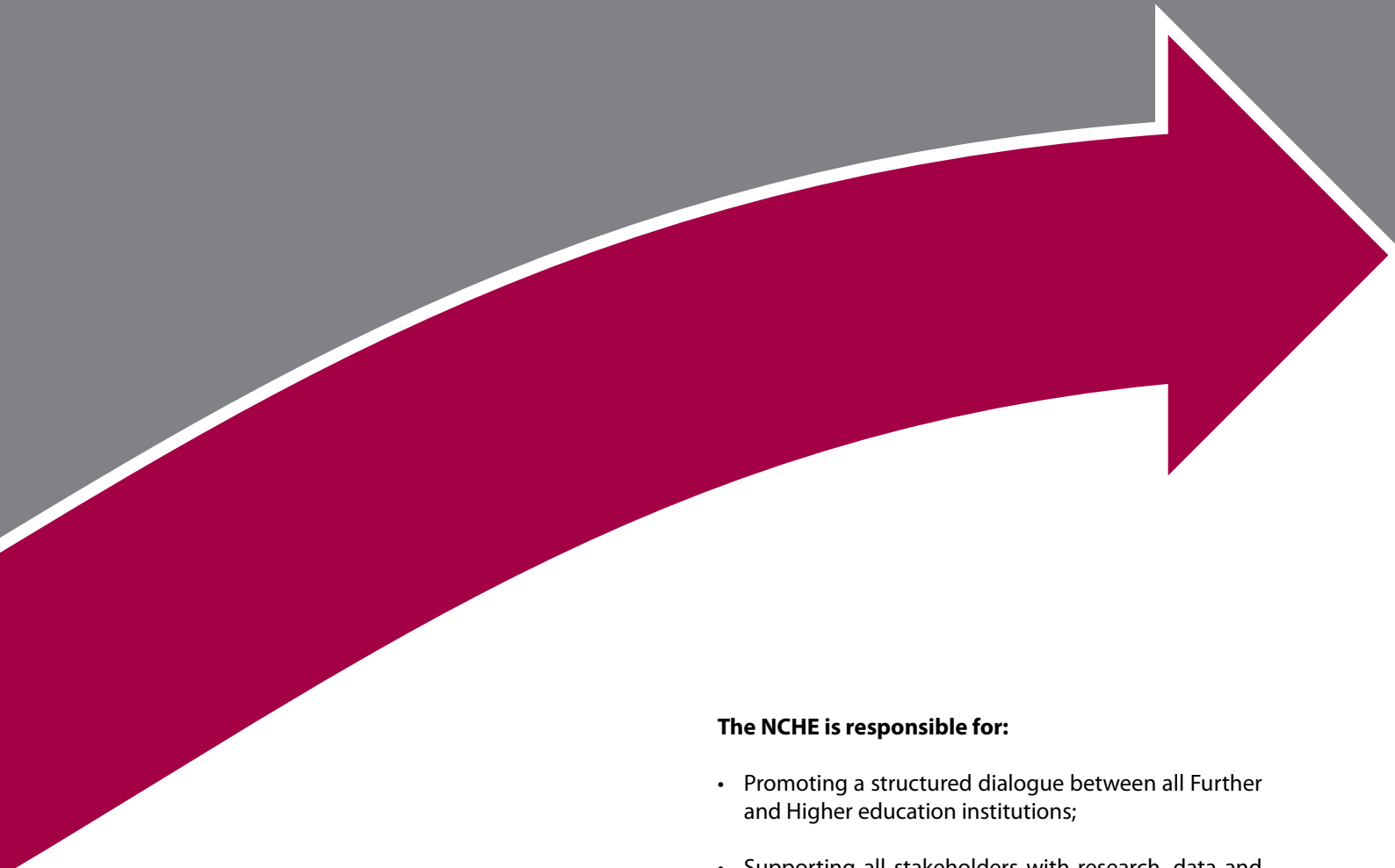
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OUR MISSION:

*“to promote more and better
further and higher education
to empower all students
with knowledge and skills
for their future”*



The NCHE is responsible for:

- Promoting a structured dialogue between all Further and Higher education institutions;
- Supporting all stakeholders with research, data and information about the sector;
- Maintaining a register of authorised and accredited institutions and programmes available in Malta;
- Developing a National Strategy for Further and Higher education;
- Preparing key performance indicators and benchmarking the sector against international developments.

MEMBERS OF THE NATIONAL COMMISSION FOR HIGHER EDUCATION

Appointed on the 3rd November 2008 for a three year term:



Dr. Philip Von Brockdorff
Chairman



Mr. Alexander Manché
Deputy Chairman



Prof. Josef Bonnici
Commissioner



Prof. John Portelli
Commissioner



Dr. Grace Grima
Commissioner



Dr. Anna Mifsud Bonnici
Commissioner



Dr. Jennifer Cassingena Harper
Commissioner

Commission members who served from the 6th September 2006, to the 2nd of November 2008

Chairman

Mr. Joseph F. X. Zahra
(resigned 7th May 2008)

Deputy Chairman

Mr. Alexander Manché

Members:

Dr. Stephen Attard
Ms. Micheline Sciberras
Dr. Jennifer Cassingena Harper
Prof. Josef Bonnici
Prof. John Portelli
Dr. Alex Mifsud
(resigned 8th September 2007)

CHAIRMAN'S FOREWORD



Malta's competitiveness in the 21st century global economy requires an education system capable of providing students with skills and competences in a wide variety of fields of study. Malta has seen a fast rate of expansion over the last decade, in line with the needs of other developed countries which like Malta have gradually shifted towards higher value added and knowledge-based activities. For further socio-economic and cultural developments Maltese students, however, need to keep up with the pace being set by their international peers.

Over the past 18 months the NCHE set up the necessary structure to be able to provide the necessary research and analysis for policy development in the future, and launched a broad consultation exercise to understand in its first phase, the structural issues of the sector as perceived by all stakeholders.

The outcome has been a list of priorities that require attention, more research and gradual transformation. They include the overarching strategy for the sector which needs to be linked to the vision for the economy and society at large, the understanding of the size and type of capacity required at different levels and in different fields of education, and the legal, governing, funding and quality assurance systems in place to deliver excellent education.

The Commission has also done extensive work on a number of areas. These include the appointment of a professional team of graduates within its Secretariat, a full analysis of the licensing, accreditation and quality assurance framework necessary to modernize further and higher education, and the integration of the emerging private providers into a more structured and reputable sector. The Commission also covered another two priorities identified in the first round of consultations: the governing structure of state institutions and elements of a new funding framework necessary for such new governing models. More research is required for the latter areas, and recommendations will be made in the context of a wider strategic debate and the development of a strategy on further and higher education to be carried out during 2009.

The year 2009 in fact promises more intensive work for the Commission. Following the recommendations submitted regarding a new quality assurance framework, the NCHE will be intensively involved in implementing such a framework as adopted by Government. This includes the set up of an ad hoc committee for licensing under the new framework, an accreditation set-up for institutions and their programmes, and the appointment of experts for accreditation decisions and officers to support their work. In a wider context, this should lead to the development of an official register of recognised institutions and the levels of education that they are authorised to provide in Malta.

Above all the Commission will be working closely with all institutions, staff and student representatives, and all authorities concerned in particular the Ministry of Education, Culture, Youth and Sport, on our mission "to promote more and better further and higher education to empower all students with knowledge and skills for the future".

A handwritten signature in blue ink, consisting of a large, stylized 'P' and 'B' intertwined, with a smaller '2' and 'on' written to the left.

Dr. Philip von Brockdorff
Chairman

NCHE SECRETARIAT



Mr. Jacques Sciberras
Chief Executive Officer

Mr. Sciberras graduated in Economics from the University of Malta and completed his M.Sc. in Economic and Social Policy analysis at the University of York in the U.K. Formerly an analyst within the policy unit of the Ministry of Education, Youth and Employment, and CEO of a number of start-up initiatives in the private sector.



Ms. Amanda Borg
Commission Officer

Ms. Borg is responsible for developing and maintaining a statistical framework for the sector. She is an M.A. graduate in Economics and holds a B.Com (Hons) in Economics from the University of Malta. Formerly a research officer at the Malta Council for Economic and Social Development for three years working on social welfare policies.



Ms. Kirsten Miller
Commission Officer

Ms. Miller is responsible for funding policy research and analysis. She holds a B.Com (Hons) in Economics from the University of Malta and is currently completing an M.A. Formerly, Ms. Miller was an economic consultant within a local firm specialising in sourcing of grants and business development.



Dr. Matthew Tabone
Commission Officer

Dr. Tabone is responsible for international policy and relations. He is a Doctor of Laws graduate from the University of Malta. He has served as an executive committee member of the KSU (Kunsill Studenti Universitarji) before being elected to the executive committee of ESU (European Students' Union) for 18 months in Malta and Belgium.



Ms. Tanya Zammit
Operations Manager

Ms. Zammit is responsible for the operations of the secretariat. She is a graduate M.B.A. and holds a Diploma in Management Studies from the University of Malta. Formerly an officer within the office of the Permanent Secretary of the Ministry of Education, Youth and Employment for seven years.

Ms. Alexandra Pizzuto

Commission Officer resigned on the 31st of May 2008

Ms. Pizzuto worked on studies related to funding policies for the sector.

Ms. Ritienne Gauci

Commission Officer resigned on the 19th of November 2008

Ms. Gauci contributed to the formulation of the STEPS Scholarship scheme and relations with student bodies.

Dr. Angele Attard

Commission Officer currently working within the Secretariat of the Ministry of Education, Culture, Youth and Sport since 15th September 2008

Dr. Attard was responsible for the formulation of the Quality Assurance and Licensing Framework recommendations.

REPORT OF THE CEO



2008 was another year of progress for the further and higher education in Malta. The NCHE and its Secretariat continue in their work on policy developments for the future of this sector. This report outlines the work of the NCHE in its second year of operation, during which it continued to develop its capacity to undertake research and policy development.

2008 was a year of transition. With a new Minister for Education, and a new Commission appointed on the 3rd of November 2008, a phase of transition was required. A number of appointed officers within the secretariat have also moved to different organisations during the year.

Currently, the Secretariat consists of the CEO and four officers and a further two officers are expected to join in early 2009. All officers have gained expertise on policies related to further and higher education and I take this opportunity to thank them for their tireless endeavours towards the mission of the NCHE.

The Secretariat contributed to a number of key reports in particular the recommendations for a new licensing and quality assurance framework in Malta, a statistical report on the state of further and higher education in Malta during 2008, a number of reports and recommendations on various aspects of higher

education policy such as funding, student support schemes, and skills required for the future of Malta's economic and social development.

All these initiatives form a strong foundation for future development of a high quality education system in Malta that can respond to the aspirations of Maltese citizens. In its approach the NCHE has developed a structured dialogue with all stakeholders, and is committed towards the open dialogue with heads of institutions, student and staff representatives, political parties and other constituted bodies who give valid insight and recommendations into the development of this sector.

The secretariat shall continue serving the Commission in achieving its goals. I thank all officers within the Secretariat who continue to serve the Commission with dedication to their work, and thank all those who served within the Secretariat and have assumed new roles in other organisations during the year.

The collective effort of the Secretariat and the enthusiasm and long term vision of the Commission are a precious contribution towards the future of education. This investment will surely contribute to meet the long term needs and aspirations of all Maltese citizens, as education becomes ever more the single most important factor to our success.

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a long horizontal stroke and a small flourish at the end.

Jacques Sciberras
CEO

THE DEVELOPMENT OF THE NCHE

The National Commission for Higher Education (NCHE) was established in 2006 to consult and advise Government through the Minister responsible for Education, to engage in a structured dialogue with all institutions, and inform the public on issues relating to sustainable development of the further and higher education sectors to meet the needs of society.

The Minister for Education, Hon. Louis Galea, appointed the first interim commission on the 3rd February 2006. The commission made recommendations on the terms of reference for a permanent NCHE on the 7th April 2006 for the establishment of the NCHE as an advisory and consultative body. These proposals were incorporated in the Amendments to the Education Act (ACT No. XIII of 2006) on the 4th August 2006.

The Prime Minister in consultation with the Minister for Education appointed the following commissions:

- First Commission appointed on the 6th September 2006;
- Second Commission appointed on the 3rd November 2008.

The NCHE consults and advises Government through the Minister responsible for Education, engages in a structured dialogue with all institutions, and informs the public on issues relating to sustainable development of the further and higher education sectors.

Its main functions include the following:

- To develop a forum for structured dialogue amongst all stakeholders;
- To appoint an international advisory panel of experts;
- To collect data, statistics, financial, audit and other reports of all further and higher education institutions;
- To maintain an updated Register of authorised and accredited institutions and programmes available in Malta;
- To publish the following annual reviews:
 - National Strategy for Further and Higher education,
 - Key Performance Indicators on the Further and Higher education sectors in Malta,
 - Benchmarking performance against International developments

The NCHE Secretariat provides executive support for research, technical appraisal and reporting necessary for the Commission to perform its functions.

The NCHE's mission statement is "more and better further and higher education to empower students with knowledge and skills for the future".

MALTA'S PROGRESS IN FURTHER AND HIGHER EDUCATION DURING 2008

PUBLIC EXPENDITURE ON FURTHER AND HIGHER EDUCATION

Total public expenditure on further and higher education is to reach € 92,470,000 euros in 2008 (1.71% of GDP at current market prices)²; this implies an increase of nearly € 16 million over 2007. Major increases in investment have been registered in higher education, whilst expenditure on stipends remained at a constant €21 million in 2008.

In 2008, institutions worked on applications for structural funds on education projects. Further education benefited from € 7.5 million for capital expenditure in 2008 and is expected to receive a further € 7.5 million for 2009. Higher education, primarily the University of Malta, benefited from € 7.6 million during 2008 and is anticipated to benefit a further € 13.8 million during 2009. Capital projects in education at large could attract up to € 102 million of the € 120 million under Priority Axis 1 of the European Regional Development Fund over the period up to 2013.

Additionally, numerous projects have been submitted and are either being evaluated or in the initial stage of implementation, which address Priority Axis 1 of the European Social Fund. Projects include an ICT faculty at the University of Malta, the modernisation of MCAST, staff training and new courses in selected areas of specialization.

FURTHER AND HIGHER EDUCATION BY STRUCTURE AND TYPE

Further education includes all formal education of persons above the compulsory school age, leading to qualifications classified at NQF levels 1 to 5. Post secondary public and private colleges and institutes provide general and vocational education.

Two higher secondary schools, the Junior College, two church and two independent private sixth forms together provide for general education at this level. The student population at the general post-secondary level was 4,946 in 2008. There were an additional 1,151 students who were pursuing general post secondary courses in other institutions identified through the Further and Higher Statistics Survey carried out by the NCHE in 2008.

The Malta College of Arts, Science and Technology (MCAST), and the Institute for Tourism Studies (ITS) are two public colleges providing post-secondary vocational education. The student population in these two public colleges was 5,028 in 2008. There were an additional 749 students who were pursuing vocational post secondary courses in other private institutions.

In total, there were 11,847 students enrolled in further education, with 84% enrolled in the public sector. There were a total of 223 courses provided, 65% of which were provided by the public sector³.

An additional 147 short courses were offered by the further education sector with a total of 3,511 students.

Higher education includes all formal education, training and research for persons above compulsory school age, leading to qualifications classified at NQF levels 6-8. Tertiary education in Malta is offered predominantly by the University of Malta, which provides services for 97%⁴ of the total tertiary level student population. The number of students enrolled at the University of Malta in 2008 was 9,508 with an additional 239 in the private sector.

Private providers provide programmes of foreign universities. The private sector provides for 7%⁵ of tertiary level programmes, often in niche areas not provided for by the University of Malta.

¹ Financial Estimates 2008, Ministry of Finance, Malta

² The denominator used for this calculation was GDP data for 2007

³ Data excludes short courses

⁴ NCHE Further and Higher Education Statistics 2008

⁵ NCHE Further and Higher Education Statistics 2008

PARTICIPATION RATES IN FURTHER AND HIGHER EDUCATION

The participation rate of 17 year old students in further education was at 59%⁶ in 2008. The average participation rate of 17 year olds in post secondary education during the last 5 years has been around 63%. No significant progress was made over this period. Small shifts in numbers may create between 3-5% variance due to the distribution of ages around the reference date of 31st March used in the Survey. Current policy is addressing the next leap forward - that of making structural reforms in our schooling system to retain 85% of school leavers aged 16-18 in post-secondary level education by 2015⁷ i.e. 25% more than the current 60%.

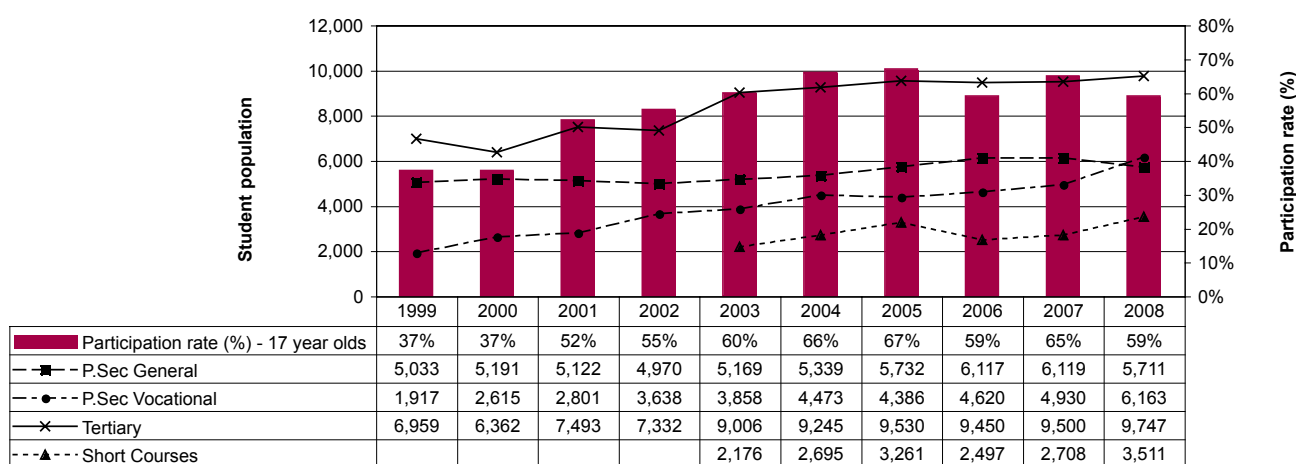
The student population at the general post-secondary level increased from 5,169 in 2003 to 5,711 in 2008 whilst that for vocational education increased from 3,858 in 2003 to 6,163 in 2008. In addition, there were a total of 3,511 students pursuing short courses in 2008.

There were a total number of 163⁸ students from the ITS and 753⁹ students from MCAST in 2008, who obtained a post-secondary qualification.

The participation rate of 19 year old students in higher education was 24%¹⁰ in 2008. This was relatively lower than the 54% country mean for OECD countries in 2005. The student population at the University of Malta increased from 7,332 in 2002 to 9,508 in 2008. The total number of graduates from the University of Malta in 2008 was 2,684¹¹. University of Malta students attending a first full time degree course pay no tuition fees and are eligible for a student maintenance grant subject to eligibility criteria.

On an international level, all OECD¹² countries have seen upward trends in the participation of 20 to 29 year olds in tertiary education currently at an average rate of 25% of these age cohorts. This is comparable to the EU19¹³ average rate which is considerably higher than the 9.3% registered in Malta in 2008. For the entire EU-27, the participation rate of those aged 18-39 years in tertiary education is circa 11% of all people in this age group, which is again considerably higher than the 5.7% registered in Malta¹⁴.

TABLE 1 – STUDENT POPULATION AND PARTICIPATION RATE IN FURTHER AND HIGHER EDUCATION



Source: 1994-2005 NSO Education Statistics; 2006-2007 NCHE provisional data; NCHE Further and Higher Education Statistics 2008

⁶ NCHE Further and Higher Education Statistics 2008

⁷ National Reform Programme 2008-2010

⁸ Source (Registrar's Office, Institute of Tourism Studies)

⁹ Source (Registrar's Office, Malta College of Arts, Science and Technology)

¹⁰ NCHE Further and Higher Education Statistics 2008

¹¹ Source (Registrar's Office, University of Malta)

¹² OECD Education at a Glance pg. 344

¹³ All EU countries prior to the accession of the 10 candidate countries on 1 May 2004, plus the four eastern European member countries of the OECD, namely Czech Republic, Hungary, Poland, Slovak Republic

¹⁴ Key data on Higher Education in Europe 2007 Edition, Eurydice pg. 39

The growth of the total student population in the further and higher education sector increased by just over 50% over the last decade from 14,172 in 1998 to 21,621 in 2008. In the last five years, the growth rate has been just under 20% from 18,033 in 2003 to 21,621 in 2008. The past decade has witnessed a significant increase in the number of students attending day programmes at The Malta College of Arts, Science and Technology (MCAST) together with a slight increase in the students attending the University of Malta. Reaching higher participation rates at this level requires that more students leaving the compulsory school system successfully obtain the SEC and Matriculation Certificates, and that all further and higher education institutions are prepared for larger numbers in the short term.

Initiatives in place to increase participation beyond the compulsory age include free provision of full-time post secondary and tertiary education beyond compulsory school age. Generous student maintenance grants are also awarded together with scholarships for postgraduates and undergraduates through the Malta Government Scholarship Schemes (MGSS).

RESEARCH AND INNOVATION

Malta has also stepped up its efforts in the field of research and innovation. The University of Malta is currently participating in 7 FP7 projects amounting to around € 920,000 in funding¹⁵. The MGSS sponsored 44 students to follow studies at a doctoral level and 81 at a Masters level since 2006 to date¹⁶. 24%¹⁷ of Maltese students currently pursuing a doctoral programme are preparing for a career in science and technology¹⁸.

The Strategic Educational Pathways Scholarships Scheme (STEPS) is a new scheme intending to assist graduates in pursuing post-graduate levels of academic research in areas identified as a national priority, and will award over 400 Masters and 70 Doctoral scholarships between 2009 and 2013 in the focus areas of Research, Science and Technology, ICT, Education Capacity Building and other areas identified to address Skills mismatches¹⁹.

ADULT LEARNERS

In 2007, 6% of adults in Malta were participating in lifelong learning²⁰ compared to just under 10% of adults in the EU who participate in life long learning. Progress is slow to reach the benchmark of 12.5% by 2010.

In Malta, students pursuing part time tertiary studies are on average 8 years older than those pursuing full time studies²¹. On average, for Bachelors and Masters programmes, part time students in Malta take just under twice as long to complete their studies when compared to their full time counterparts²².

MOBILITY

In 2008, 169 students were awarded an undergraduate scholarship through the Malta Government Scholarship Schemes (MGSS). An additional 40 were awarded a postgraduate scholarship, 15 of which were for doctoral programmes²³.

With regards to the flow of students in higher education, Malta has more outgoing students than it has incoming. The balance in 2005 was of 242²⁴. more outgoing students than incoming ones. Just over 600 students were studying in Malta in 2005, (around 6% of the total higher education population) whilst 850 students were studying abroad in 2006 (10% of Maltese students) predominantly in the United Kingdom²⁵.

Incoming mobility for the Erasmus programme was significantly higher than outgoing with 325 and 125 students, respectively for academic year 2006/2007²⁶. Malta's participation in the Erasmus programme through the University of Malta as a student host nation was 4.2 times the average at 34.6 students per 1,000, and as a sending nation was 1.6 times the average of the EU at 13.3 students per 1,000²⁷. The first Erasmus Mundus Programme (2004-2008) ended as expected in 2008 with the second generation Erasmus Mundus II (2009-2013) being officially launched in January 2009.

¹⁵ Data is up to the end of October 2008. Source (Malta Council for Science and Technology)

¹⁶ MGSS database, MEDC

¹⁷ NCHE Further and Higher Education Statistics 2008

¹⁸ This indicator includes enrolments at the University of Malta and through the MGSS in the fields of 'science, mathematics and computing' and 'engineering, manufacturing and construction'.

¹⁹ STEPS information provided by the Ministry of Education, Culture, Youth and Sport

²⁰ According to the definition of the European Council, lifelong learning includes "all learning activity undertaken throughout life, with the aim of improving knowledge, skills and competences within a personal, civic, social and/or employment-related perspective". The "lifelong learning" structural indicator was developed to measure participation in training and further education. This indicator measures the proportion of the population aged between 25 and 64 that participate in training and further education activities. (Council Resolution of 27 June 2002 on lifelong learning (2002/C 163/01)

²¹ Key data on Higher Education in Europe 2007 Edition, Eurydice pg. 50

²² Key data on Higher Education in Europe 2007 Edition, Eurydice pg. 54

²³ MGSS database 2008, MEDC

²⁴ Mobility Barometer – An Assessment of the mobility of academic staff and students in Europe, ESU

²⁵ Progress towards the Lisbon Objectives in Education and Training – Indicators and benchmarks 2008 pg. 83

²⁶ Mobility Barometer – An Assessment of the mobility of academic staff and students in Europe, ESU

²⁷ Progress towards the Lisbon Objectives in Education and Training – Indicators and benchmarks 2008 pg. 84

INTERNATIONAL DEVELOPMENTS IN FURTHER AND HIGHER EDUCATION DURING 2008

TOWARDS A EUROPEAN HIGHER EDUCATION AREA (EHEA)

The last year has seen many significant developments in the European and International higher education scene. The pace of reforms since 2000 in particular under the auspices of Europe's Bologna Process and the EU's Lisbon Agenda has overhauled the Higher Education systems of countries across Europe – including Malta. The past year has seen major steps in the continued road towards the building of a European Higher Education Area (EHEA) – with the two main drivers being the Bologna Process and the EU's Lisbon Agenda, which includes the EU's Copenhagen Process.

The Bologna Process started in 1999 as process of 29 countries, including Malta, (now 46) who wanted to make their historically divergent HE systems compatible, with the main aims of increasing the attractiveness of Europe's HE, facilitating student and staff mobility and increasing the competitiveness of graduates in the labour market. This was envisaged to be achieved through the setting up of various action lines upon which participatory countries promised to implement reforms. The Bologna Process was initially given a 2010 deadline within which its aims needed to be realised. In April 2009 there will be a ministerial summit in Leuven, Belgium where it is likely that the aims of the Bologna Process will be continued for a further number of years. Like all other participatory countries, Malta's response to the Bologna Process is co-ordinated by a National Bologna Expert Group made up of Higher Education experts and stakeholders in the process. The NCHE forms part of Malta's Expert Group.

The Lisbon Agenda is an EU strategy started in 2000, with the main aim to make Europe "the most competitive and dynamic knowledge based economy in the world by 2010". As the EU has no formal competencies in Higher Education, the implementation of the strategy is based on the Open Method of Coordination. As part of the wider Lisbon Strategy, the Lisbon council of 2002 launched the EU's Education and Training 2010 work programme which aimed to make "European education and training systems in Europe a world quality reference by 2010". The EU's Lisbon Agenda also focuses on the Modernisation of Universities across Member States. The NCHE forms part of the EU's Modernisation of Higher Education Cluster together with all other EU Member States.

In 2002 the EU also launched the so-called Copenhagen Process which was launched as the EU's contribution to Vocational Education and Training (VET) to the challenges

identified in the Lisbon strategy. In the Copenhagen Declaration EU Ministers and the European Commission agreed priorities and strategies for the process. Its main aims are to promote mutual trust, transparency and recognition of competences and qualifications, to increase mobility and to facilitate access to lifelong learning.

This year has not seen the pace of reform across Europe slow down. Europe, through the different process outlined above has continued to push through various reforms, in particular with respect to student and staff mobility, research, quality assurance, research, modernisation and transparency initiatives.

A RESPONSIVE AGENDA

The emerging EHEA has faced various challenges in 2008 – to which European countries have focused on a coordinated response. Europe has increased its efforts to modernize European Universities through reforms in curricula, funding, governance and mobility.

Europe's changing demography is often cited as the stimulus behind the re-newed impetus given to the concept of Lifelong Learning on a European level. The European Universities Association (EUA) launched their Lifelong Learning Charter, one that was the cause of much discussion and which was endorsed by the French Presidency of the European Union. 2008 has also seen countries continue to embrace principles of e-learning and new teaching pedagogies in an effort to increase the participation rate of adult learners.

The financial challenges facing higher education institutions across the continent have come to a head with the European Commission pushing a target of 2% of GDP to be spent on higher education across Member States. Countries have also pushed for an increased focus on the necessity of further diversification of funding for Higher Education Institutions and cost-sharing in the modern university set up.

Responding to the changes within the European labour market has seen European countries focus on increased employability of graduates and an attempt to close the Skill Gap between what employers require and what graduates are taught in Europe. This has led to a EU Commission Communication titled "New Skills for New Jobs: Anticipating and matching labour market and skills needs"²⁸ launched in December 2008

²⁸ Source: <http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=431&furtherNews=yes>

STUDENT AND STAFF MOBILITY

Increasing student and staff mobility has long been on the agenda of the Bologna Process as well as the European Union institutions. The European Commission is committed to increasing student mobility numbers and aims to have had three million students participate in the EU's flagship mobility programme 'Erasmus' by 2012.

While Erasmus is the most popular of EU's mobility programmes, the EU Commission's Lifelong Learning Programme also includes the Comenius, Leonardo da Vinci and Grundtvig. Comenius focuses on the first phase of education, from pre-school and primary to Secondary school, and it is addressed to all members of the education community while Grundtvig deals with Adult learning and education. The Leonardo da Vinci Programme focuses on raising the quality and relevance of VET, and provides an opportunity for organizations involved in VET to build European partnerships, exchange best practice, increase the expertise of their staff and develop the skills of learners

In late 2008, the European Commission also launched the second generation Erasmus Mundus programme which will run from 2009 to 2013 and the NCHE has been designated as Malta's national Erasmus Mundus structure.

The Bologna Process participatory countries continue to push student and staff mobility to the top of the European higher education agenda, with increasing the numbers of mobile students remaining one of the top priorities for the process. Increasing mobility is expected to be reconfirmed following the next Bologna ministerial summit in Leuven in 2009.

European stakeholders have taken the lead in this respect, most notably with the European Students' Union (ESU) and Education International (EI) launching a Europe-Wide mobility campaign aimed at identifying and overcoming the challenges faced by students and staff alike in relation to mobility. The campaign, which ended in October, called for a target of 20% of students to have been mobile by 2020.

Mobility is often seen as the basis for many of the reforms in European Higher Education, in that its success is dependent on countries' successful implementation of other 'action lines' or priorities such as degree recognition, a credit transfer and accumulation system, the three-cycle system, qualifications frameworks and an increased European dimension to higher education curricula.

QUALITY ASSURANCE AND RANKING

Increasing the quality of higher education across Europe as well as the need for quality assurance in universities to become a means of public accountability is another initiative that has made considerable steps forward in the last year. In a significant step towards increased transparency in quality assurance, The European Quality Assurance Register (EQAR) was founded in 2008 on the initiative of EUA, ESU, EURASHE and ENQA (the so-called E4 Group), and is intended to "publish and manage a register of quality assurance agencies that substantially comply with the European Standards and Guidelines for Quality Assurance (ESG) to provide the public with clear and reliable information on quality assurance agencies operating in Europe".²⁹

Malta was one of the founding countries of the register. When Malta launches its own national Quality Assurance Agency it will strive to fulfil the criteria necessary to join the register.

The second half of the year in Europe was also dominated by a debate on University ranking systems. Currently the two most visible ranking systems are the Times Higher Education Supplement Rankings and the Shanghai Ranking system; both systems have their shortcomings with regards the methodology, criteria and indicators they use.

The French Presidency of the European Union, together with the European Commission, proposed an alternative system and launched a tender to "explore and test the feasibility of a new ranking system for higher education and research institutions in Europe, in comparison with other world regions". The novelty of this new European ranking system is that it is multi-dimensional - covering the various missions of institutions, such as education, research, innovation, internationalisation and community outreach³⁰. The first results are expected in 2011.

²⁹ Source: www.eqar.eu

³⁰ Source: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1942&type=HTML&aged=0&language=EN&guiLanguage=fr>

RESEARCH AND ATTRACTIVENESS

Research and Innovation have been one of the cornerstones of the EU's Lisbon Agenda. In terms of research the links between the European Higher Education Area (EHEA) and the European Research Area (ERA) were strengthened. The European Commission states that "such an ERA should inspire the best talents to enter research careers in Europe, incite industry to invest more in European research – contributing to the EU objective to devote 3% of GDP for research, and strongly contribute to the creation of sustainable growth and jobs"³¹.

In 2008 "the Council of the European Union and the Commission decided to enhance the overall governance of ERA. This process is called the "Ljubljana Process" as its main principles were discussed and agreed at the informal ministerial meeting held in Ljubljana and Brdo (Slovenia) on 14-15 April 2008. It was formally launched by Council Conclusion adopted on 30 May 2008. The enhanced governance of ERA is based on a shared 2020 ERA vision which the Commission and Member States agreed at the Competitiveness Council of 2 December 2008."³²

In a bid to compete with other world regions in terms of excellence in innovation, The European Institute of Innovation and Technology (EIT) was launched in Budapest. The European Commission describes the EIT as "the first European initiative to integrate fully the three sides of the "Knowledge Triangle" (Higher Education, Research, Business-Innovation) and will seek to stand out as a world-class innovation-orientated reference model, inspiring and driving change in existing education and research institutions"³³.

The European Commission has set a target for member states to invest 3% of GDP on research, if the aim set out in the Lisbon Agenda are to be reached.

As part of the Open Method of Coordination, the European Commission has set up the CREST Working Group – "Mutual learning on approaches to improve the excellence for research in universities", which the NCHE forms part of. The group's final report is expected in April 2009.

³¹ Source: http://ec.europa.eu/research/era/index_en.html

³² Source: http://ec.europa.eu/research/era/specific-era-initiatives_en.html

³³ Source: http://ec.europa.eu/eit/mission_en.htm

A FRAMEWORK FOR QUALITY ASSURANCE AND LICENSING



A QUALITY ASSURANCE FRAMEWORK FOR FURTHER AND HIGHER EDUCATION

On the 11th of January 2008, the NCHE launched its recommendations entitled "A Quality Assurance Framework for Further and Higher Education in Malta". During this launch, Minister Louis Galea invited all stakeholders to understand the report and the implications of the process for their institutions.

A seminar was held on the 28th of January 2008 to present the recommendations on Quality Assurance and Licensing for Further and Higher Education in Malta to all stakeholders.

For this event, heads of all state institutions, student and staff representatives were invited to contribute and give their reactions to these proposals.

In a second part of the day, heads of private and independent institutions were also invited to a presentation and invited to submit their reactions to the report.

Following the meetings held on the 28th January, the NCHE held further meetings with different entities to clarify its proposals and understand the different concerns that required further attention.

Feedback during these sessions and written feedback by different entities were published in a consultation report which was published in March 2008.

Since then the NCHE has continued to advocate and attend a series of conferences and international training workshops to follow international developments in quality assurance. These include the various training

workshops organised by the European Network for Quality Assurance Agencies (ENQA) and the representation of Malta as a founding member of the European Quality Assurance Register (EQAR).

The NCHE has also embarked on the development of a draft business plan for the future establishment of a quality assurance agency and continued to support the Ministry of Education in its drafting of regulations based on these recommendations.

The establishment of a quality assurance agency and a quality assurance and licensing framework in Malta require legal reforms which are envisaged to occur in 2009 by the ministry of Education, Culture, Youth and Sport.

The proposed framework is made up of four elements: adequate internal quality assurance systems; external quality audits; accreditation and recognition decisions based on the results of external audits; and licensing systems linked to accreditation.

The aims and principles of the proposed framework are based on the Standards and Guidelines for Quality Assurance in the European Higher Education Area (ESG) (ENQA, 2005) as adopted by the Ministers responsible for higher education within the Bologna Process in Bergen in 2005.

STATISTICS AND BENCHMARKS FOR THE SECTOR



The NCHE launched a Further and Higher Education Survey in January 2008. The survey involved the collection of information, data and statistics from all public and private further and higher education institutions in Malta.

Information meetings were held with both public and private sector providers, to help institutions understand the reporting requirements in adequately mapping programmes provided and student populations attending such courses.

A database was developed and distributed together with a purposely designed guide for determining the new structure of information required for institutions and their programmes were developed.

A report entitled 'NCHE Further and Higher Education Statistics 2008' was published in December 2008 and launched in January 2009.

23 institutions responded to the survey, 16 of which self classified themselves as further education institutions and 7 self classified themselves as higher education institutions.

The report highlights some important facts:

- 59% of 17 year olds participate in post secondary general and vocational education;
- 24% of 19 year olds participate in tertiary education;
- 6% of adults participate in lifelong learning within the sector;
- 3% of all students in higher education and 16% of all students in further education attended private institutions;
- 114 students were pursuing Doctoral programmes;
- 16% of all students in tertiary education were enrolled in science related fields;
- 11,874 students attended full and part-time further education and an additional 3,511 were following short courses;
- 9,747 students were enrolled in higher education programmes predominantly at the University of Malta.

NCHE aims to develop this function further, linking the Survey to its ongoing reviews of key performance indicators and benchmarks of performance against international developments. This work also serves as a good basis for an eventual register of authorised and accredited institutions and programmes available in Malta.

SKILLS FOR THE FUTURE



“Hu d-dover tagħna lkoll li naħdmu flimkien biex nassiguraw ruħna li pajjiżna ma’ jkunx nieqes mill-ħiliet meħtieġa għall-iżvilupp kontinwu u l-kompetittività tagħna...

Għandna nkunu kapaċi li nagħtu lill-istudenti tagħna l-bażi li fuqha jkomplu jaħdmu u jitgħallmu minn jeddhom, biex ikunu flessibbli fid-dinja tax-xogħol u jilqgħu l-isfidi li dinja dejjem aktar avvanzata tipproponilhom minn jum għall-ieħor.”

Minister Dolores Cristina

“...a Smart Society is one which understands its intrinsic strengths and weaknesses; the opportunities and threats posed by its Context, creates the right aptitude and skills, and deploys the right technologies, to preempt, or at least to adapt rapidly to Change...

..our future...it’s about well-rounded quality education not a mindless drive for certification...it’s about life-long learning and continuous professional development...it’s about research and innovation to sustain socio-economic growth”

*Prof. Juanito Camilleri
Rector, University of Malta*

On the 19th of September 2008 the NCHE organised a ‘Skills for the Future’ Conference. The Conference was aimed at addressing skills mismatches which exist in the economy as well as those which could emerge following growth in targeted sectors. Over 200 participants representing industry, commerce, employers, educational institutions, government sectoral agencies, students, and other social partners, attended the conference.

Hon. Dolores Cristina, Minister for Education, Culture, Youth and Sport, launched the conference highlighting the importance of human resource development as the cornerstone for all socio-economic development aspirations and highlighted the need to connect policy developments in education with the vision outlined by Government for 2105. This includes seven priority areas of development, aiming to transform Malta into a centre of excellence in tourism, financial, health, education, communication, IT and high value added manufacturing

services. Additionally Gozo is to be further developed as an ecological island.

The conference consisted of three parts; whereby the first part was aimed at identifying the main growth sectors, and the second round of presentations focused on the skills requirements that would be needed given this growth. Professionals from industry addressing the audience included Ms. Helga Ellul, Deputy President of the Federation of Industry; Mr. Stefano Mallia, Senior vice-President of the Malta Chamber of Commerce; Mr. Lawrence Mizzi, Deputy President of the Malta Employer’s Association; Mr. Joseph P. Sammut, Chief Strategy officer of Malta Enterprise and Mr. Felix Borg, Operations General Manager from the Employment and Training Corporation.

These speakers highlighted the importance of skills to sustain economic growth and high productivity rates and the crucial need to improve soft skills and language



**“it is important to keep science teachers and lecturers up-to-date. By setting up a system of sponsored sabbaticals for University, MCAST, secondary school science lecturers, teachers to be able to spend some months working in industry or pursue research related to developing skills in practical science...
...Teachers could also be enrolled into professional scientific associations with government sponsorship or work-resources if necessary. This will keep the material, the teachers and their teaching up to date.”**

*Ms. Helga Ellul
Vice President, Federation of Industry*

proficiency of all students leaving education and urged for more students to be attracted into technical and science related programmes of learning.

Prof. Juanito Camilleri, Rector of the University of Malta and Prof. Maurice Grech, Principal of MCAST, shared their perspectives on the necessary response of education at all levels and the pivotal role of education institutions in delivering the programmes which respond to new work opportunities.

Two other expert interventions by Mr. Joseph F.X. Zahra, Managing Director of MISCO Ltd., and Mr. Torsten Dunkel, Project Manager, Research and Policy Analysis from CEDEFOP, delivered insights on skills gaps in Malta and Europe respectively.

Following the morning sessions, workshops specific to the seven areas of excellence were underway. These workshops provided a space for more sector-specific discussions and a more in depth analyses of the skills

gaps. A general thrust which was echoed in every workshop was the need for the workforce to strengthen its soft skills and have a good overall education.

The workshop rapporteurs were asked to present a brief report on the findings of each workshop session, which are to be incorporated in a Skills for the Future Report.

The NCHÉ conducted a study following the conference and compiled the conference outcome and its findings and recommendations in a report entitled “Skills for the Future”. The report will be published in 2009.

The conference was organised with the collaboration of:

- The Ministry of Education, Culture, Youth and Sport
- The University of Malta
- The Malta College for Arts, Science & Technology
- The Institute for Tourism Studies
- The Directorate for Educational Services
- The Directorate for Quality & Standards in Education
- The Malta Qualifications Council
- The Employment & Training Corporation

STUDENT MOBILITY GRANTS

MALTA GOVERNMENT SCHOLARSHIP SCHEMES

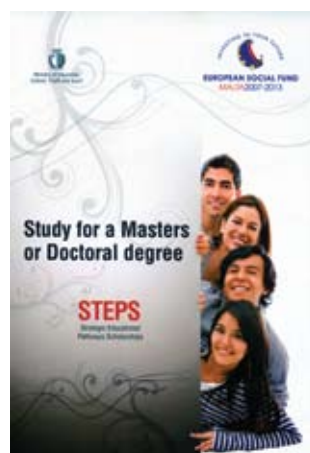
The NCHE was instrumental in the further development of the Malta Government Scholarship Schemes (MGSS). In 2008, the MGSS Post-Graduate Scheme was reconfirmed and the MGSS Undergraduate Scheme was extended from supporting Maltese students undertaking studies locally to include those undertaking studies leading to degrees from recognised non-state higher education providers abroad.

In 2008 the two schemes awarded 169 undergraduate and 40 post graduates scholarships, bringing the total number of Maltese students who benefitted from the scheme to 209 (up from 85 in 2007).

The MGSS Undergraduate Scheme in 2008 provided more opportunities to promote further choice of undergraduate degrees up to and including Bachelor and Honours Degrees (excluding Master's Degree programmes) classified as National Qualification Framework (NQF) Level 6 or equivalent.

The MGSS Post-graduate Scheme serves a number of objectives including the increase of research and development capacity of Malta, an ever more highly skilled workforce and the impact and social benefit of groundbreaking discoveries. It aims at providing more opportunities for further specialisation at higher levels of education at a Masters and Doctoral level.

The NCHE has been involved in reviewing the outcome of these schemes and in making recommendations for any improvement in these initial years of the schemes.



STEPS SCHOLARSHIP SCHEME (ESF)

The NCHE has been instrumental for the development of the Strategic Education Pathway Scholarship Scheme (STEPS). This scheme attracts funding of € 10 million under the ESF Operational Programme II (2007-2013) for promoting studies at a Masters and Doctoral level in key priority areas including education, science and technology.

This scheme will be launched early in 2009 by the Ministry of Education, Culture, Youth and Sport and aims to offer over 400 Masters Scholarships and over 70 Doctoral Scholarships by 2011.

This project is the outcome of consultations between the NCHE and the Malta Council for Science and Technology (MCST), the Directorate for Educational Services (DES), the University of Malta (UoM) and Ministry of Education, Culture, Youth and Sport.

INTERNATIONAL PRESENCE OF THE NCHE

FEBRUARY

- European Commission - "1st European University - Business Forum" (Brussels, Belgium)
- 1st CREST Meeting – "Mutual learning on approaches to improve the excellence of research in universities" (Brussels, Belgium)

MARCH

- Slovenian Presidency Conference - "Universities and Lifelong Learning" (Slovenia)
- European Quality Assurance Register (EQAR) Founding Assembly (Brussels, Belgium)

APRIL

- Inter-Ministerial meeting - "3rd Ministerial Meeting of the European Countries with One University" (Nicosia, Cyprus)
- Equity through e-learning Project - European Students Union - Project Advisory Group (Brussels, Belgium)
- European Association of Quality Assurance Agencies (ENQA) Seminar – "Internal QA system and the ESG" (Barcelona, Spain)

JUNE

- Bologna Follow-Up Group (BFUG) Meeting (Sarajevo, Bosnia)
- EQAR General Assembly (Sarajevo, Bosnia)
- 2nd CREST Meeting - Mutual learning on approaches to improve the excellence of research in universities (Brussels, Belgium)
- ENQA Workshop Programme oriented and institutional oriented approaches to QA - new developments and mixed approaches (Berlin, Germany)

JULY

- ENQA 1st External evaluation of QA agencies - lessons learned organised in cooperation with the AERES (Paris, France)

SEPTEMBER

- ERASMUS Mundus Committee Meeting and Pre Committee Meeting - New Erasmus Programme (Brussels, Belgium)
- French Presidency - "Quality Assurance in Universities and Higher Education Establishments in Europe" (Strasbourg, France)
- 20th Annual Conference of the European Association for International Education (EAIE) - "Re-Designing the map of European higher education" (Antwerp, Belgium)

OCTOBER

- EUA Autumn Conference – "Inclusive & Responsive Universities and the Life Long learning Charter" (Rotterdam, Netherlands)
- EUA Institutional Evaluation Programme - Annual Seminar (Copenhagen, Denmark)
- Validation conference of European Students' Union and Education International's Mobility Campaign - Let's go! Where to Now! (Lille, France)
- European Commission's Cluster on Modernisation of Higher Education: Peer Learning Activity on Ways to Increase Mobility - Funding Models Examined (Alicante, Spain)

NOVEMBER

- ERASMUS Mundus Pre Committee Meeting (Brussels, Belgium)
- French Presidency Conference - "The Europe of higher education - a mobility area to be strengthened up" (Nancy, France)
- EUA Institutional Evaluation Programme - First Site Visit (Mainz, Germany)
- 3rd European Quality Assurance Forum (Budapest, Hungary)
- Cluster on Modernisation of Higher Education (Brussels, Belgium)
- 4th CREST Meeting – "Mutual learning on approaches to improve the excellence of research in Universities" (Brussels, Belgium)
- French Presidency Conference - "International comparison of education systems: a European Model?" (Paris, France)

DECEMBER

- EAIE Seminar - "The Legal Impact of the Bologna Implementation" (Vienna, Austria)
- OECD Conference - "Higher Education to 2030: What futures quality access in the era of globalisation" (Paris, France)
- Workshop on the Careers and Mobility of Doctorate Holders (Brussels, Belgium)

FINANCIAL STATEMENTS



FINANCIAL STATEMENTS

NATIONAL COMMISSION FOR HIGHER EDUCATION REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2008

REPORT OF THE COMMISSION

The Commission presents the report and the audited financial statements for the year ended 31 December 2008.

PRINCIPAL ACTIVITY

The National Commission for Higher Education is an institution established under the Education Act Cap 327.

The Commission is governed by a Chairman, a Deputy Chairman and five members as appointed by the Prime Minister on the 3rd November 2008 for a period of three years as follows:

Dr. Philip von Brockdorff – Chairman
Mr. Alexander Manché – Deputy Chairman
Prof. Josef Bonnici
Prof. John Portelli
Dr. Grace Grima
Dr. Jennifer Cassingena Harper
Dr. Anna Mifsud Bonnici

The former Commission members from the 6th September 2006 to 2nd November 2008 were as follows:

Mr. Joseph F.X. Zahra – Chairman (*resigned 7th May 2008*)
Mr. Alexander Manché – Deputy Chairman
Dr. Stephen Attard
Ms. Micheline Sciberras
Dr. Jennifer Cassingena Harper
Prof. Joseph Bonnici
Prof. John Portelli
Dr. Alex Mifsud (*resigned 8th September 2007*)

The Commission is entrusted with the furtherance and expansion of higher education to meet education requirements adopted by the Government.

RESPONSIBILITIES OF THE COMMISSION

The Commission is responsible amongst others to prepare an annual report on the work of the Commission during the preceding year. This entails responsibility to ensure that:

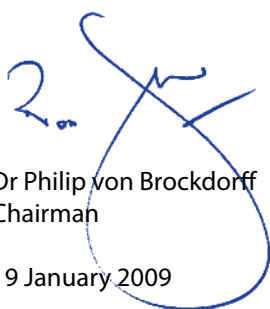
- a. Proper accounting records are kept of all transactions entered into by the Commission and of its assets and liabilities;
- b. Adequate controls and procedures are in place for safeguarding the assets of the Commission, and the prevention and detection of fraud and other irregularities.

In preparing the financial statements which give a true and fair view of the state of affairs as at the end of each financial year and of its surplus or deficit for that year, the Commission:


- selects suitable accounting policies and then apply them consistently;
- makes judgements and estimates that are reasonable and prudent;
- follows International Financial Reporting Standards;
- prepares the financial statements on the going concern basis unless this is considered inappropriate.

RESULTS

The results for the year under review show a surplus of Eur 19,647. This represents funds received from Government Contribution that were still not expensed in recurrent expenditure.



Dr Philip von Brockdorff
Chairman
19 January 2009



Mr Alexander Manché
Deputy Chairman

AUDITOR'S REPORT TO THE COMMISSION

I have audited the accompanying financial statements on pages 4 to 11. These financial statements are the responsibility of the Commission. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with International Standards on Auditing. These Standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by the Commission, as well as evaluating the overall financial statements presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements give a true and fair view of the state of affairs of the Commission as at 31 December 2008 and of its surplus, changes in net assets/equity and cash flows for the year then ended in accordance with Education Act, Cap 327.



B.A. (Hons.) Acctcy., F.C.C.A., F.I.A., A.M.I.T., C.P.A.
Chartered Public Accountant and Registered Auditor

Turner & Associates
13, Curate Fenech Street
Birzebbugia
Malta

20 January 2009

INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 December 2008

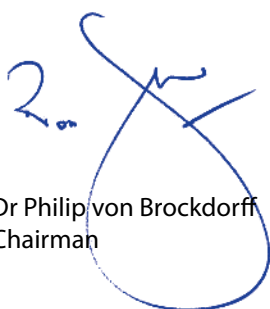
	Notes	2008 €	2007 €
INCOME			
Government Contribution	1	256,274	136,625
Government Contribution in relation to Capital Expenditure		<u>13,172</u>	<u>12,343</u>
		269,446	148,968
EXPENDITURE			
Administrative and Other Expenses		(249,799)	(152,322)
SURPLUS/(DEFICIT) FOR THE YEAR	2	<u>19,647</u>	<u>(3,354)</u>

BALANCE SHEET

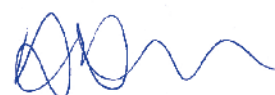
At 31 December 2008

	Notes	2008 €	2007 €
ASSETS			
Non-Current Assets			
Tangible assets	3	54,924	60,676
Current Assets			
Trade and other receivables	4	<u>30,217</u>	<u>165</u>
Cash at bank and in hand		6,948	14
		<u>37,165</u>	<u>179</u>
Current Liabilities			
Trade and other payables	5	<u>(17,738)</u>	<u>(15,876)</u>
Total Assets less Current Liabilities		74,351	44,979
Non-Current Liabilities			
Trade and other payables	6	<u>(58,058)</u>	<u>(48,333)</u>
Total Net Assets /(Liabilities)		<u>16,293</u>	<u>(3,354)</u>
EQUITY AND LIABILITIES			
Equity			
Accumulated surplus/(deficit)	7	<u>16,293</u>	<u>(3,354)</u>

The financial statements on pages 27 to 34 were approved by the Commission on 19 January 2009, and signed on its behalf by:



Dr Philip von Brockdorff
Chairman



Mr Alexander Manché
Deputy Chairman

CASH FLOW STATEMENT

For the year ended 31 December 2008

	Notes	2008 €	2007 €
CASH FLOW USED IN OPERATING ACTIVITIES			
Surplus/(deficit) for the year		19,647	(3,354)
Add: Depreciation		13,172	12,343
Less: Government Contribution in relation to Capital Expenditure transferred to Income and Expenditure Account		(13,172)	(12,343)
Deficit from operating activities		<u>19,647</u>	<u>(3,354)</u>
Increase in debtors		(30,052)	(165)
Increase in creditors		1,033	3,533
NET CASH FLOW FROM OPERATING ACTIVITIES		<u>(9,372)</u>	<u>14</u>
INVESTING ACTIVITIES			
Payments to acquire tangible assets	8 (a)	<u>(7,420)</u>	<u>(73,019)</u>
FINANCING ACTIVITIES			
Proceeds from Government Contribution in relation to Capital Assets	8 (a)	<u>23,726</u>	<u>73,019</u>
NET MOVEMENT IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		6,934	14
		14	-
Cash and cash equivalents at end of year	8 (b)	<u>6,948</u>	<u>14</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2008

1. PRINCIPAL ACCOUNTING POLICIES

(a) Basis of accounting

The accounts are prepared under the historical cost convention and in accordance with International Financial Reporting Standards.

These financial statements are presented in Euro (€). Comparative figures for 2007 have been converted from Lm to € at the prevailing rate of € 1 = Lm 0.4293. The particular accounting policies which have been applied consistently are described below:

(b) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is charged so as to write off the cost of assets over the estimated useful lives, using the straight line method, on the following bases:

	%
Office equipment	10
Furniture and fittings	10
Motor vehicles	20
Computer equipment	25
Air-conditioning	16.67

(c) Impairment

At each balance sheet date, the Commission reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2008

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Trade and other debtors

Trade and other debtors are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Trade and other creditors

Trade and other creditors are stated at their nominal value.

(d) Revenue recognition

Government contributions are recognized as income when received.

Government contribution represents amounts received in terms of recurrent and capital votes. Government contribution received in respect of expenditure charged to the income and expenditure account during the year have been included in the income and expenditure account. The remainder, which are spent for the acquisition for tangible assets, are deferred and are included in the income and expenditure account by installments over the expected useful lives of the related assets.

2. SURPLUS/(DEFICIT) FOR THE YEAR

	2008	2007
	€	€
Surplus/ (Deficit) for the year is stated after charging:		
Audit fees	865	827
Depreciation on tangible fixed assets	13,172	12,343
Staff costs	<u>160,481</u>	<u>96,240</u>
Surplus/(Deficit) for the year is stated after crediting:		
Government Contribution in relation to Capital Assets transferred to Income and Expenditure Account	<u>13,172</u>	<u>12,343</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2008

3. TANGIBLE FIXED ASSETS

	Motor Vehicle €	Furniture & Fixtures €	Office Equipment €	Computer Equipment €	Air-conditioning Equipment €	Total €
<u>Cost</u>						
At 01/01/08	12,229	24,673	3,417	19,680	13,020	73,019
Additions	-	3,978	2,870	572	-	7,420
At 31/12/08	<u>12,229</u>	<u>28,651</u>	<u>6,287</u>	<u>20,252</u>	<u>13,020</u>	<u>80,439</u>
<u>Depreciation</u>						
At 01/01/08	2,446	2,467	342	4,919	2,169	12,343
Charge for the year	2,446	2,865	629	5,063	2,169	13,172
At 31/12/08	<u>4,892</u>	<u>5,332</u>	<u>971</u>	<u>9,982</u>	<u>4,338</u>	<u>25,515</u>
<u>Net book value</u>						
At 31 December 2008	7,337	23,319	5,316	10,270	8,682	54,924
At 31 December 2007	<u>9,783</u>	<u>22,206</u>	<u>3,075</u>	<u>14,761</u>	<u>10,851</u>	<u>60,676</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2008

4. TRADE AND OTHER RECEIVABLES	2008	2007
	€	€
Payments on account – Construction of NCHE Website (note)	16,306	-
Prepayments and accrued income	13,911	165
	<u>30,217</u>	<u>165</u>

Note:

This represents the payment on account on the construction of new content management web-site which will be launched by NCHE during 2009.

5. CURRENT LIABILITIES	2008	2007
	€	€
Trade and other creditors	43	1,341
Deferred Government Contribution for Capital Expenditure (note 6)	13,172	12,343
Accruals	4,523	2,192
	<u>17,738</u>	<u>15,876</u>

6. NON-CURRENT LIABILITIES	2008	2007
	€	€
Deferred Government Contribution for Capital Expenditure	71,230	60,676
Less: Amounts to be transferred to Income and Expenditure Account within one year (note 5)	(13,172)	(12,343)
	<u>58,058</u>	<u>48,333</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2008

7. ACCUMULATED SURPLUS/ (DEFICIT)

	2008 €	2007 €
At 1 January	(3,354)	-
Surplus /(deficit) for the year	19,647	(3,354)
At 31 December	<u>16,293</u>	<u>(3,354)</u>

8. NOTES TO THE CASH FLOW STATEMENT

(a) Tangible fixed assets

During the year, the Commission acquired furniture, office and computer equipment with an aggregate cost of Eur 7,420, which were financed through Government Contribution. Total capital contribution during the year amounted to Eur 23,726, of which Eur 16,306 were expensed on the construction of new content management web-site which will be launched during 2009.

(b) Cash and cash equivalents

Cash and cash equivalents consists of cash in hand and balances with bank. A cash flow is an increase or decrease in amount of cash or cash equivalents resulting from a transaction. The net cash flow movement of Eur 6,948 (2007 – Eur 14) is reflected in the balance sheet as follows:

	2008	2007
Cash at bank and in hand	<u>€ 6,948</u>	<u>€ 14</u>

9. COMPARATIVE FIGURES

Comparative figures in the financial statements have been converted from Lm to € at the prevailing conversion rate of € 1 = Lm 0.4293.

INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 December 2008

	2008	2007
	€	€
INCOME		
Government Contribution	256,274	136,625
Government Contribution in relation to Capital Expenditure	13,172	12,343
	<u>269,446</u>	<u>148,968</u>
 ADMINISTRATIVE AND OTHER EXPENSES		
Accountancy fees	2,296	1,044
Advertising and promotion costs	14,055	3,564
Audit fees	865	827
Bank charges	194	135
Cleaning expenses	-	471
Consultancy fees	-	3,242
Depreciation	13,172	12,343
Driver's cost	2,231	9,641
Leasing of equipment	412	-
Meetings and conferences	9,906	4,426
Membership	2,500	-
Motor vehicle expenses	688	-
Office stationery	2,781	2,397
Professional fees	206	-
Public relations and publications	6,898	494
Repairs and servicing	1,397	2,553
Subscriptions	980	312
Sundry expenses	650	792
Telecommunications	2,930	1,537
Travelling – Board	4,884	7,300
Travelling – Conferences and Initiatives	22,185	4,594
Wages	160,481	96,240
Website cost	88	410
	<u>249,799</u>	<u>152,322</u>
 SURPLUS/(DEFICIT) FOR THE YEAR	<u>19,647</u>	<u>(3,354)</u>

OUR MISSION:

*“to promote more and better
further and higher education
to empower all students
with knowledge and skills
for their future”*

The NCHE is responsible for:

- Promoting a structured dialogue between all Further and Higher education institutions;
- Supporting all stakeholders with research, data and information about the sector;
- Maintaining a register of authorised and accredited institutions and programmes available in Malta;
- Developing a National Strategy for Further and Higher education;
- Preparing key performance indicators and benchmarking the sector against international developments.



National Commission for Higher Education
Old University Building,
Valletta, Malta.
Tel: (+356) 2122 6862
Fax: (+356) 2122 6056
Email: info.nche@gov.mt