WALTER SISULU UNIVERSITY

2019

ANNUAL REPORT

A developmental university...
• technological • scientific • innovative • responsive

WSU
Walter Sisulu University

CONTENTS

GENERAL INFORMATION 2
VISION, MISSION AND CORE VALUES 3
THE REPORT OF THE CHAIRPERSON OF COUNCIL 4
CORPORATE GOVERNANCE 5
MEMBERSHIP AND ATTENDANCE AT COUNCIL AND COUNCIL SUB-COMMITTEES 6
STATEMENT ON SUSTAINABILITY 7
COUNCIL MEMBERS 8
CODE OF ETHICS FOR COUNCIL MEMBERS OF WALTER SISULU UNIVERSITY 10
NOMINATION GUIDELINES FOR THE ELECTION OF COUNCIL MEMBERS 11
COUNCIL RESOLUTIONS 12
CAMPUS INFRASTRUCTURE DEVELOPMENT 20
AUDIT COMMITTEE 22
RISK MANAGEMENT 25
INTERNAL ADMINISTRATIVE/ OPERATIONAL STRUCTURE AND CONTROLS 28
INSTITUTIONAL FORUM 30
STATEMENT ON TRANSFORMATION 31
SENATE REPORT 33
PERFORMANCE ASSESSMENT ON CORE BUSINESS 59
VICE-CHANCELLOR'S REPORT ON MANAGEMENT AND ADMINISTRATION 74
STATEMENT OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS 91
THE REPORT OF THE CHAIRPERSON OF THE FINANCE COMMITTEE 92
INDEPENDENT AUDITOR'S REPORT 96
CONSOLIDATED STATEMENT OF FINANCIAL POSITION 108
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 109
CONSOLIDATED STATEMENT OF CASH FLOW 110
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY 111
ACCOUNTING POLICIES 112
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS 127

GENERAL INFORMATION

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Our Vision

Walter Sisulu University (WSU) will be a leading African comprehensive university focusing on innovative educational research and community partnership programmes that are responsive to local, regional and national development priorities and cognisant of continental and international imperatives.

Our Mission

In pursuit of its vision as a developmental university, WSU will:

- Provide an educationally vibrant and enabling environment conducive to the advancement of quality academic, moral, cultural and technological learner-centred education for holistic intellectual empowerment, growth and effective use of information;
- Provide and maintain the highest possible standards in innovative learning and teaching, applied, basic and community-based research and community partnerships in cooperation with development agencies, the public and private sectors;
- Provide affordable, appropriate, career-focused and professional programmes that address rural development and urban renewal with primary emphasis on science, technology and development studies;
- Create a new generation of highly-skilled graduates capable of understanding and addressing complex societal challenges, with critical scholarly and entrepreneurial attributes grounded on morally sound work ethics and responsible leadership.

Our Core Values

In pursuit of its mission, WSU commits to the following values which are an affirmation of the eternal principles which will inform all dealings of the University:

- Academic Freedom: In line with our vision and mission as an accountable institution, we acknowledge our right to exercise academic freedom in a responsible way, in teaching and learning, in research and in community service.
- Quality: We commit to institution-wide quality management, value and reward excellence and uphold and protect the integrity of the University.
- Access and Success: We provide equitable access to higher and continuing education at all stages of adult life to students who have the potential to succeed.
- Transformation: We are committed to addressing equity imperatives, diversity, entrepreneurship and to democratic governance.
- People Development: We are committed to the optimum development of the human resources potential and leadership capacity of all staff.
- Caring University: We commit to mutual respect, ubuntu, humility, good citizenship, student centredness and endorse and uphold all principles of Batho Pele* .
- Resource Consciousness: We commit to utilising the University's resources prudently and responsibly at all times with a view to adding maximum value to the institution.

*Batho Pele means People First:
Batho Pele is a set of principles adopted by the public service as part of their commitment to good service and customer care.

THE REPORT OF THE CHAIRPERSON OF COUNCIL

INTRODUCTION

The Walter Sisulu University (WSU) is one of its kind in the higher education landscape in South Africa. Its footprint straggles across three district municipalities and four local municipalities which are predominantly rural. This makes WSU one of the largest employers in the Eastern Cape. Two of its three district municipalities are named after two former struggle icons in the persons of Oliver Reginald Tambo and Chris Hani. WSU is a complex geographically spread multi-campus comprehensive institution which makes it easily accessible to more than half of the population of the Eastern Cape. Students are able to apply and study for qualifications from certificate up to PhD level. In 2019 WSU provided access to over 34 000 students.

GOVERNANCE

Council successfully provided oversight function in 2019 amidst challenges associated with the complex nature of the organisation and its divisional management system. All Council and its sub-committee meetings were held with full quorum and each committee exercised its oversight responsibility according to the approved charter. The only change in Council membership was in June when Convocation elected its new leadership and Mr Tiya and Nqola were replaced by Adv. Ngcukaithobi and Mr Puti respectively. A word of appreciation is expressed to Messiers Tiya and Nqola for the sterling role they played in Council and its sub-committees. Furthermore, a sincere word of welcome is expressed to Adv. Ngcukaithobi and Mr Puti as new members of Council.

In January 2019, Council and Management held a successful workshop on Corporate Governance and King 1V Code. The workshop particularly focused on fiduciary duty, leadership characteristics (ethical and effective), leadership responsibilities and finally, stakeholder relationships. The Department of Higher Education, Science and Training presented an overview of the state of governance within the higher education sector in South Africa. The presentation provided insights on what often led into institutions being placed under administration and the growing concerns the department has on the role of Council versus Management and 'stakeholderisation'. This workshop not only reminded councillors of their role but further positioned Council towards efficiency and effectiveness. The Council's resolutions and the meeting attendance also contained in this report attest to the functionality of Council and its sub-committees in 2019.

FINANCIAL POSITION AND AUDIT OUTCOME

Council is pleased to note the steady and continued improvement in the financial position of the University during the last financial year. Council is also pleased to report that the University received an unqualified audit opinion on the consolidated annual financial statements for the year ended 31 December 2019. This is a significant achievement given that the University received a disclaimer audit opinion in the 2017 financial year and a qualified audit opinion in the 2018 financial year.

CONCLUSION

I therefore commend management and Council for cooperation and good working relationship that has made it possible to achieve the reported outcomes.

Mr TS Zakuza
CHAIRPERSON OF COUNCIL

CORPORATE GOVERNANCE

In the year under review, the WSU Council ensured that it provided effective leadership through the adoption of good corporate governance practices based on the principle that strong corporate governance is central in ensuring the sustainability of WSU.

The Council has an ethical responsibility to its students, lecturers, staff and society and which entails ensuring that, at a minimum, WSU's activities and those of its students, lecturers and staff have minimal or no negative impact on society and the environment in which WSU operates. The Council ensures, and has taken a lead role in ensuring, that WSU integrates ethical standards into its day-to-day operations.

Mr TS Zakuza
CHAIRPERSON OF COUNCIL

2019 MEETING ATTENDANCE: COUNCIL AND COUNCIL COMMITEES						
Membership	**Council**	**ECC**	**ARCCC**	**FCC**	**HRCC**	**PICC**
Expected attendance	**4**	**6**	**3**	**3**	**3**	**3**
External Council Members						
Mr TS Zakuza	4	5				
Mr LN Capa	3	6				
Judge N Dambuza	4	4			2	
Ms NN Bam	3	3	2			
Dr L Mpahlwa	3	3				3
Mrs CC Mulder	2	2		3		
Mr L Holbrook	2				1	
Ms NY Tyamzashe	3	1			1	
Mr T Klaas	4		2	3		
Mr M Matyobeni	3			3		1
Mr Z Tiya*	2					
Mr X Nqola*	2					
Adv TL Ngcukaitobi**	1					
Mr S Puti**	2					
Internal Council Members						
Prof JR Midgley	3	3	3	3	3	3
Prof R Songca	1	1				1
Ms VG Mazwi	4			3	3	
Dr N Sharpley	3					
Mr VM Dwayi*	1		1			
Ms VG Sizani	4		2			3
Mr U Gqetywa*	2				1	
Mr Z Mabhoza*	2					1
Dr MR Krexe**	2					
Mr S Msomi**	1					
Mr M Qoyi**	1					
Additional Members						
External						
Mr S Ngqwala			1			
Mr B Hlongwe			3			
Mr P Yeko				3		
Mrs T Cumming				3		
Internal						
Mr M Rosslee*	4		2	2		
Dr PS Jaca	4					
Prof VSB Mtetwa*	4			2		
Prof M Speckman	3					
* Term of Office Ended ** Replacements						

STATEMENT ON SUSTAINABILITY

Walter Sisulu University (WSU) is committed to contributing towards building a sustainable society and to being a sustainable institution. We locate our overall vision within the global, continental and national objectives and we are at present re-imagining our operations around the United Nations Sustainable Development Goals (SDGs). The University is active in 13 of the 17 SDGs, with a noticeable foothold surfacing around health-related issues.

The University has an unequivocal developmental focus in aiming to enhance its contribution to the social and economic development of South Africa. We select our student cohort primarily from rural and poor communities so that their skills can ultimately improve the socio-economic circumstances within the region. Our Faculty of Health Sciences has a reputation for a strong public healthcare focus. Training takes place in hospitals throughout the Province, simultaneously benefiting both students and local communities (SDGs 1 and 3). The Education Faculties on three of our campuses are committed to supplying a sound basis for primary and secondary schooling in the Province (SDGs 1 and 4). In general, our graduates feature prominently in the provincial and local government workforces.

From a community engagement perspective, we established an e-waste project in Mdantsane, a community-driven enterprise for collecting and processing e-waste in an environmentally efficient manner (SDG 12). We are also in an advanced stage of developing an Agribusiness Centre to serve as a support facility for the Eastern Cape Province (SDGs 2 and 8). Our strongest initiative in this area is our ICT for Rural Development CoLab in partnership with NEMISA, which rolls out e-literacy training programmes in rural communities (SDG 4).

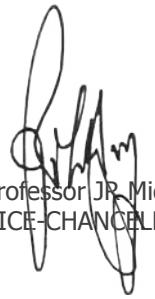
Our research priorities are responsive to social needs, particularly from the area in which we are situated and researchers are encouraged to advance research into sustainability issues. The core of our accredited research activity is in the health and natural sciences fields. In addition, we are proud to host a national facility, the National Pollution Laboratory (SDG 6), as well as the Risk and Vulnerability Centre, which focuses on climate change issues (SDG 13), and the Nedbank Chair in Rural Development, which researches food security, land reform and rural enterprise development issues (SDGs 1 and 2).

Recent innovations have also made an impact. With two herbal tea innovations about to proceed into the production phase, we have contributed to mental health (SDGs 1 and 3); as an alternative inexpensive source of energy for cooking, our biogas production process converts waste into energy (SDG 7); and two students developed two different prosthetic devices for people with disabilities (SDG 3).

We accept that our sustainability goals cannot be achieved in isolation. We encourage and support staff and students in travelling abroad to attend conferences and to foster networks, and our DHET-funded project with the Universities of Coventry and Stellenbosch for curriculum development in Engineering has become a collaborative flagship (SDG 17).

Operationally, WSU has committed itself to improving sustainability practices, both in the immediate and long term. Workplace equity has been substantially achieved, except at senior management level (SDG 5). We aim to reduce our environmental footprint with an immediate focus on energy, water, use of resources and waste management. The University's location and geographic spread raises carbon footprint and resource efficiency concerns. Greater use of technology for administrative purposes will be the primary vehicle for addressing such issues (SDGs 12 and 13). Attention is also being given to improving water security, especially in Butterworth and Mthatha (SDG 6), as well as the more efficient use of electricity (SDG 7). Sustainability issues have been built into specifications for the construction of new or refurbished buildings (SDG 9).

While there are numerous historic and current constraints to our pursuit of a more sustainable future, the University's resolve remains undeterred. Advocacy and information sharing are key, and greater emphasis will be placed on stakeholder engagement (SDG 16). The achievement of our goals requires a collective effort.



Professor JR Midgley
VICE-CHANCELLOR & PRINCIPAL

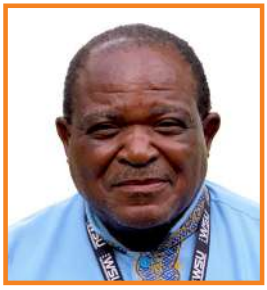
COUNCIL

Mr Les Holbrook
Ministerial Appointee

Mr Temba Zakuza
Chairperson

Prof R Songca
Deputy Vice-Chancellor: AAR

Ms Nandipa Tyamzashe
Ministerial Appointee



Mr LN Capa
Deputy Chairperson
Ministerial Appointee

Mr T Klaas
Donor representatives, designated by Advancement Office

Judge Nambitha Dambuza
Ministerial Appointee

Ms Noluntu Bam
Elected by Council, expertise in law

Mr M Matyobeni
Donor representatives, designated by Advancement Office

Dr Luyanda Mpahlwa
Ministerial Appointee

Mrs Chantyl Mulder
Elected by Council, expertise in commerce and industry

Adv. T Ngcukaitobi
Convocation

Prof VSB Mtetwa
Acting Deputy Vice-Chancellor

Dr MR Krexe
Senate

Dr X Nqola
Convocation

Mr S Puti
Convocation

Mr V Dwayi
Senate

Mr Zincedile Tiya
Convocation

Professor Rob Midgley
Vice-Chancellor & Principal

Dr Nelly Sharpley
Senate

Mr S Msomi
Student Representative Council

Ms V Mazwi
Non-Senate Academic Employee

Ms V Sizani
Non-Senate Academic Employee

Mr M Qoyi
Student Representative Council

CODE OF ETHICS FOR COUNCIL MEMBERS OF WALTER SISULU UNIVERSITY

As part of ensuring good corporate governance every newly elected Council member signs a Code of Ethics which enjoins Council members to act in an acceptable and objective way and to the best interest of the university. The Code of Ethics distinguishes the Council oversight role from management responsibilities and the code is as follows:

I recognise that the Walter Sisulu University exists and functions in accordance with relevant legislation[1], its Statute[2], external policies and regulations[3], and that as a member of the Council of Walter Sisulu University I therefore:

(a) Occupy a fiduciary position relative to WSU, requiring me always, and in all respects, to participate in activities involving the Council in the best interests of the University, including during and between meetings of the Council, its committees, or when representing the Council at other University structures, as well as at internal or external functions and occasions;

(b) Must be a person with attributes, knowledge and experience relevant to the objectives of WSU and I must be willing and able at all times to accept advice and further develop skills and apply such in the best interests of WSU; and

(c) Must give fair consideration to the interests of the external and other internal stakeholders of WSU meant in paragraph 3(1) of the Statute, always subject to the best interests of WSU.

[1] Mainly but not limited to the Higher Education Act, Act No 101 of 1997, as amended.
[2] Institutional Statute of the Walter Sisulu University, Government Notice No. 13, GG No. 37235 of 17 January 2014.
[3] Regulations on Reporting by Public Higher Education Institutions, General Notice 691, Government Gazette No 301232, 1 August 2007 and Draft Regulations for Reporting by Public Higher Education Institutions, General Notice 1002, Government Gazette No 35923, 29 November 2012 ; King Reports on Corporate Governance for South Africa – 1994, Chapter 20; 2002, Chapter 3; 2009, Par. 1.23; Tom Fletcher and Pamela Madafiglio, "Giving content to the duty to act in the best interests of the University", Higher Education Focus (October 2012) and Kylie Diwell, "Governance in the new regulatory era – Part One: the new regulatory framework" Higher Education Focus (26 August 2013), Minter Ellison Lawyers Publications.

NOMINATION GUIDELINES FOR THE ELECTION OF COUNCIL MEMBERS

BINDING GENERAL NOTES FOR ALL PROPOSERS, SECONDERS AND NOMINEES

Since Council is an elected body of individuals from different structures, guidelines on how best to nominate those individuals were developed and used in the establishment of the University Council. These guidelines provide clarity on the role of Council and the calibre of individuals who should fulfil such a critical role. This guides stakeholders and individuals in exercising their right to nominate individuals in a responsible and informed manner.

The 2019 Council has been established on the basis of these guidelines:

- The Council is the highest decision-making body of the University and must co-govern with the Senate in all academic matters.
- The Council as a collective, and every individual member, is responsible for good governance of the University in terms of its strategic direction, objectives, policies and rules.
- Every individual member of Council has a personal fiduciary responsibility towards the University and must at all times act in the best interest of the University, thereby excluding any sectional interest.
- The Council is not a constituency-based body. Hence no member of Council is a representative of or holds a mandate from any appointing or electing stakeholder or group.
- Members of Council are equal at Council, but any external communication from Council is the prerogative of the Chairperson of Council.

The Council exercises general oversight over institutional activities in accordance with the applicable legislation and national policies for higher education, the Institutional Statute and agreed objectives, policies, rules and benchmarks in terms of its divisional management system, by requesting and interrogating reports from the institutional management and whistle-blowers and by giving guidelines to the institutional management to enhance the performance, integrity, reputation and financial sustainability.

The Higher Education Act and the Statute require members of Council to be persons with knowledge and experience relevant to the objectives and governance of the University and that they must participate in the deliberations of the Council in the best interest of the University.

- A Council member may not have a conflict of interest with the University and may not have a direct or indirect financial, personal or other interest in any matter to be discussed at a meeting of the Council or any Council committee, subcommittee or in any other context which entails or may entail a conflict or possible conflict of interest with the university.
- Every Council member must adhere to the code of ethics of the Council and is subject to disciplinary steps in the case of failure, in accordance with the rules of the university.
- In the process of nomination and election of Council members due consideration must be given to appropriate representation by members of Council in terms of race, gender and persons with handicaps.
- Every nominee and each proposer of a person as a member of Council must be eligible to participate in the election of such person to Council in the category indicated in the nomination form.

COUNCIL RESOLUTIONS 2019

In 2019 Council took the following resolutions:

ITEM	RESOLUTION / ACTION	DATE OF MEETING & ITEM NO.
01	**COUNCIL INDUCTION WORKSHOP** Having acknowledged that the Council Induction Workshop of 31 January 2019 did not cover the expectation regarding the introduction of the new members to the business of Council with the statutory baseline, it was resolved that a team-building session for airing of concerns and areas that need improvement be arranged as soon as possible. This will assist in ensuring that going forward, Council meetings can get on with the business of its agenda without disrupting the processes which enable Council business to go smoothly.	2019-02-01 & Item F2
02	**APPOINTMENT OF SENIOR MANAGEMENT** Council referred the matter on the population of the organogram and the labour dispute back to the Human Resources Committee of Council (HRCC) to deliberate on and to come back to Council together with the relevant University policy for a decision to be made.	2019-02-01 & Item 3(a)
03	**EXIT INTERVIEW FOR DVC: AAR** Council noted that the exit interview did not take place as the former DVC: AAR, Professor Mahlomaholo left in the middle of December 2018. **Resolution** Council accepted the view expressed by the Chairperson that, given the seniority of the position and the fact that Professor Mahlomaholo has left and even if it costs the University money, it might be good to invest in that process so that out of it lessons can be drawn which can assist to enhance the WSU system going forward.	2019-02-01 & Item 3(c)
04	**TWELVE (12) LITIGATION CASES AMOUNTING TO R142 MILLION** In the absence of a report on the matter of the 12 Litigation cases amounting to R142 million and considering the seriousness of the allegations for the integrity of the University, Council resolved that this matter be referred to the Audit, Risk and Compliance Committee of Council (ARCCC) to consider and report back to Council.	2019-02-01 & Item 4
05	**FUNDRAISING POLICY REVIEW** Resolution Council unanimously approved the revised Fundraising Policy.	2019-02-01 & Item 7(c)
06	**FCC REVISED TERMS OF REFERENCE** Resolution As moved by the Vice-Chancellor and seconded by Mr Capa, Council approved the FCC Revised Terms of Reference.	2019-02-01 & Item 7(d)
07	**TREATMENT OF IRREGULAR EXPENDITURE POLICY** Resolution As moved by Mr Klaas and seconded by Judge Dambuza, Council approved the Treatment of Irregular Expenditure Policy.	2019-02-01 & Item 7(g)
08	**FEES FOR MASTERS AND DOCTORATE PROGRAMMES** **Resolution** Council unanimously approved the proposal to charge tuition fees for Masters and Doctorate programmes by qualification as opposed to by subject from the 2019 academic year with the proposed fees as set out in the accompanying Annexure A, but subject to the amendment of the management report purpose to read "that it seeks Council approval" instead of "Vice Chancellor and Principal."	2019-02-01 & Item 7(h)
09	**REVIEW OF CONTRACT APPOINTMENTS FOR EXECUTIVE MANAGEMENT** Council members deliberated extensively on the proposed Policy on the Review of Contract Appointments for Executive Management and, among others, expressed the view that the threat of loss of a senior manager's mid-contract period could first be addressed through a very strong Performance Management Policy and processes which should be fair and competitive. **Resolution** Having noted a number of concerns raised by Councillors, it was resolved that the proposal as presented on the Review of Contract Appointments for Executive Management be referred to the HRCC for extensive deliberation before coming to Council.	2019-02-01 & Item 8(a)

ITEM	RESOLUTION / ACTION	DATE OF MEETING & ITEM NO.
10	**INFRASTRUCTURE PROCUREMENT AND DELIVERY MANAGEMENT POLICY** **Resolution** As moved by Mr Klaas and seconded by Mrs Mulder, Council approved the Infrastructure Procurement and Delivery Management Policy.	2019-02-01 & Item 9(c)
11	**WSU INFRASTRUCTURE MANAGEMENT POLICY** **Resolution** As moved by Mr Klaas and seconded by Mrs Mulder, Council approved the WSU Infrastructure Management Policy.	2019-02-01 & Item 9(d)
12	**REPORT ON TOTAL DAMAGE INCURRED BY THE UNIVERSITY DURING STUDENT PROTEST IN 2018** **Resolution** Having noted with serious concern the total amount of R10.97million for damage to property and security costs incurred by the University during student protests in 2018, and which could have otherwise been used to provide a range of services that the University so desperately needs, Council supported the following recommendations as contained in the management report: i. Strong disciplinary procedures are needed to deter acts of violence. ii. The Policy on Civil Unrest should be reviewed and strengthened. iii. Rules of engagement and dialogue must be made clear and must be taken to heart by students. The tendency to strike prematurely must, therefore, be mitigated. iv. Management must be responsive to issues raised by University stakeholders.	2019-02-01 & Item 9(e)
13	**QUALITY MANAGEMENT AND ASSURANCE POLICY REVIEW** **Resolution** As moved by Professor Midgley and seconded by Mr Klaas, Council approved the reviewed Quality Management and Assurance Policy.	2019-02-01 & Item 11(a)
14	**ACADEMIC REVIEWS POLICY AND THE INTERNAL PROGRAMME REVIEW PROCEDURES AND PROCESSES (IPRPP)** **Resolution** As moved by Mrs Mulder and seconded by Mr Klaas, Council approved the Academic Reviews Policy and the Internal Programme Review Procedures and Processes (IPRPP).	2019-02-01 & Item 11(b)
15	**SRC CONSTITUTION** **Resolution** Having noted the objection from Mr Gqetywa and Mr Mabhoza, the majority of Council members resolved to approve the SRC Constitution but subject to the student body being allowed space to engage with it further and bring recommended amendments back to Council consideration.	2019-02-01 & Item 12(a)
16	**SEXUAL HARASSMENT POLICY** **Resolution** Council unanimously approved the Sexual Harassment Policy.	2019-02-01 & Item 13(a)
17	**INFECTION CONTROL POLICY** **Resolution** As moved by Mrs Mulder and seconded by Mr Klaas, Council approved the Infection Control Policy.	2019-02-01 & Item 13(b)
18	**CAMPUS HEALTH SERVICES POLICY AND PROCEDURE MANUAL REVIEW** Council noted that the advice from the Institutional Forum has been complied with and that the Faculty of Health Sciences has provided input into the Campus Health Services Policy and Procedure Manual. **Resolution** As moved by Mr Klaas and seconded by Mrs Mulder, Council approved the reviewed Campus Health Services Policy and Procedure Manual but subject to typographical error corrections.	2019-02-01 & Item 13(c)
19	**POLICY ON PEOPLE WITH DISABILITIES** **Resolution** As moved by Judge Dambuza and seconded by Mrs Mulder, Council approved the Policy on People with Disabilities.	2019-02-01 & Item 13(d)
20	**SPORTS POLICY REVIEW** **Resolution** As moved by Judge Dambuza and seconded by Mr Klaas, Council approved the reviewed Sports Policy.	2019-02-01 & Item 13(e)
21	**ROOM ALLOCATION POLICY REVIEW** **Resolution** As moved by Judge Dambuza and seconded by Mr Klaas, Council approved the reviewed Room Allocation Policy.	2019-02-01 & Item 13(e)

ITEM	RESOLUTION / ACTION	DATE OF MEETING & ITEM NO.
22	**VERIFICATION OF WSU STAFF QUALIFICATIONS** **Resolution** Council noted the report on the verification of WSU staff qualifications and resolved that the item be removed from the agenda.	2019-02-01 & Item 14(c)
23	**Delegations of Authority (DoA)** Council resolved: a. to approve the Delegations of Authority as presented, with minor amendments for implementation with effect from 1 May 2019; b. that, after six (6) months of implementation, the Vice-Chancellor must present a Management Report to Council on progress made.	2019-04-12 & Item 3.1(6)
24	**Policy on Student Fees** The Policy on Student Fees was presented to Council and an assurance was given that there had been proper consultation with WSU stakeholders and that no substantive issues had been raised during the consultation process. Council resolved to approve the Policy on Student Fees.	2019-04-12 & Item 3.1(16)
25	**Communication amongst Council members (Terms of Reference)** • with regard to raising of critical issues in between meetings, Council resolved that such matters should be reported directly to the Chairperson and Deputy Chairperson so that information can be disseminated in a proper manner; • that the terms of reference of the Executive Committee of Council should include this clause: **"Communication should be through the Chairperson and Deputy Chairperson".**	2019-04-12 & Item 4.2.1a
26	**Proposal on Revised External Council membership** ECC had approved the revised membership of the external members in the Committees of Council.	
27	**Designation of a person to act in the Vice-Chancellor's absence** ECC had resolved to designate DVC: AAR to act in the absence of the Vice Chancellor and Principal or when he is unable to carry out his duties for a period that is less than a month.	
28	**Vice-Chancellor's 2019 Individual Performance Agreement (IPA)** ECC had approved the Vice-Chancellor's Individual Performance Agreement (IPA).	
29	**Review of Contract Appointments for Executive Management** The Chairperson of the Human Resources Committee of Council presented the report on the review of the contract appointment for Executive Management before Council. After extensive deliberations and without reaching consensus on the matter, it was resolved that a vote through the show of hands should be conducted. The Office of the Deputy Director: Governance and Records Management assisted by Secretariat were requested to count votes. The majority of members voted in support of the recommendation and, therefore, Council resolved as follows: i. that executive managers may be appointed for a second term after following a contract performance review process and without having advertised the position; ii. that the performance review be conducted approximately eighteen (18) months prior to the expiry of an incumbent's first contract; iii. that the performance review be conducted by a committee whose membership is recommended by the HRCC and confirmed by the Executive Committee of Council; iv. that the review should not only assess the performance of the incumbent but also any strategic imperatives pertaining to the position and that the review findings be submitted to Council for approval. v. that the Executive Director: Human Resources drafts procedural guidelines for implementing the resolution, to be presented to the HRCC for approval; and vi. that the process be implemented immediately in respect of any executive managers who fall into this category.	2019-04-12 & Item 4.2.2b
30	**Amendment of HRCC Terms of Reference** Council approved the amendment of the terms of reference to include the Deputy Vice-Chancellor: Institutional Support as a resource person.	2019-04-12 & Item 4.2.2c

ITEM	RESOLUTION / ACTION	DATE OF MEETING & ITEM NO.
31	**Labour Dispute on the recruitment of Senior Management** i. Council noted the matter raised regarding the subject and reiterated the position of HRCC that the matter was with the Labour Court and hence it could not deliberate on it any further. ii. As a matter of principle Council resolved that members should in future table (in-writing) any matters that directly or indirectly affect themselves or that they wish to table through the Office of the Registrar for consideration by Council.	2019-04-12 & Item 4.2.2e
32	**Amendment of PICC Terms of Reference** Council approved the amendment of the terms of reference of PICC to include the Deputy Vice-Chancellor: Institutional Support as a resource person.	2019-04-12 & Item 4.2.3a
33	**Approval of the Policy on Collection of Student Fees** The Policy on Collection of Student Fees was presented before Council and assurance was given that proper consultation with WSU stakeholders had been conducted and no substantive issues were raised on the policy. Council resolved to approve the Policy on Collection of Student Fees.	2019-04-12 & Item 4.2.4a
34	**Amendment to Terms of Reference** Council approved the amendment of the terms of reference of FCC and composition to include the Deputy Vice-Chancellor: Institutional Support as a resource person.	2019-04-12 & Item 4.2.4b
35	**Amendment to Terms of Reference of ARCCC** Council approved the amendment of the terms of reference of ARCCC to include the Deputy Vice-Chancellor: Institutional Support as a resource person.	2019-04-12 & Item 4.2.5a
36	**Update report on 2018 Reported Irregularities** After further investigations by the auditors the allegations regarding reported irregularities that had been investigated in 2018 were withdrawn. Council resolved that a close-out report on this matter be submitted at the next Council meeting via the ARCCC.	2019-04-12 & Item 4.2.5b
37	**Operations of Convocation** Council noted the verbal concerns raised by Convocation President and resolved that the verbal presentation be suspended until a written submission through the Office of the Registrar is submitted at the next Council meeting.	2019-04-12 & Item 4.4.1
38	**Relationship between SRC and Management** Council noted the verbal concerns raised by SRC and resolved that a written submission through the Offices of the ED: Student Support Services and the Registrar be submitted at the next Council meeting. In the mean-time, Council recommended that: • proposed terms of engagement between Management and SRC with continuous feedback be reported to the Chairperson and Deputy Chairperson of Council; • Management and SRC should engage further on issues in order to build harmonious relationship and report at the next meeting.	2019-04-12 & Item 4.7
39	**Student Enrolment Planning 2020-2025** An update report on the University Enrolment Plan for the next six (6) years (2020-2025) was presented to Council. This was in compliance with the DHET call that all public universities should submit such plans in 2019. Council noted that subsequent to the submission of the first draft in 2018, consultative engagements had been convened with relevant divisions and issues raised by DHET for the University to consider had been addressed. Council approved the WSU Student Enrolment Plan 2020-2025 and recommended that it be submitted to DHET.	2019-04-12 & Item 5.1
40	**WSU Annual Financial Statements** Council: Noted that ECC approved the WSU Annual Financial Statements for the year ended 31 December 2018, which forms part of the Annual Report to be submitted to DHET on 31 July 2019. Council extended a word of appreciation to the CFO and his team for their efforts in ensuring successful presentation of the University financial statements.	2019-08-02 & Item 4.2.1a

ITEM	RESOLUTION / ACTION	DATE OF MEETING & ITEM NO.
41	**Student Safety and Security** Council endorsed: • The ECC resolution that all student social events on all campuses should be suspended pending the outcome of the commission's recommendations with immediate effect. • A commission had been established to investigate all aspects surrounding the organisation of the Freshers' Braai and to make recommendations on how to ensure that student events will promote a safe environment for students.	2019-08-02 & Item 4.2.1b
42	**2020 -2030 Strategic Plan** Council noted the ECC approval of the idea for a 10-year horizon in terms of developing a long-term University Strategic Plan. Council endorsed the ECC's report.	2019-08-02 & Item 4.2.1c
43	**Allegation of Twelve (12) Litigation Cases amounting to R142million** Council approved the close-out report on the allegations on the twelve (12) litigation cases amounting to R142m and acknowledged that such allegations were unfounded and the matter was closed;	2019-08-02 & Item 4.2.2a
44	**2018 Annual Financial Statements** Council endorsed the 2018 Annual Financial Statements that were considered at a joint ARCCC and FCC meeting and approved by Executive Committee of Council on 29 July 2019;	2019-08-02 & Item 4.2.2b
45	**Fixed Asset Policy** Having been satisfied that all the stakeholders had been consulted and, in support of the policy, Council approved the Policy on Fixed Assets.	2019-08-02 & Item 4.2.3a
46	**Supply-Chain Management Policy** Having been satisfied that all the stakeholders had been consulted and, in support of the policy, Council approved the addendum to the policy on Supply-Chain Management.	2019-08-02 & Item 4.2.3b
47	**Investment Policy** Having been satisfied that all the stakeholders had been consulted and, in support of the policy, Council approved the Policy on Investment.	2019-08-02 & Item 4.2.3c
48	**Update on the Financial Goals for WSU** Council noted: • That the Student Fees increase should be presented at the Finance Committee of Council for approval. • That the Student Debt Management should be monitored quarterly. • That financial goals should be smart and recommended the use of dashboards to monitor and manage the goals.	2019-08-02 & Item 4.2.3d
49	**Update Report on Income and Expenditure: Staff Housing** Council noted the following: • The FCC had requested that a forensic report be submitted at the next FCC meeting of 11 October 2019 and then to Council. • The FCC had suggested that Internal Audit reports that serve at the ARCCC meeting which have financial risks implications should be part of the FCC agenda at the next meeting of 11 October 2019 and then reported to Council.	2019-08-02 & Item 4.2.3e
50	**Update Report on Infrastructure Projects** Council noted an update report that will contain total cost of grant, actual spend to date, percentage complete, estimated cost to completion and with time-frames.	2019-08-02 & Item 4.2.3f
51	**Update Report on a Plan for Residences and their Maintenance** Council noted that FCC had expressed unhappiness about the state of student residences at the University and had resolved that this item remain on the agenda until its completion.	2019-08-02 & Item 4.2.3g
52	**Update on Investments made with Financial Institutions and Income earned on the Investment in the last quarter** Council noted that the FCC had requested a detailed report regarding where the financial institutions investments were made, amounts invested and interest received, be submitted at the next FCC meeting of 11 October 2019.	2019-08-02 & Item 4.2.3h
53	**Update Report on the Income and Expenditure for NMD Catering** Council noted that FCC had resolved: • That the item be a standing item on the agenda. • That a progress report with time frames is to be submitted at the next FCC meeting. • That the matter regarding NMD catering be resolved before the end of 2019.	2019-08-02 & Item 4.2.3i

ITEM	RESOLUTION / ACTION	DATE OF MEETING & ITEM NO.
54	**Progress of Acquiring the Transnet Portion of the Grey Street Delivery Site** Council approved the process of acquiring the Transnet portion of the Grey Street Delivery Site at a value of not more than R1.6million.	2019-08-02 & Item 4.2.4a
55	**Application to purchase subdivide, close, rezone and consolidate a portion Remainder ERF 637, Remainder ERF 641, portion Remainder ERF 644 and ERF 648, Amalinda, East London for Walter Sisulu University, Buffalo City Campus** Council approved the purchase of Amalinda Junction Site at a value of R9 million from the Buffalo City Metropolitan Municipality. Management to proceed with the administration process regarding the matter and report at the next PICC.	2019-08-02 & Item 4.2.4b
56	**Security measures and total damage during student protests** Council noted the PICC recommendation that a report on the disciplinary processes to be taken against students who damage the University property should be unpacked properly and be presented at the next PICC meeting on 01 November 2019.	2019-08-02 & Item 4.2.4c
57	**Master Plan on Student Residences** Council noted that: • PICC had accepted the verbal report on the Master Plan on Student Residences and further deferred this item to the next PICC meeting on 01 November 2019. • PICC had advised that any proposals made on the various campuses without a University Masterplan run the risk of uncoordinated planning which often leads to piece-meal development and, at times, fruitless and wasteful expenditure.	2019-08-02 & Item 4.2.4d
58	**Proposed changes to Finance Organogram** Council approved the proposed changes in the Finance Organogram, subject to the consultation and advice from the Institutional Forum after which the Executive Committee of Council will consider both Council and IF's view on the matter and make a decision.	2019-08-02 & Item 4.2.5a
59	**Organisational Review for the Mthatha Campus** Council approved the review of the Mthatha Campus Structure, subject to consultation and advice from the Institutional Forum after which the Executive Committee of Council will consider both Council and IF's view on the matter and make a decision.	2019-08-02 & Item 4.2.5b
60	**Contract Renewal for Acting Deputy Vice-Chancellor Institutional Support** Council approved the extension of the current appointment of Mr M Rosslee to the 31 December 2019.	2019-08-02 & Item 4.2.5c
61	**Appointment of the DVC: Academic Affairs and Research (DVC: AAR)** Council resolved: • To approve the recommendation of the Selection Panel for the appointment of Prof R Songca as the DVC: AAR effective from 01 October 2019; • That HR proceed with the appointment process and if the first-choice candidate does not accept the offer, a second recommended candidate be appointed.	2019-08-02 & Item 4.3.5.1
62	**Appointment of the DVC: Institutional Support (DVC: IS)** Council resolved: • To approve the recommendation of the Selection Panel for the appointment of Dr PS Jaca as the DVC: IS effective from 01 November 2019; • That HR proceed with the appointment process and if the first-choice candidate does not accept the offer, a second recommended candidate be appointed.	2019-08-02 & Item 4.3.5.2
63	**Proposed Amendments to the Honorary Degrees Policy** Council considered and approved the proposed amendments to the Honorary Degrees Policy as outlined in paragraphs 5.1; 9.3; 9.6; 9.11, 9.15 and 9.20 in the policy.	2019-08-02 & Item 4.3.2.1

ITEM	RESOLUTION / ACTION	DATE OF MEETING & ITEM NO.
64	**Honorary Degrees Nominations – Awarding of Honorary Degree** a. Council considered the three candidates nominated by the Honorary Degrees Committee and recommended by Senate as stipulated in the Honorary Degrees Policy. b. Through a secret ballot voting process, Council voted for the nominated candidates for the awarding of Honorary Degrees. c. Dr PS Jaca and Mr M Nhiwatiwa were requested to count the votes. The final results were confirmed by the Registrar and handed to the Chairperson. d. The Chairperson announced the final results, confirming that all the candidates met the minimum threshold and, therefore, Council resolved to award the Honorary Degrees as follows: • Ms Gloria Serobe for the Doctor of Commerce • Dr Andile Ngcaba for the Doctor of Information Technology • Mr MMM Duka for the Doctor of Literature e. The Office of the Registrar to proceed with the communication process with the candidate and the processing thereof.	2019-08-02 & Item 4.3.2.2
65	**Council Self-Assessment Scorecard Report** a. Council considered and approved the Council Self-Assessment Scorecard and Analysis Report. The report will be signed and be submitted to DHET before 30 September 2019. b. The Office of the Registrar to draft a remedial action plan for consideration at the next Executive Committee of Council meeting.	2019-08-02 & Item 5.1
66	**Social Media Policy** Having been satisfied that all the stakeholders had been consulted and, in support of the policy, Council resolved to approve the Social Media Policy, subject to amendment of the owner of the policy being Senior Director: Marketing Communication and Advancement. The policy should be workshopped to increase awareness throughout the WSU Community.	2019-08-02 & Item 5.3
67	**Strategic Workshop** Council resolved that the Office of the Registrar should arrange a date for Joint Council and IMC Strategic Workshop, induction of the New Council members, inviting Dr Sizwe Nxasana to present on issues surrounding the funding in Higher Education Sector.	2019-11-29 & Item 4.1g
68	Delegations of Authority (DoA) Council: • Noted that on 12 April 2019, it approved the set of delegations of authority to the Vice-Chancellor (VC) and requested that a report after six months of its operation, including an indication on how the VC has delegated authority in terms of the framework; • Noted that the ECC considered the documents in detail and recommended the amended Delegations of Council and the Vice-Chancellor to Council for approval. • Noted the Vice-Chancellor's delegation to Executive Managers. • Resolved to approve the amended delegations of Council and the Vice-Chancellor as recommended by the ECC.	2019-11-29 & Item 4.2.1a
69	**Revised Composition of Council Sub-Committees** Council noted that the ECC had approved the re-allocation of members to Council Committees and other Statutory structures as follows: • The allocation of Adv. TL Ngcukaitobi to the FCC and ARCCC • The allocation of Mr S Puti to the Senate and Student Support Service Committee • The allocation of Dr M Krexe to HRCC • The transfer of Mr M Matyobeni from FCC to Institutional Forum • The transfer of Dr N Sharply from PICC to ARCCC • The allocation of Mr S Msomi (SRC) to FCC • The allocation of Ms M Qoyi (SRC) to PICC	2019-11-29 & Item 4.2.1a
70	**Extension of the SRC Term of Office** Council noted the ECC approval of the establishment of Interim SRCs for both Mthatha and Butterworth Campuses with set conditions. This was a result of students who decided not to participate in the SRC Elections citing a dissatisfaction with the Council-approved SRC Constitution.	2019-11-29 & Item 4.2.1a
71	**Appointment of Acting Campus Rector: Buffalo City Campus** Council: • Ratified the appointment of Dr CS Novukela as the Acting Campus Rector, Buffalo City Campus, effective from 1 November 2019 until such time as the recruitment process is finalised and the position has been filled • Accepted that the current leadership (Dr PS Jaca assisted by Prof T Chisanga and Dr L Ntonzima) in Mthatha will remain the same until an appointment is made.	2019-11-29 & Item 4.2.1e

ITEM	RESOLUTION / ACTION	DATE OF MEETING & ITEM NO.
72	**Proposed changes to Finance Organogram** Council noted and ratified the ECC approval of the Finance Organogram.	2019-11-29 & Item 4.2.1f
73	**Organisational Review for the Mthatha Campus** Council noted and ratified the ECC approval of the Mthatha Campus Organisational Review.	2019-11-29 & Item 4.2.1g
74	**Budget Policy** Having been assured that all the stakeholders had been consulted and, in support of the policy, Council resolved to approve the Budget Policy.	2019-11-29 & Item 4.2.2a
75	**Supply-Chain Management Policy** Having been assured that all the stakeholders had been consulted and in support of the policy, Council resolved to approve the Supply-Chain Management Policy.	2019-11-29 & Item 4.2.2b
76	**Debt Management Report** Council resolved to approve: • The writing off of small balances due from unregistered students amounting to a total of ±R21 000; • The appointment of the second service provider for collecting the outstanding debt from students.	2019-11-29 & Item 4.2.2d
77	**MIP Schedule and Special Cases Guidelines** Council resolved: • To approve the MIP and the Special Cases Guidelines for implementation in the 2020 academic year; • To approve the minimum number of students that can be allowed to register through special cases of 1500 for the 2020 academic year.	2019-11-29 & Item 4.2.2e
78	**2020 Proposed Budget** It was reported that for the past two years, DHET has been providing guidance on the annual fee increases for Public Higher Education Institutions. DHET has not communicated the fee increase and therefore the following assumptions were proposed: • Tuition fees at 5.4% • Residence fees at 7.4% Council approved the 2020 proposed budget, subject to DHET's pronouncements on the student fee increase, and its pronouncement differs from the assumptions, adjustments will be made accordingly and a report be submitted to Council to re-consider.	2019-11-29 & Item 4.2.2f
79	**Strategic Risk Assessment Report (Risk Register)** Council considered and approved the Risk Register as reviewed by the ARCCC, including the process followed in rating them.	2019-11-29 & Item 4.2.5a
80	**2018 Audit Overruns** Council noted the 2018 Audit overruns as approved by the ARCCC.	2019-11-29 & Item 4.2.5b
81	**Renewal of the Annual RemChannel Salary Survey Subscription** Council noted: • The renewal of the Annual RemChannel Salary Survey Subscription and related services for 2020 as approved by the ARCCC. • That management submit an annual update on the matter to ensure that the use of the service by the institution complies with good governance principles.	2019-11-29 & Item 4.2.5c
82	**Update on Progress in addressing the disclaimed audit opinion of 2017** Council noted the University's response to the Department of Higher Education and Training in addressing the Audit Action Plans on opinions raised on the University's financial statements of December 2017. Council endorsed the ARCCC's report.	2019-11-29 & Item 4.2.5d
83	**Report on possible Fraudulent Master's Degrees: Dr Mapangwana** Council considered the report and recommendations from Senate and resolved to approve: a. The withdrawal of the recognition of the Master's degree according to Section 65 BA of Higher Education Act 101 of 1997 as amended. b. The retention of the Doctoral Degree (Doctor of Education) according to Section BA (1) (a) of Higher Education Act 101 of 1997 as amended and Rule G3 of WSU prospectus.	2019-11-29 & Item 4.3.2.1

CAMPUS INFRASTRUCTURE DEVELOPMENT

OVERVIEW

The bulk of the projects have reached completion stage. Financial controls and the management of infrastructure grants continue to improve. During the year 2018/19, the University embarked on a full-on recruitment process for the purpose of populating the Project Management Office. A Director for Project Office was appointed and which has seen more projects being initiated. Following the appointment of its new Director, the Project Management Office (PMO) has developed a roadmap for itself. This roadmap is an effort to set up the Institution for success in the rollout of desperately needed world-class infrastructure and refurbishment of the existing infrastructure.

R441 AND R404M TRANCHES

The '441' tranche has seen the completion and handing over of two major projects:

- The 200-seater and 400-seater Auditoria at the Zamukulungisa Site, NMD Campus, completed in December 2019
- The new academic block at the Grey Street delivery Site, Queenstown Campus in September 2019.

For the '404' tranche all projects have been concluded. The only remaining project under this funding grant is the FSET Consolidation project at Buffalo City Campus. The use of this funding is pending final decision by the University Council on the use of this funding.

R202M INFRASTRUCTURE AND EFFICIENCY GRANT (IEF)

The allocation of the IEF grant to WSU was allocated in three components:

- University Priority Projects: Disability access, well-founded laboratories, security upgrades, ICT projects
- Maintenance: Residence maintenance, bulk infrastructure repairs, maintenance of the teaching and learning infrastructure, bulk water storage as well as health and safety
- HDI Infrastructure: Faculty consolidation, improving residences, computer labs, server hardware and blackboard server

The University is in a process of rehabilitating existing residences. The current R114m available within the R202m fund is being used to improve bulk infrastructure, renovate of student residences and to improve health and safety. Current projects already initiated include the Bulk water tank facility at Ibika. Server hardware has been purchased. Procurement processes were initiated to replace fencing at Ibika. The internal improvement of Iphulo Student Residence (also taken from this grant) is expected for completion in the third quarter of 2020.

R64M NATIONAL SKILLS FUND GRANT

The R64m National Skills fund grant was allocated in 2012 and later reduced to R49.3m in 2014. The R64 million was allocated into the following: Security – R15 million, Refurbishment – R19 million and Teaching and Learning – R30 million.

The special infrastructure funding development provision of R49.3 million was for security, great hall and auditorium repairs and teaching technology.

Most projects within this grant were completed and commissioned, with the Wi-Fi technology installation component of the project concluded in November 2018. It was reported previously that the only outstanding project was related to Teaching and Learning with Technology. The last leg of this project was the purchase of 180 laptops which has taken place, bringing this project to an end in 2019. A close-out report was compiled and accepted by the National Skills Fund.

R24.5M BACKLOG MAINTENANCE

The objective of the R24.5m maintenance budget was to address three key problem areas namely:

- Student residences and the critical or life-threatening aspects in residences, e.g. electricity and mould on walls
- Dilapidated infrastructure, e.g. roads that have become impassable and the bulk electrical infrastructure. Lecture venues were attended to where there was a threat to withdraw accreditation due to the poor conditions.

- Student/campus security, e.g. the construction of boundary walls

The total disbursements for the grant as at 31 December 2019 are R18m with the balance planned to be expended on water security. A total of R874k has been paid to service providers at the Old Library Building for the waterproofing thereof.

R183M HDI GRANT

The R183m Historically Disadvantaged Institutions Fund Development Grant (HDI) was allocated to WSU during 2017. The fund has been designed to conclude projects over a five-year period until 2022.

DHET approved eleven of the seventeen projects which WSU had proposed, with the balance being funded from the R202m Infrastructure and Efficiency grant fund.

As at 31 December 2019, the expenditure on the grant was R143 million.

R82M AND R100M RESIDENCE GRANT

DHET has facilitated an engagement between WSU and the DBSA to explore possible funding of student accommodation on University property. This opportunity seeks to increase the number of student residence beds by approximately 1000 beds. WSU and the DHET recognise that WSU will not be able to achieve its goal of establishing student residences utilising only annual DHET grant Funding. The intention is to use existing student housing infrastructure and efficiency grants of R82 million and R80 million of the R100 million 2018/2019 student housing grant as an equity contribution towards a loan to fund additional student housing residences.

After further internal investigations and consultations, WSU has considered the following in order to address the current shortages in student accommodation. Seek a debt-funding facility that will make use of the IEG's funding and leverage these into a debt facility with a lender to increase the available funding to over R 340 million. This will allow, under current estimates, to provide over 1 000 beds across the Campuses. These discussions are at a preliminary stage as there are various studies required to complete the necessary steps to comply with the lender compliance requirements.

The remaining R20m of the R100m grant has been approved for the refurbishment of the Old Potsdam Residence. In this regard a contractor was appointed and has resumed work on the site.

Mr TS Zakuza
CHAIRPERSON OF COUNCIL

AUDIT COMMITTEE

COUNCIL STATEMENT ON CORPORATE GOVERNANCE

Walter Sisulu University (the University) Audit, Risk and Compliance Committee of Council (ARCCC) was established by the University Council as one of the sub-committees and it continued to exist and function effectively throughout 2019. The ARCCC oversees the governance, compliance and management of risks for the sustainability and growth of the University by receiving and evaluating reports on the identification and management of risks, the integrity, adequacy and effectiveness of the financial controls and all other sustainability issues in the University, to ensure that the goals of the University are achieved consistently.

The ARCCC adheres to and promotes the guidelines and code emanating from the King IV Report on Corporate Governance. In terms of its Terms of Reference, the ARCCC consists of the following members:

Three external members of Council	Two independent, external specialists in financial matters	The Vice-Chancellor & Principal (ex-officio)

The three external members and two external specialists of the ARCCC are independent and not employed by the University.

In order to demonstrate the expertise of the external members of the ARCCC, their academic qualifications are in the table below:

Name and Surname	Designation	Academic qualifications	Period served
Ms N Bam	External Council Member	MBA (Wits Business School), CFP (UOVS), LLM - Income Tax Law (UNISA), LLB (UKZN – Howard College), B.Proc (UNITRA)	53 Months
Mr T Klaas	External Council Member	B. Com (Business Management) – Vista University, Port Elizabeth, Management Development Programme (MDP) – Nelson Mandela University, B.Com Honours – Regent Business School	10 Months
Mr S Ngqwala	Independent Finance Specialist	B.Com (UFH), B.Com Accounting (UNISA) & Junior Secondary Teachers Certificate (Lovedale Teachers College)	68 Months
Mr B Hlongwe	Independent Finance Specialist	CA(SA)	68 Months
Prof J R Midgley	Ex-officio Member (Vice-Chancellor & Principal)	B Com LLB & PHD	45 Months
Ms V Sizani	Internal Council Member	ND: Human Resource Management, B.Tech: Business Administration Management	18 months
Mr V Dwayi	Internal Council Member	B A Honours (English Language Teaching) – UNITRA, B A Honours (Human Resources Development) - RAU	9 months

Both the internal and external auditors have unrestricted access to the ARCCC, which ensures that their independence is safeguarded against threats. In the 2019 financial year, three (3) meetings were held and were attended by the external and internal auditors and appropriate members of the executive management who serve as Resource Persons. Deputy Vice-Chancellor: Academic Affairs and Research (DVC:AAR), Deputy Vice-Chancellor: Institutional Support (DVC:IS), Chief Financial Officer, Four (4) Campus Rectors, Director: Audit Services, and other individuals who attend on request.

Of the seven (7) ARCCC members, external Council members constitute 57% and 43% are internal Council members.

Ms. N Bam, who is an external Council member, and, as such, has direct access to all Council matters, chairs the ARCCC.

The attendance at University ARCCC meetings during the 2019 financial year is set out in the table below:

Name & Surname	Designation	08 Mar 2019	21 Jun 2019	15 Nov 2019	%
Ms N Bam	External Council Member	P	LoA	P	66.7
Mr T Klaas	External Council Member	LoA	P	P	66.7
Mr S Ngqwala	Independent Finance Specialist	P	LoA	LoA	33.3
Mr B Hlongwe	Independent Finance Specialist	P	P	P	100
Prof J R Midgley	Ex-officio Member (Vice-Chancellor & Principal)	P	P	P	100
Ms V Sizani	Internal Council Member	LoA	P	P	66.7
Mr V Dwayi	Internal Council Member	LoA	P	N/A	50

Mr. T Klaas was appointed to the ARCCC in February 2019.
P = Present; LoA = Leave of Absence; N/A = Not Applicable

The ARCCC Terms of Reference as confirmed by the Council remained the same in 2019 as follows:

AUDIT

- Ensure that the management implements an effective compliance framework and process with respect to applicable legislation, external policies and procedures, accounting and reporting protocols, the University statute, its Rules and codes of conduct, and cultivates a culture of compliance by applying key performance indicators.
- Maintain a close relationship and open communication with the strategically placed, independent and effective, risk-based internal audit function of the University, to assist the committee in the performance of its duties.
- Monitor the University's compliance with, and the effectiveness of, internal controls, policies, systems, rules and procedures in the management of all identified risk and sustainability issues, based on written assessments submitted to the committee by the internal audit function of the University.
- Consider and approve procedures and rules that are intended to guarantee independence of findings and that provide for management comments on those findings.
- Ensure that the level of expertise, planning, infrastructure, expenditure, safeguarding, capacity for disaster recovery and continuity of services and management of the ICT functions of the University are sustainable and consistently aligned with the objectives of the University.
- Ensure the reliability and integrity of management information which includes resources (ICT, finance, infrastructure, human resources and goods and services) applied and various outputs.
- Consider and approve the annual audit plan and any other special audits.
- Monitor the implementation of the audit plan during the financial year.
- Appoint annually the external auditors, in consultation with the Auditor General and to report to council on the terms of reference, including the nature, scope and objectives of such audit.
- Maintain oversight of the annual end-of-year financial audit by the external auditors.
- Maintain oversight with preparations and progress towards the institutional audits.
- Evaluate management comments and any proposed corrective action with respect to audit findings (internal and external).
- Satisfy itself that the annual financial reports reflect the financial position of the University accurately and then recommend the annual financial statements to Council for approval.

RISK

- Consider and approve the formal policies for the identification and management of risks and sustainability issues to the university.
- Consider and recommend risk mitigation, insurance policies and strategies of the university.
- Monitor implementation of approved risk and sustainability identification and mitigation policies.
- Review the appropriateness of policies and procedures to facilitate whistle-blowing and the follow-up of information obtained from whistle-blowing.
- Monitor performance of management against key risk and sustainability issues.
- Monitor trends and emerging risks and best practice guidelines to risk and sustainability issues, and recommend proposed strategic interventions to the Council.
- Satisfy itself that the financial, procurement and investment risks of the University are adequately managed.

ICT GOVERNANCE

ICT Governance is an integral part of corporate governance in a similar way to the manner in which ICT permeates the entire organisation. ICT Governance consists of leadership, organisational structures, processes and procedures that ensure that ICT sustains and extends the organisation's strategies and objectives according to internal client needs. The purpose of ICT governance is to ensure that ICT:

- Is aligned with the organisation's business needs
- Enables the organisation to exploit opportunities and maximise benefits, particularly to enhance efficiency and effectiveness
- Resources are acquired, managed and utilised responsibly
- Risks are identified, documented and managed appropriately

The ICT governance structure establishes the strategic, operational and technical decision-making processes to ensure that the ICT Services Division enables the University to fulfill its vision and mission statements. The ICT Services governance structures provide strategic leadership at an Institutional level that is cascaded to campuses. Campus leadership ensures that ICT priorities are determined and addressed within existing policies, principles and frameworks.

Potsdam Site, Buffalo City Campus

RISK MANAGEMENT

INTRODUCTION

The fast-paced world, changing environments, specifically, the higher education environment and constant innovation often pose risks in the form of threats, but also create opportunities. WSU acknowledges and accepts the dynamics within which the university operates by maintaining an enterprise-wide risk management programme that supports the achievement of its strategic and operational objectives. WSU is committed to managing its risks in a pro-active, ongoing and positive manner, considering not only the threats posed by such operations, but also the opportunities they present. Thus, **WSU has adopted a structured and systematic approach to risk management throughout the entire university in accordance with current standards and best practices.**

RISK MANAGEMENT GOVERNANCE STRUCTURE

The Council oversees the enterprise risk management process at WSU, supported by the Audit, Risk and Compliance Committee of Council (ARCCC). However, it is recognised that risk is everyone's business and University Management plays a key role in identifying, monitoring and mitigating risks in their respective areas of focus and reports identified risk issues to the ARCCC or follows up such risks. These structures are closely interlinked to ensure that the enterprise risk management process complies with the relevant standards and is effective. At a management level, risk is managed by the Institutional Management Committee (IMC).

The responsibilities of the various governance, management and operational structures are summarised in the table below:

Structures	Responsibility
Council	Ultimately responsible for governing risk.
Audit , Risk and Compliance Committee of Council (ARCCC)	Monitors the adequacy and effectiveness of the system of internal control by reviewing Risk Management and Internal Control processes.
Management and Staff	Responsible for identifying, analysing, evaluating, handling and updating risk information, and coordinating the implementation of action plans for risk monitoring, mitigation and reporting.

STRATEGIC RISK PROFILE OF THE UNIVERSITY

WSU maintains an Institutional Strategic Risk Register that is reviewed on an ongoing basis by management to record the most significant risks the university is currently faced with and which require the attention of Management and the Council. The ERM Methodology applied provides for a rating scale of 1 to 25 which is used to rate the impact and likelihood of each risk, with 25 being the highest exposure.

During the development of the 2019 Institutional Strategic Risk Register, 13 high risks (9 with ratings of 16, 3 risks were no identified and 1 with a rating of 20) were identified and approved by the Council. The main risks in achieving WSU's strategy, as identified in the previous year, changed moderately.

In respect of each of the identified risks, relevant mitigating controls to manage the risk were included in the 2019 Strategic Risk Register.

Risks are rated according to the following matrix:

Colour Key	Risk Level	Risk Rating
	Catastrophic	25
	Major	16 - 24
	Moderate	11 - 15
	Minor	6 - 10
	Insignificant	1 - 6

With specific reference to financial risks, the university is exposed to credit risk, liquidity risk, foreign currency risk, interest rate risk and investment risk. WSU will be faced with a potential going concern threat if the university is not funded appropriately. As far as these can be assessed and quantified, the respective levels of exposure and the measures taken to mitigate such risks are monitored by the ARCCC.

The conduct of operational risk assessments continued to be a focal point in annual risk management initiatives. Furthermore, the ARCCC is actively monitoring any incidents of fraud reported through the Fraud Hotline.

The strategic risks identified by the institution are listed in the table below:

Risk Num	Strategic Goal	Risk Description	Contributing Factors (Root Causes)
1	To promote academic excellence in undergraduate and postgraduate studies	Inadequate (Insufficient), inappropriate (Not appropriately designed) and poorly maintained infrastructure and equipment to support academic enterprise	• Lack of Infrastructure and development strategy • Insufficient maintenance staff, skills and capacity • Inadequate/outdated equipment • Insufficient infrastructure and maintenance budget
2	To promote academic excellence in undergraduate and postgraduate studies	Non-compliance with Occupational Health, Safety and Environment Act	• Lack of supervisory reviews and monitoring with regards to Occupational Health, Safety and Environment (OHS&E) • Inadequate OHS&E resources • Inadequate OHS&E Policy and SOP • Inadequate servicing and maintenance of Health, Safety and Environment equipment
3	To promote academic excellence in undergraduate and postgraduate studies	Shortage of appropriately-qualified academic staff	• Lack of/Non-implementation of a staff qualification enhancement strategy • Rigid Recruitment strategy • Historically, the minimum qualification requirements were lower • Lack of ability to attract staff to our rural locations • Lack of resources on training and development of staff • Inadequate research infrastructure • Limited postgraduate programmes
4	To promote academic excellence in undergraduate and postgraduate studies	Library-centred e-learning teaching methodologies not utilised	• Lack of e-skilled staff • Inadequate developmental training • Staff not up to date with latest teaching and learning methodologies • Lack of e-learning resources • Inability to build a platform to take advantage of the Fourth Industrial Revolution (4IR)
5	To promote academic excellence in undergraduate and postgraduate studies	Non-accreditation of academic programmes	• Non-compliance with prescribed regulatory bodies (DHET, CHE and SAQA) requirements • Inadequately qualified academic staff • Inadequate Teaching and Learning infrastructure
6	To promote basic and applied research and innovation that is consistent with best practice and contributes to developmental impact	Inadequate research environment and administration to accelerate research productivity and innovation	• Inadequate research strategy and framework • Researchers do not develop funding proposals to obtain research funding • Lack of innovation culture • Lack of adequate research qualification • Inadequate research incentive system • Research capacity development and innovation budget not in place
7	To promote community engagement that enriches scholarship while addressing rural community needs	Inadequate implementation of the community engagement strategy	• Academic programmes that do not infuse community engagement in their content • Inadequate applied research • No MoUs with relevant Municipalities and key strategic partners. Non-responsive curriculum
8	To improve the quality of student experience	• Inadequate (Insufficient), inappropriate (Not appropriately designed) and poorly maintained residence infrastructure • Inadequate Recreational facilities	• Lack of Infrastructure and development strategy • Insufficient maintenance staff, skills and capacity • Insufficient infrastructure and maintenance budget • Lack of budget for sporting activities • Inadequate control of external residents
9	To ensure a sustainable and viable institution	Inadequately defined organisational model	• Divisional management model is not properly refined to eliminate inefficiencies through uniformity • Inefficient business processes • Legacy culture

Risk Num	Strategic Goal	Risk Description	Contributing Factors (Root Causes)
10	To ensure a sustainable and viable institution	Insufficient sustainable financial resources	• Lack of qualified operational personnel • Inadequate staff development • Ineffective implementation of the divisional model • Lack of sustainable Cash Flow • Systematic risk (expectation of free education) • High level of historic debts • Inadequate control systems to monitor inefficiencies and wastage (utilities and travel) • Low third stream income generation
11	To ensure a sustainable and viable institution	Poor work ethic, low productivity and legacy culture	• Absence of fully implemented performance management system • Untransformed institutional culture relating to work ethic and productivity enhancement • Insufficient management capacity • Lack of employee wellness management system
12	To develop and sustain efficient, effective and relevant corporate governance and management systems	Inadequate data validation, retention and security (hard and soft copy)	• Lack of institutional central repository facility • Inadequate adherence to document management policy • Limited use of electronic data management systems • Human error and lack of capacity • Lack of adequate IT infrastructure • Business processes not automated • Business processes/ Standard Operating Procedures (SOP) not properly defined • Weaknesses on internal control process
13	To develop and sustain efficient, effective and relevant corporate governance and management systems	Inadequate integration, transformation and brand management systems	• Protest culture dominates stakeholder interaction with Management • The legacy culture within delivery sites • Alumni loyalty to legacy institutions dominates loyalty to the merged institution • Segmented conditions of employment • Lack of communication • High dependence on government funding

CONCLUSION

WSU is committed to improving its risk management processes continuously in pursuit of its objectives, with the ultimate aim of creating and ensuring the sustainability of its core business – the academic project. Recognition for the need of a proactive risk management process is an essential element of good corporate governance processes and a crucial enabler in realising opportunities. It is essential that risk management is understood as an integral component of all processes and that it is not identified as an add-on to the core business activities.

Nelson Mandela Drive Site, Mthatha Campus

INTERNAL ADMINISTRATIVE / OPERATIONAL STRUCTURE AND CONTROLS

Walter Sisulu University (the University) maintains systems of internal controls over financial reporting and safeguarding of assets against unauthorised acquisitions, use or disposal of such assets. These systems are designed to provide reasonable assurance to management and Council regarding the preparation of reliable financial statements and the safeguarding of the University's assets. Council, operating through its Audit, Risk and Compliance Committee, provides oversight on the financial reporting process.

Internal auditors independently monitor the effectiveness of the systems of internal control in accordance with the Institute of Internal Auditors (IIA) Standards for the Professional Practice of Internal Auditing through an internal audit Operational Plan, as approved by the Audit, Risk and Compliance Committee of Council (ARCCC) and report findings and recommendations to management and the ARCCC.

Management has taken action to address some of the control deficiencies identified and has developed improvement plans in a drive to ensuring good governance and effective administration. However, the following, if not addressed, will weaken the control environment and render the systems of internal control ineffective.

i) Inadequate Business Processes, for example:

- Ineffective policy roll-out mechanisms
- Failure to enforce compliance with approved policies and procedures, especially the Supply Chain Management Policy
- Weakness in the finance internal controls (reconciliations are not always prepared and asset management processes are weak)

With regard to the reported and / or identified instances of fraud, management commissioned investigations and in some instances appointed external service providers to investigate irregularities of a severe nature. Staff members implicated in fraud allegations are taken through the internal disciplinary processes.

ii) The ICT Governance Framework has been developed but has not been approved and implemented. Some of the controls within the ICT environment are inadequate/ineffective, and this could impact on the availability, integrity and unauthorised access to information. The following additional factors are a threat to the ICT control environment:

- Failure to perform restoration tests
- Inadequate management of user accounts
- Inadequate user access management processes
- Non-compliance with change management processes
- Lack of periodic ICT vulnerability assessment

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the overriding of internal controls. Accordingly, even an effective system of internal control can provide only reasonable assurance with respect to financial statement preparation and the safeguarding of assets. Furthermore, the effectiveness of the system of internal control can change with circumstances.

Due to the lack of capacity in the Unit, SNG Grant Thornton (SNG.GT) was appointed (for a five-year period) as a co-sourced partner to the University for rendering internal audit services. As part of building internal capacity, two auditors were appointed, and SNG.GT will be transferring skills to the in-house internal auditors.

The Director: Audit Services reports administratively to the Vice-Chancellor & Principal and functionally to the ARCCC. The ARCCC, in conjunction with Executive Management, determines the scope of the internal audit activities.

All reports issued by Internal audit detail those errors and weaknesses that came to their attention during reviews. The Internal audit unit plans its reviews so that it has reasonable expectation of detecting weaknesses and deficiencies in the system of internal control. However, these reviews should not be relied upon to disclose all irregularities and fraud, which may exist. Management should implement policies designed to assist with the prevention and detection

of irregularities and fraud. Risk management will always remain management's responsibility. During the 2019 financial year, the internal audit coverage did not include reviews pertaining to the 'Code of Ethics'.

Internal audit reports are issued on the basis that they are for the sole use of the University and exclusively for the purposes set out therein. No party other than those to whom the reports are addressed may rely upon them for any purpose whatsoever. The reports may not be made available or copied in whole or in part to any other party without the internal auditors' prior express written consent, which consent may be given or withheld at the internal auditors' absolute discretion.

DIRECTOR: AUDIT SERVICES

CHAIRPERSON: AUDIT, RISK AND COMPLIANCE COMMITTEE OF COUNCIL

DIRECTOR: SNG.GT INTERNAL AUDIT SERVICES

Zamukulungisa Site, Mthatha Campus

INSTITUTIONAL FORUM

The Institutional Forum (IF) continued with its statutory mandate in 2019 of providing the Council with valuable advice. This year the IF continued to play its critical role and contributed in the approval of various policies including those that govern transformation.

In addition to making inputs and advising Council on policies IF advise to Council was on the following:

Mthatha Campus and Finance Organogram Review

1. Council should consider the issues noted, inputs and resolutions made by the IF when making its decision and source plausible explanation from management. The IF resolved as follows:

    - The IF finds it difficult to give clear advice when reasons not to consult the affected stakeholders were insufficient.
    - With adequate consultation the organograms would have passed the test for IF support.
    - The IF supports the splitting of the position of the Mthatha Campus Director into two positions.
    - There is not enough justification for the bloating of the structure at the Campus Management level when the University is generally not yet out of the red in terms of the Cash Flow.
    - The elevation of the levels of campus management must be scientifically justified.
    - The IF found no material fault in the Finance Organogram except lack of consultation.

2. Adequate consultation with all stakeholders to be affected by the review must be done as these organograms will have a long-term impact on the entire university.

The IF that was elected in 2017 was in its second year of a three-year term as determined by the University statute. By end of 2019, IF was composed as follows:

- Council external members (1)
- Senate (2)
- Student Services Council (0)
- Labour Unions (1)
- Student Representative Council (1)
- Employment Equity Committee (1)
- Institutional Management Committee (1)
- Convocation (1)
- Academic Employee Representatives (4) one per campus
- Non-Academic Employee Representatives (4) one per campus

At its ordinary meeting of the 4 October 2019 the IF elected a new Chairperson and Deputy Chairperson as the term of the then incumbents came to an end on the 29 September 2019.

With respect to meetings, IF had scheduled and held two ordinary meetings, one in each semester and one Executive Committee meeting.

The Office of the Registrar provides secretarial services to the Institutional Forum.

Mr Z Makom
CHAIRPERSON OF INSTITUTIONAL FORUM

STATEMENT OF TRANSFORMATION

INTRODUCTION

Walter Sisulu University (WSU) recognises its current context and that it has achieved some goals but still has much more to achieve. This awareness of its context led to the University working with all its stakeholders, including students, labour unions and staff to produce a Transformation Charter which was approved by the Council. This Charter acknowledges that transformation is a process, not an event and that it is driven by specific indicators that are aligned to the vision of improving lives and situations of human beings. Transformation is not a passive process but a pro-active one that requires deliberate actions designed to effect substantive changes in all facets and at all levels of an institution. Therefore, transformation implies a movement from an undesirable state to the one that is desirable. *It should be noted that this migration can be quick or slow depending on the resources and efforts put together to make it a success.*

The WSU Transformation Charter states amongst other things that WSU shall ensure that:

- Governance structures like Council, Institutional Forums, Senate and SRC are effective in their roles.
- Access and success of students and staff with disabilities is improved.
- The importance of African Languages is progressively recognised as academic languages.
- Race and gender representation is evident in all structures.
- A socially cohesive and inclusive institutional culture would thrive.
- The improvement of quality throughput rates of students, particularly those from historically disadvantaged groups is achieved.
- There is greater representation and retention of designated and underrepresented groups in the academic workforce.
- Safety and security of its staff and students on campus and in campus accommodation is enhanced.

According to the WSU work ethos, the advancement of the Transformation Charter is regarded as the responsibility of all University stakeholders. Furthermore, Council has to ensure that the WSU is accountable for its performance regarding transformation and that the plan is linked to a University mandate informed by the Higher Education Act.

PROGRESS TO DATE

Disability

In the Transformation Charter that was developed by the University and adopted by the Council in 2017 it was stated that WSU had no policies in place to address disability issues. Moreover, nearly all buildings at WSU did not comply with universal access criteria. Lastly, it was mentioned that there were no systems in place to identify and support staff and students with disabilities.

In light of the above, the Policy for People with Disabilities has been reviewed and approved by the Council. To reinforce the policy, an Institutional Disability Plan was drafted, presented to different forums of the institution and was highly welcomed.

Furthermore, an Institutional Disability Committee Chaired by the Vice Chancellor was also established. The purpose of the committee includes, amongst other things, to advocate for the rights of students and staff with disabilities. Lastly, during 2019 assistive devices were provided to almost all students with disabilities.

Language

We are more than 20 years into our democracy but the language of instruction in almost all our universities is still English. It should be highlighted that WSU is not an exception to this challenge. Hence, the Institution has developed and approved a language policy that seeks to promote the use of indigenous languages (in particular, isiXhosa) in the academic sphere. To accelerate the progress, a Manager (Language Policy and Development) has been appointed and the language implementation plan has been developed. Subsequently, two language committees, namely, Council Language Committee and Senate Language Committee, have been established.

Gender

WSU is committed to providing a safe environment for all its employees and for students in all of its campuses and to protect staff and students from any form of harassment, including Sexual Harassment. To this end, the Sexual Harassment Policy has been developed and approved by the Council. To make sure that it is implemented effectively and efficiently, Sexual Harassment Committees are being established at campus level with the intention to communicate the Policy to all employees and students.

Institutional Culture

WSU is a comprehensive university that came into existence as a result of the merger of two former Technikons and a traditional university. Issues of disintegration, incidents of poor work ethics, low productivity and low staff morale have all led to negative sentiments from various internal and external stakeholders. The merger took place fifteen (15) years ago a series of interventions have been pursued by the University to bring the culture change and integration. In 2019 a task team to explore further institutional culture intervention(s) was established by the Executive Management.

Employment equity

An Employment Equity forum to monitor the implementation of equity targets and policy has been established and is fully functional. Additionally, female employees now occupy 17% of executive positions and there also three (3) vacancies that are in place which will be used to improve the situation because WSU's target is to have at least 40%/50% females in the Executive position. The picture is not that at other levels but the University continues to ensure that the representations is in line with the demographic representation in the area.

General factors that contribute to the slow progress in transformation

In the meantime, the following issues have been identified as stumbling blocks in the implementation of transformation:

- The lack of a uniform understanding of what transformation means. The WSU Transformation Manager participates in the national Transformation Managers Forum which mandates who is to attend to this challenge.
- Poor integration of the transformation project(s) at all levels of institutional life.
- There is a lack of commitment to multilingualism in institutions of higher learning.
- Insufficient attention is being paid to the role of sport in the transformation agenda.
- Subcultures of discrimination and domination within universities persist.
- Resource constraints.

Stakeholder Relationships

Plans are underway to meet other structures in order to bring about a conducive environment, improve teaching, learning, safety and security and quality of life at the residences and mitigate any form(s) of disruptions, e.g. strikes by students, grievances by labour, etc.

Professor JR Midgley
VICE-CHANCELLOR & PRINCIPAL

SENATE REPORT

PART A: INTRODUCTION

This report should be read in conjunction with the Vice-Chancellor's Report on Management and Administration and the Performance Assessment on Core Business. These reports collectively review the University's performance against its strategic goals and objectives. The Senate Report focuses on the first three strategic goals relating to academic performance, the Management Report on the goals for student life, management and governance, while the Assessment concentrates on the University's performance against targets as per the Annual Performance Plan.

This report deals with the following Strategic Goals as set out in the University's five-year Strategic Plan:

- Promote learning and teaching excellence in undergraduate and postgraduate studies.
- Promote basic and applied research and innovation that is consistent with best practice and contributes to developmental impact.
- Contribute to improvement of socio-economic conditions of rural and urban communities.

PART B: PERSONALIA AND ACCOLADES

PERSONALIA

The University made a number of appointments at senior level during the 2019 academic year. Prof Wilson Akpan was appointed Senior Director, Research and Innovation, from 1 February 2019; Prof Clever Ndebele, Senior Director, Teaching and Learning, from 1 February 2019. Mr Anele Magwentshu, Senior Director, Institutional Research and Planning, from 1 January 2019; Mr Morgan Nhiwatiwa, Chief Financial Officer, from 1 January 2019; Mr Christopher Khoza, Director, Quality Assurance and Mr Nkosinathi Zulu, Director, Operations and ICT, from 1 February 2019 respectively.

In addition, two new Deputy Vice-Chancellors were appointed during the second semester. Professor Rushiella Songca and Dr Prince Jaca accepted appointments from 1 October 2019, respectively as DVC Academic Affairs and Research and DVC Institutional Support. The University wishes to thank Prof Mtetwa and Mr Rosslee for their willingness to act in these positions while we sought to fill them.

We note with sadness the passing of Dr Laura Mpahlwa, WSU alumna and recipient of an honorary doctorate in Primary Healthcare from our legacy institution, the University of Transkei, and mother of former Council member and fellow Honorary graduate, Dr Luyanda Mpahlwa. We also note the passing of Mr Philiso Bango, who worked as a bricklayer in the Mthatha Facilities Department.

We mourn the passing of Ms Sharon Webb, a lecturer in the Accounting Department in Mthatha. We also mourn the passing of the AmaXhosa King, Zwelonke Sigcawu. A University delegation met the Royal Family at the Nqadu Great Place on 21 November 2019 to express the University community's condolences.

We extend our condolences to all their families and loved ones and wish them the necessary comfort and solace.

HONORARY DEGREES

We wish to congratulate Judge Mandisa Maya, WSU alumna and the first black female President of the Supreme Court of Appeal, who received an honorary doctorate from the University during the May graduations.

RECOGNITION

STAFF

Senior Student Development Practitioner and head of the WSU ENACTUS team, Nombulelo Blaai, took home the administrator of the year award at the ENACTUS South Africa National Competition. The award recognises the administrator and the university administration which did the most in supporting the ENACTUS team in their university. Entrepreneurial Action (ENACTUS) is an international student empowerment organisation that seeks to eradicate poverty through entrepreneurial skills and knowledge.

Dr Quatro Mgogo, a Journalism lecturer, conducted research into the cause of violence in schools and found that in most cases children who live in families which have an absent father, resort to violence to display their frustration and also pointed to the need for

male role models. Not surprisingly, the finding elicited strong reactions on social media. In another research paper he focused on xenophobic behaviours among students, noting that the media's focus and reliance on negative stereotypes and generalised information when representing foreign nationals were the main contributing factors to xenophobic behaviours. Although there are a number of staff who attained their doctorates this year, this staff member stands out because he is only 27 years old; thus an emerging scholar.

The President has appointed Dr Prince Jaca to serve on the Presidential Commission on the Fourth Industrial Revolution. Thirty Commissioners serve on the Commission, which is coordinated by the Department of Telecommunications and Postal Services.

Prof Oyedeji was a finalist in the 2019 NSTF-South 32 Forum Awards, the "South African Science Oscars" in the Green Economy Award, for research and innovation in South Africa towards achieving biodiversity conservation, environmental sustainability and a greener economy.

Prof Oyedeji in partnership with Mr Ruben Matewu, a traditional herbal practitioner in Ginsberg, King Williams Town, identified a number of medicinal plants which Mr Matewu used for treating his patients on various ailments. Prof Oyedeji and her team conducted chemical and biological analysis and showed that one of the herbal mixtures has the ability to treat inflammation and pain associated with arthritis, while another has sedative effects and the ability to calm mental disorders. Two herbal tea products were developed and the University is now in advanced discussions with the Eastern Cape Rural Development Agency for cultivating plants (either at Magwa or in Port St Johns) and thereafter producing and commercialising the products.

Prof Oyedeyi and other staff members also attended the Premier's cannabis indaba on 1 and 2 August 2019, which aims to place the Province at the forefront of projects which benefit from a provincial natural resource.

Dr B Makiwane, Head of Department: Administration and Hospitality, was nominated to serve on the Disability Statistics Advisory Committee for Statistics South Africa.

Ms Nobuntu Rabaza was elected the first female President of the National Association for Student Development Practitioners (NASDEV) and also as the General Secretary of the Student Affairs Federation (SAFAS), to which NASDEV is affiliated.

Ms Khanyisile Blaai was elected NASDEV's Projects and Events Coordinator.

Professor Kariena Strydom was appointed as a Ministerial Representative on the Council of the Buffalo City TVET College.

Ms Pateka Ntshuntshe-Matshaya was re-elected to serve a second term as a SANLiC Board member. She has also been elected to serve on the Eastern Premier's Advisory Council for Libraries, which advises the Premier on library-related matters.

Lecturer in Visual Arts, Sonwabiso Ngcai, blended art, religion and three-dimensional artwork to be declared the overall winner in the sculpture category of this year's PPC Imaginarium Awards with his work 'Isigu', or 'The Snare', depicting how certain religious cults are ensnaring their congregants. This award follows that of being declared the Best 3-Dimensional Artist at the Eastern Cape Cultural Awards in December 2018.

Sonwabiso Ngcai

Isigu (The Snare)
(images taken from Daily Dispatch article)

Although Prof McGlory Speckman, Campus Rector, Queenstown, has been writing regular columns for the Daily Dispatch in his personal capacity, his activity as a public intellectual is also putting WSU on the map.

Prof Clever Ndebele, Senior Director Learning and Teaching was appointed to the National Standards and Reviews Committee of the Council on Higher Education to fulfil a governance role in the institutionalisation of quality assurance within higher education in South Africa.

ALUMNI

Two alumni, Silindile Ngwane and Simamkele Ndabeni, developed a co-learning mobile application called Sesyme, which was launched at the Mthatha Campus on 25 August. The App enables students to create study groups, upload and download study materials and to improve their learning experience through enabling students from different institutions of higher learning to interchange knowledge. Their company, Open Seysme, has recently been selected by the French South African Tech (FSAT) Labs for incubation. FSAT labs is a new service for upcoming entrepreneurs who desire to become powerful change makers.

Alumnus Luyolo Yiba, a software developer from King William's Town, won the Idols SA competition.

Two alumna have done well in beauty competitions recently. Thembelihle Qhina, currently a teacher at Faith Christian School in Mthatha, was crowned Miss Wild Coast, while Abulele Zaga, an electrical engineering graduate currently working at Mercedes Benz, was crowned Miss Buffalo City Metro.

In September, Convocation executive member and former SRC members, Mthatha Campus, Melikhaya Mcitwa, participated in a two-week youth development and leadership programme in China. He was selected by the Beijing International Chinese College as part of a cohort of 35 young South African leaders to participate in a programme sponsored by the Confucius Institute.

STUDENTS

The reigning Miss Varsity Shield, WSU Siziphiwe Mbede was one of a group of young people who started a campaign collecting food, clothes and blankets for the flood victims at Port St Johns.

PASMA members in Whittlesea decided to clean up their campus environment and assist cleaning staff in their duties. Management appreciates this demonstration of social consciousness and hopes that it will serve as a catalyst for additional projects, in Queenstown and elsewhere, aimed at improving students' graduate attributes.

Tabisa Diniso, a second-year MSc student in Organic chemistry, is among the finalists for the 2019 SAWiSA (SA Women in Science Awards) in the DST-Albertina Sisulu IKS Fellowship category. Her study is on medicinal plants used for the treatment and management of memory loss.

Onke Meyeliseli, a third-year Information Technology student and captain of the Buffalo City Campus boxing team, participated in a 10-day boxing training programme in Germany during July. The programme formed part of an agreement between Germany's State of Lower Saxony and the Eastern Cape Government. Onke is a former gold medal winner at the USSA tournament (2017) and is currently 2019 Eastern Cape Amateur Boxing Organisation's (ECABO) Best Male Boxer.

In August Genevieve McGowan, a third-year Human Resource Management student from our Butterworth Campus, participated in the South African Board of People Practices (SABPP) National Top Student

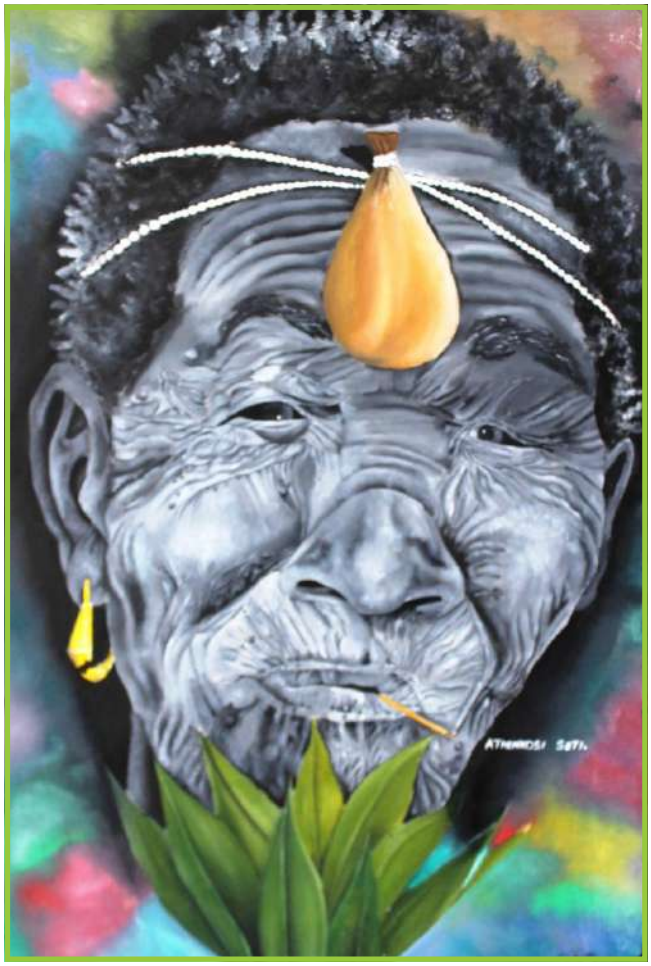
Recognition Awards. The event recognises and rewards top performing Human Resources students from all Universities in the country. Each institution nominated their best student, based on their academic performance, leadership, community engagement, presentation skills and appreciation of the HR profession. The finalists had to deliver an impromptu presentation, after which they were interviewed by a panel of judges consisting of the CEO of the SABPP, an HR director, an academic and an industry representative. Genevieve received a R20 000 cash prize, a trophy and a floating trophy, and various other prizes for having been placed first in the competition.

As has become customary, WSU Fine Art students displayed works at the National Arts Festival in Makhanda. This year the display celebrated the legacies left by Walter and Albertina Sisulu. The works showcased were selected on merit from first, second and third-year students in the disciplines of ceramic sculpture, painting, printmaking and drawing.

Final-year Visual Arts students displayed their work for examination at the Ann Bryant Gallery in East London. This year students were asked to comment on social issues that they have observed. Some of the work which the University has acquired for its collection is depicted below.

'Ancestors'
Natalie de Morney, Award Winner, Art Theory and Painting Distinction

Lumanyano Gosani, 'The Collapse: Ceramist's Commentary On Dilapidated Public Healthcare in the Eastern Cape'



The National Youth Development Agency (National NYDA) conducted a five-day training workshop for WSU journalism students under the theme 'Start and Improve Your Business (SIYB)'. The SIYB programme trains potential entrepreneurs who have feasible business ideas. Under the guidance of trainers, students develop a detailed business plan and are given an opportunity to present their business ideas. Students then pitch their business ideas towards obtaining an NYDA start-up grant.

The year ended in a spectacular way when WSU fashion students staged a showpiece event in East London, during which they showed off their designs to the public. With a strong eco-friendly theme, and using recycled materials, their aim was to recycle waste material into reusable products while presenting fashion as an art form for gallery spaces.

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Page: 6

WSU fashion students' year culminates in dazzling show

Calls for more platforms for young designers to showcase their creations

GUGU PHANDLE

In an evening of high fashion and innovative designs, 79 Walter Sisulu University fashion students showcased their work to a packed rooftop audience at Hemingways mall in East London on Saturday.

The students were from the Buffalo City Metro and Butterworth campuses.

The first and second-year students showed off eco-friendly garments made from recycled materials such as paper and cardboard, while the final-year students had models strut their stuff on the runway to show off their months of work through designs.

The venue was ringed by mannequins draped in the eco-friendly garments.

WSU fashion department technician Sibusiswe Nodada said the students had produced nothing less than a stellar demonstration of the latest trends.

"The inspiration behind the recycling project was borne out of great environmental concern.

"The aim is to present fashion as an art form for gallery spaces and ultimately to recycle waste material into reusable products," she said.

The venue was packed with supporters, who showed enthusiasm by applauding each final-year designer for their work.

Buffalo City campus final-year student Lungelo Sijila's garments for men had a neutral colour palette for pants, jackets and hoodies.

Sijila used restraint belts on one of the models as a statement about slavery and lack of freedom.

Phila Ngwedu used hues of bottle-green for glitzy evening wear and captivated the audience with a striking sheer yellow gown decorated with sunflowers.

Nomfuneko Sigcau creatively used black-and-white traditional Xhosa fabric with a modern twist in her designs.

Her male models were black-and-white Xhosa jewellery on the ramp.

Faculty head of science, engineering and technology Dr Maimedelo Siwana said the students put on a "very good" show.

"Some of these students faced many challenges leading up to this showcase and they delivered.

"I am proud of them.

"With a bigger time-frame I think the students would be able to showcase optimum designs," Siwana said.

He said the university fashion programme aimed to inculcate skills students would need to start businesses and establish themselves as service providers to local communities.

Some students had received mentorship from the Buyel-Ekhaya fashion development programme and other platforms.

"We do need more platforms where young designers and other creatives can showcase their work.

"Fortunately there are programmes like the Indwango fashion show, which took place in October.

"There is also the Buyel-Ekhaya fashion development programme, which is now ongoing, which offer platforms for our students," he said.

top shots

Clockwise from top left:
1 Thalethu Peter, 7, wearing a student's design. 2 Designer Lilian Hlathini backstage. 3 and 4 More of the final-year students' creations. 5 Designer Zodwa Gulubela backstage. 6 The event was enthusiastically supported. 7 Another final-year design. 8 Nomawethu Mqhovula wears one of the designs. 9 Models backstage. 10 Over 200 garments were displayed during the night of glitz and glamour. 11 Another of the final-year designs. 12 Designer Asithandile Hobe

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Page: 1

DAZZLING SHOW

WSU fashion students showcase their amazing talent

Clockwise from top left:
1 Thalethu Peter, 7, wearing a student's design
2 Designer Lilian Hlathini backstage
3 and 4 More of the final year students' creations
5 Designer Zodwa Gulubela backstage
6 The event was enthusiastically supported
7 Another final year design
8 Nomawethu Mqhovula wears one of the designs
9 Models backstage
10 Over 200 garments were displayed during the night of glitz and glamour
11 Another of the final year designs
12 Designer Asithandile Hobe
Pictures MARK ANDREWS Daily Dispatch

PART C: LEARNING AND TEACHING

ACADEMIC PLANNING

HIGHLIGHTS

Flowing from the HEQSF alignment process which has been underway for a good number of years now, WSU submitted a total of 156 programmes. Their current status falls into one of the following categories:

- HEQSF aligned, deemed accredited and successfully registered on the NQF: 14 programmes;
- HEQSF aligned and deemed accredited but registration cannot be completed on the NQF due to outstanding content to complete registration: 14 programmes;
- HEQSF aligned and deemed accredited with content requiring some refinement to comply with the NQF registration requirements: 36;
- HEQSF aligned and deemed accredited but in the process of NQF registration at SAQA: 50 programmes;
- HEQSF non-aligned programmes requiring new programmes to be introduced in order to be offered in the future: 29 programmes; and
- Programmes not accounted for and requiring follow up: 13 programmes.

A number of other WSU programmes requiring registration on the NQF and which are not necessarily part of the HEQSF alignment process are in various stages of accreditation and are summarised as follows:

- Pre-PQM stage for endorsement or recognition of the profession by the professional body or employer (9 Teacher Education programmes, 2 Engineering programmes, and 1 Health Sciences (Nursing programme): 12 programmes;
- Submitted for PQM Clearance or recently granted PQM clearance (3 programmes granted PQM Clearance and 3 submitted for PQM clearance): 6 programmes;
- Submitted to HEQC for accreditation or under process for HEQC submission (6 programmes under process and 17 programmes submitted, awaiting CHE response): 23 programmes; and
- Accredited recently by HEQC: None.

Accreditation

The accreditation of programmes emanating from the HEQSF is bearing fruit as responses from the CHE continue to come through, as stated in the 2018 annual report. It is a mixed bag of full accreditation and conditional accreditation of these programmes. In addition, the WSU accreditation committee was set up in March 2020 and Improvement Plans developed to monitor the progress of programmes going through re-accreditation.

LLB
The programme is accredited by CHE. We are awaiting the SAQA registration.

Bachelor of Social Work
The programme is accredited by CHE and registered by SAQA.

MBChB
Regarding the MBChB Programme, the Health Professions Council of South Africa (HPCSA) conducted site visits at WSU from the 9 to 13 of April 2018 and a three-year conditional accreditation was granted. The Department is working on the recommendations and an improvement plan developed to monitor progress. The improvement plan and progress report workshop was held on 28-30 March 2019. A second site visit will take place in 2021.

B Nur (Former B Cur in the Nursing Sciences)
The B Cur programme (which was accredited until December 2019) is being phased out and will be replaced by B Nur Programme. The B Nur programme has since been submitted to the nursing council for endorsement and has been granted a PQM clearance by DHET. The CHE recommended a number of improvements.

Orthotics and Prosthetics Programme (MOP)
The programme is fully accredited by CHE and registered by SAQA. A minor condition by HPCSA is being addressed.

Engineering Programmes (Electrical, Civil, Mechanical)
The Engineering Council of South Africa (ECSA) conducted its normal accreditation cycle visit to WSU early in November. We received full accreditation for all our programmes, except for Electrical Engineering, where accreditation is subject to improvements to laboratory spaces in Butterworth.

The National Diploma: Built Environment
The accreditation status of the National Diploma: Built Environment ended in March 2020. The period granted allows the department to address all the gaps identified. A turnaround strategy that outlines the department's plans to address the deficiencies was submitted on 11 November 2019. Furthermore, a quarterly progress report is required at the end of March 2020 and an annual report at the end of April 2020. The department together with QMD, are working to ensure that the implementation of the submitted turnaround strategy is achieved successfully.

The South African Council for Quantity Surveyors (SACQS) had their accreditation visit on 25 – 26 April 2019 for both campuses. A formal report has not yet been received to confirm the outcomes of the visit, although during the site visit, a 24-month conditional accreditation was granted.

The table below provides a summary of WSU programmes that was prepared so that they are available in 2020.

Description	Number affected	Submitted / Appealed	Approved
Programmes requiring Content/ Corrections	50	40	-
Programmes with NQF registration issues	34	34	34
HEQSF Aligned Programmes registered/ in a process of registration	-	127	-

CHE approval for the 34 programmes for SAQA registration is a huge relief to WSU, as consequences of non-registration could have been dire. The University is still awaiting SAQA registration of the 40 programmes that were submitted.

Specific cases
The table below gives an indication of the accreditation status of a number of key programmes:

Programme Name	PQM Clearance	CHE Submission	SAQA Registration	Start Date	End Date	Comment
MB ChB	Cleared	Completed	Completed	Apr-2018	Apr-2021	3-year conditional accreditation. Plans underway to implement recommendations
B Psych	Cleared	Completed	Completed	Oct-2018	Oct-2023	Full accreditation
Built Environment	Cleared	Completed	Completed	Jan-2019	Dec-2019	SAQAP accredited SACPCMP accreditation ends in April 2020
Human Resources Management	Cleared	Completed	Completed	Jan-2017	Dec-2019	WIL to be incorporated and approved by DHET
Electrical Engineering	Cleared	Completed	Completed	Feb-2019	Dec-2019	Conditional accreditation for the new 5-year cycle (improve laboratories and equipment)
Mechanical Engineering	Cleared	Completed	Completed	Feb-2019	Dec-2019	Full accreditation for a 5-year cycle
Civil Engineering	Cleared	Completed	Completed	Jun-2019	Dec-2019	Full accreditation for a 5-year cycle
Social Work	Cleared	Completed	Completed	Oct-2019	Nov-2024	Full Accreditation given

Programme Name	PQM Clearance	CHE Submission	SAQA Registration	Start Date	End Date	Comment
BNur	Cleared	In Progress	In Progress	Not yet	Not yet	Waiting for CHE response
Bachelor of Medical Orthotics and Prosthetics	Cleared	Completed	Not yet	Not yet	Not yet	Accredited by CHE. SAQA ID and HPCSA report [Feb. 2020]
LLB	Cleared	Completed	Completed	TBD	TBD	Full accreditation- waiting for SAQA ID

POLICY ENVIRONMENT

The DVC:AAR and her team, including the Deans, embarked upon a process of re-imagining and re-stating teaching and learning at WSU. Thus, a framework for teaching and learning was developed and is currently undergoing approval by the various structures.

A strategic approach to teaching and learning was crafted including a teaching and learning approach at WSU that takes into cognisance the varied disciplines.

WSU is committed to the provisioning of a quality educational experience cognisant of its value-driven vision, African context and the pursuit of excellence. The University's teaching and learning approach is grounded on the Scholarship of Teaching and Learning, which is underwritten by the drive towards graduate readiness where students are able to face unique twenty-first century challenges confident in their contextual knowledge of society, economics, political challenges and the role of ecology in the contemporary knowledge economy.

This approach is based on WSU's mission towards producing future-ready graduates who are responsible citizens capable of addressing complex societal challenges in critical, ethical, scholarly, sustainable, and entrepreneurial ways. Resultantly, a problem-based strategy to learning is adopted by some Faculties as part of their teaching approach. Nevertheless, Faculties are at liberty to espouse a teaching and learning ethos that speaks to their own contexts.

The following teaching and learning policies were reviewed/refined in late 2019 and are at various stages of approval or consultation, therefore, approval of these policies is expected in 2020:

- WSU Recognition of Prior Learning Policy – Approved by Senex on behalf of Senate and en-route to Council for final approval.
- WSU Teaching and Learning Policy – consultation done- to be tabled at the July 2020 STLC for approval.
- WSU Assessment Policy - consultation done- to be tabled at the July 2020 STLC for approval.
- WSU Curriculum Policy - consultation done- to be tabled at the July 2020 STLC for approval.
- WSU Teaching and Learning Framework and Guidelines - consultation done- to be tabled at the July 2020 STLC for approval.
- WSU Teaching and Learning Institutional Plan - consultation done- to be tabled at the July 2020 STLC for approval.

ENROLMENT AND ENROLMENT PLANNING

Student enrolments

The 2019 the registrations:

Campus	First Time Entering Students	Returning Students	Total
BCC Campus	1 892	6 384	8 276
Butterworth Campus	1 708	5 282	6 990
Mthatha Campus	4 093	11 661	15 754
Queenstown Campus	1 034	2 361	3 395
Total	**8 727**	**25 688**	**34 415**

Other enrolments statistics were:

Student Headcount by Gender

2019

	Male		Female	
Postgraduate	13 907		17 660	
Undergraduate	1 187	43.86%	1 658	56.14%
Total	**15 094**		**19 318**	
Grand Total	**34 412**			

2018

	Male		Female	
Undergraduate	13 152		16 397	
Postgraduate	1 077	44.30%	1 497	55.70%
Total	**14 229**		**17 894**	
Grand Total	**32 123**			

Student Headcount by Population Group

2019

	COLOURED		AFRICAN		INDIAN		WHITE	
Undergraduate	52		31 387		90		38	
Postgraduate	8	0.2%	2 786	99.3%	16	0.3%	35	0.2%
Total	**60**		**34 173**		**106**		**73**	
Grand Total	**34 412**							

2018

	COLOURED		AFRICAN		INDIAN		WHITE	
Undergraduate	42		29 441		27		39	
Postgraduate	12	0.2%	2 447	99.3%	79	0.3%	36	0.2%
Total	**54**		**31 888**		**106**		**75**	
Grand Total	**32 123**							

Foundational Provisioning

The campus visit is one of the monitoring and evaluation strategies for coordination of extended curricula programme activities. LTD conducted site visits in the form of conversation and/ roadshows. The conversation was between Faculties, Learning and Teaching Development, Institutional Research and Planning as well as Quality Management. The purpose of the conversation was to develop and enhance the relationship between the mentioned departments and outline their roles in extended curricula programmes.

After discovering that most extended degree programmes on offer were not aligned to the cognate mainstream programmes, road shows were held on all campuses to conscientise academics on the issue. These were between Faculties, Learning and Teaching Development, Institutional Research and Planning as well as Quality Management and Development. This culminated in an institutional workshop with 50 participants and conducted by a member of the Minister's reference group on extended degree programmes, Prof Ian Scott.

The resolution of the conversations was to recurriculate all non-aligned programmes and submit to DHET as a matter of urgency in order to have students enrolled on the programmes in 2020. The recurriculation process commenced on 15 July 2019 and twenty-one were resubmitted to DHET. All these were approved by DHET for offering from 2020. Four programmes still remain outstanding due to non-response from the faculty concerned.

FIRST YEAR EXPERIENCE

All four campuses conducted their orientation programmes. Queenstown conducted a 5-day orientation programme. BCC and Mthatha 4 days, while Butterworth only held theirs for two days due to student strikes.

During orientation students were introduced to the mobile app and Learning and Teaching with Technology Facebook page.

GRADUATION

The University held two sets of graduations in May and September. Our graduation statistics were as follows:

Qualification type group	Number of graduates
Undergraduate	5843
Honours & Equivalents	853
Masters	39
Doctoral	11
Grand Total	**6746**

STUDENT ACADEMIC DEVELOPMENT

Fourteen GDP Employability/Entrepreneurship workshops were conducted across all campuses, with 568 attendees.

Writing Centre

Writing Centres form part of the LTD academic development services that aim at promoting excellence in teaching and learning at WSU. The writing centres provide students with research and writing skills, including the use of different computer software. The centres are important because they form part of students' graduate attributes.

Teaching and Learning with Technology (TLwT)

The use of WiseUp as a learner management system is an important aspect of teaching and learning and in line with the WSU teaching and learning objective of infusing technologies into teaching and learning. LTD, Library and ICT are the key role players in driving this initiative.

LTD staff were involved in the following support activities:

- Integration of WiseUp and Turnitin.
- Grades Journey and lecturer IEnabler (to ensure improved assessment experiences of students and better management of students grades by lecturers) – still work in progress.
- Data analytical tool for tracking and monitoring student academic performance – work in progress. This tool will provide a dashboard for deans, HoDs, students and academic advisors on the academic progress by each student for early intervention and identification of those students 'at risk', and Deans will be able to monitor online activities per module, department and faculty.
- Purchase of 180 laptops for academic staff.
- Purchase of 550 tablets for first year students in selected programmes (HDI-DG, WSU 7) received and still to be distributed to students.
- Relevant Writing Centre Coordinators have been participating in the EEESCHEP programme, a collaboration between WSU, Stellenbosch and Coventry University. The aim of this project is to develop a discipline-specific Communication Skills course.

ACADEMIC STAFF DEVELOPMENT

The staff development programme contextualised for each campus was conducted for old and new academics. The workshop was about the enhancement and integration of technology into learning and teaching. Thirty-two staff members attended the workshop out of the thirty-seven that were expected, which was a high turn-over.

ECP Workshop

Six LTD staff attended their second year of the PGDHE for Academic Developers Course block session at Rhodes University while 9 academics attended their second year of the PGDHE for academics course at Rhodes University.

We have witnessed an increase in the number academics pursuing postgraduate studies. In this regard five HES applications were received in the 1st term of 2019 for masters and PHD studies.

New Generation Academics Programme nGAP

Five nGAP grants were received in 2019, with each nGAP lecturer being attached to a mentor. The successful recruitment of female candidates is still a challenge.

Name	Campus	Gender
Mr S Fayini	Mthatha (Political Studies Dept)	M
Mr W Mthiyane	Mthatha (Organic Chemistry Dept	M
Dr MR Maseme	Mthatha (Physical Science Dept)	F
Mr M Mdakane	BCC (Accounting Dept)	M
Mr B Ngobese	BCC	M

Scholarship of Learning and Teaching (SoLT)

In conjunction with the Directorate of Research and Innovation a SoTL 'Writing for publication' retreat/workshop was conducted 2019. As a result, some SoLT papers have been submitted for publication.

In November 2019, a Learning and Teaching Strategic planning workshop was held, where it was decided that SOTL/LT should be a lens through which teaching and learning must occur. A draft SoLT Framework has been produced and is to be used to supplement the WSU teaching and learning strategic plan.

VC's Teaching Excellence and Recognition Awards

The VC's Teaching Excellence and Recognition Awards were re-configured and re-launched in 2019.

Four academics were awarded recognitions at the Vice-Chancellor's Recognitions Ceremony at the end of 2019 for their outstanding achievement in learning and teaching. From these four, two of them will receive the Vice-

Chancellor's Distinguished Teacher Awards at graduation ceremonies in 2020.

PART D: LIBRARY

Technology integration

The library contributes to the WSU strategic objective of infusing technology into teaching and learning and research in various ways. For instance, the library conducted 16 e-navigation skills training workshops for academic staff, librarians and students.

The library forged its relationships with LTD, a strategic move targeted at getting academics to use the library as a resource for teaching and learning and research purposes. The partnership resulted in many activities including, but not limited to, 'Research authors workshops' wherein more than 300 academics attended. The thrust of the workshop was Open Access processes. Postgraduate students and researchers were also taken through e-research tools such as 'endnote' and Turn-it In.

The library spent about R24 million towards acquiring electronic resources and e-books. In addition, the library procured free open educational textbooks from various online publishers.

Student Learning Experience

The annual library orientation programme as an event in WSU is ongoing. Faculty librarians host training sessions with students wherein students are exposed to various library resources.

A series of the campus library learning commons were upgraded and, in some instances, introduced. For example, some campus libraries reviewed their library hours whilst others reviewed their business models.

The growth in the usage of these interactive learning commons is an indication that traditional libraries are no longer popular amongst the 21st century learners. As a result, there is unprecedented interest in the use and demand for technologies in libraries signalling the need for the establishment of hybrid/blended campus libraries.

The Library conducted, in close collaboration with the Learning and Teaching Development staff, 16 e-navigation skills training for academic staff, librarians and students to enhance the use of electronic resources in teaching and learning via Blackboard.

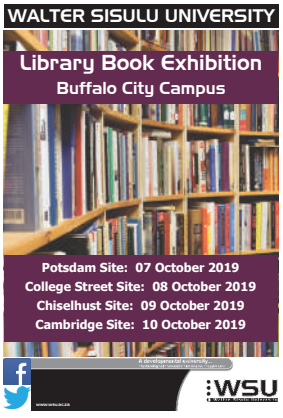
Research and Innovation Support

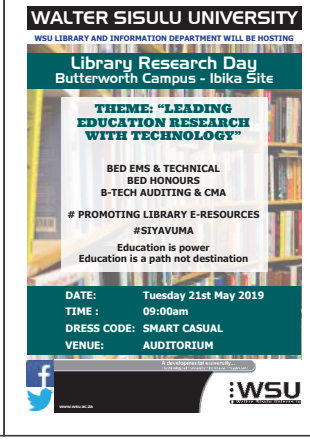
As part of its e-research strategy, the library, in collaboration the Research Support Division, facilitated 'Research clinics'. Through this programme, post-graduate students were trained in various referencing styles, including the use of Refworks. The latter is an online tool that manages resources, citations and compilation of bibliographies.

Regional and Strategic Partnership

Library staff continue to participate actively in regional and national networks. Mr Sidima Mnengi is LIASA (Library Information Association of South Africa) Chairperson and PRO, Ms Elizabeth Mavume is an IGBIS (Interest Group for Bibliographic Standards) member.

Ms Susan Lubbe and Ms Bathandiwe Bingwa were nominated to serve on a committee to organise the library innovative system user group in 2019 and Ms Pateka Ntshuntshe-Matshaya still serves as a board member of the South African National Licensing Consortium.





PART E: RESEARCH AND INNOVATION

WSU prides itself on impact-driven human capital upon which it relies to drive its research and innovation agenda. Central to the WSU footprint is its commitment to engagement - engagement with local community, with regional context and an aspirational agenda.

The thrust of our 2019 activities was directed at improving the research policy environment, enhancing research quality, accelerating research output growth, refocusing postgraduate capacity development in line with the latest international trends in researcher development and growing the University's innovation footprint.

RESEARCH POLICIES

A number of research policies and guidelines were developed and sent out for inputs. Among these were the *WSU Research and Innovation Strategic Plan, Research Policy, WSU Funding and Incentives Policy.* Although none of the policies progressed to Senate by the end of the year, they will nevertheless be finalised in 2020.

RESEARCH ADMINISTRATION

Fundamental changes were made to the rules governing postgraduate studies; in particular, postgraduate admission, study duration, supervision, examination, thesis archiving and knowledge dissemination. The aim was to bring postgraduate studies at WSU in line with national norms and international best practice. The DVCAAR and her team conducted mobilisation visits to all campuses and in November 2019 ushered a new vision for the Academic portfolio and built on and re-stated the research and postgraduate agenda. Thus, a WSU Research and Innovation Strategic Plan 2020-2024 was crafted and will be implemented in 2020.

Capacity development

The Directorate of Research Development and Innovation's pivotal First-time Author Support Programme was introduced in 2019 as an academic writing coaching programme to bring unpublished academics into the pool of active researchers. The programme design entailed a focused 'coaching retreat' session and a three-month manuscript cleaning and submission window, making use of external academic writing Coaches and internal mentors. The series will target a different set of 'mentees' each year, until all WSU academics become published.

A preliminary progress evaluation conducted at the end of December 2019, showed that two (2) articles had already been published from the initiative, while one had been accepted for publication. Ten (10) additional manuscripts were undergoing review by different journals, while a further three had been completed and were ready to be submitted for publication consideration.

A high level of engagement was observed amongst the Coaches, Mentors and Mentees and detailed reports received from them as at the end of December 2019 showed that the programme was bound to yield a huge return on investment, with at least 40 published articles resulting from the first round of the initiative.

A cross-section of participants at the First-time Author Support programme

Post-Doctoral Research Fellowship Programme

A start was made in 2019 towards expanding the post-doctoral research fellowship (PDRF), with 12 PDRF opportunities advertised, out of which eight (8) PDRF contracts were signed by year-end, although only 50% of this number were able to assume duty before the University went on end-of-year recess.

A progress evaluation conducted at the end of 2019 showed a promising PDRF productivity trajectory, with 11 manuscripts submitted to accredited journals, one article already published and one accepted for publication.

Research Day

The 2019 Research and Innovation Day was held on 5 December, 2019, on the theme: 'Towards a sustainable and impactful research culture in the 4th Industrial Revolution'.

The Keynote Address was delivered by DST/NRF SARChI Chair, Professor Mammo Muchie of Tshwane University, on the topic, 'Transformative innovation system for African integrated and sustainable development in the 4th industrial revolution'.

Besides presentations made by postgraduate students and their supervisors, and faculty-specific presentations, the Day featured the latest efforts made by academics and their students towards growing the University's technological and innovation footprint. Participants had the opportunity of touring a large marquee that served as a show area for various products, especially from the Engineering Faculty.

Engineering lecturers and students showcase student-designed wood-turning machine

R&I Day – Student-designed corn-threashing machine on display

Vice-Chancellor's Recognition Awards

Several academics (both senior and emerging) and academic entities were recognised (for remarkable achievements in research, postgraduate supervision and innovation) and celebrated at the 2019 Vice-Chancellor's Recognition Awards ceremony, which was held on 22 November, 2019.

Recognition for Most Productive Department (Publications) went to: Tourism, Hospitality and Sport Management (Gold), Human Biology (Silver) and Social Science (Bronze)

Most Productive Department (higher degrees output): Nursing (Gold), Social Sciences (Silver), Psychology and Social Work (Silver) and Biological and Environmental Sciences (Bronze)

Most Productive Department (publications and higher degrees output): Nursing (Gold), Social Science (Gold), Biological and Environmental Sciences (Silver)

Most Productive Faculty (publications): Faculty of Health Sciences (FHS) (Gold), Faculty of Business Sciences (FBS) (Silver), Faculty of Humanities, Social Sciences and Law (FHSSL) (Bronze)

Most Productive Faculty (higher degrees output): FHS (Gold), FSSL (Silver), Faculty of Educational Sciences (FEDS) (Bronze)

Most Productive Faculty – publications and higher degree output: FHS (Gold), FHSSL (Silver), Faculty of Natural Sciences (FNS) (Bronze)

Faculty Winners – Emerging: Dr Newlin Marongwe (FESD)

Faculty Winners – Senior: Prof Emeka E. Obioha (FHSSL), Ms Kimrochey T Goliath (FBS), Dr Oladele V Adeniyi (FHS)

Campus Winners – Senior: Dr Oladele V Adeniyi (Mthatha), Ms Kimrochey T Goliath (Buffalo City),

Campus Winners – Emerging: Dr Newlin Marongwe (Queenstown)

Institutional Winners – Top Published Scholar: Dr Oladele V Adeniyi (Gold), Ms Kimrochey T Goliath (Silver), Dr Emeka E Obioha (Bronze)

Institutional Winners – Most Productive Researchers: Prof Emeka E Obioha

Institutional Winners – Postgraduate Supervision: Prof Emeka E Obioha (Gold), Prof Sikhumbuzo Mfuzi (Gold), Dr Berrinton Z Gobingca (Silver)

Special Winners: Dr Christabel D Mantlana, Dr Yiseyon S Hosu, Prof Sandeep D Vasaikar, Dr Lucretia V Dlawati, Prof Humberto Foyaca-Sibat, Prof Kariena Strydom, Dr Siyabonga Mxunyelwa, Dr Lourdes de Fatima Ibanez-Valdes

Winners – Early-stage Innovation: Dr Frank O Unuofin, Mr Lutho L Xuba, Ms Nosipho Mavuso, Prof Bennedicta N Nkeh-Chungag, Prof Constance Rusike

Winners – Most Innovative Prototype Developed: Ms Siphosethu Mgwili, Mr Zanodumo T Godlimpi

Winner - Pre-commercialisation Innovation Product, Service or Process Developed: Prof Adebola Oyedeji

Innovation at WSU

The University's innovation profile was significantly boosted through the prototypes developed by two final-year Faculty of Health Sciences students, Ms Siphosethu Mgwili and Mr Zanodumo Godlimpi.

Ms Mgwili's invention, a Pin-lock Telescopic Adjustable Prosthetic Pylon, is a unique device which, when fitted, provides the connection between an amputee's residual limb (leg stump) and the prosthetic foot and makes the pylon adjustable, such that it would literally 'grow' with a child amputee, thus obviating any immediate need for replacement. An initial product prototype has been developed and a patent application was filed in September 2019.

Mr Godlimpi's invention, a Pneumatic-actuated Prosthetic Foot, has a unique kinetic energy component which overcomes the rigidity of a traditional prosthetic foot. Unlike a traditional prosthetic foot, Godlimpi's device gives the wearer the ability to enjoy greater mobility flexibility and smoothness. An application to have the device patented was filed in August 2019. The Minister of Higher Education and Training pledged support that would ensure that the innovative prototypes were developed into commercialisable products.

Overall, the University's innovation footprint was indicated by seven (7) invention disclosures as at the end of 2019 (compared to four in the previous year). Four (4) innovation projects, whose funding cycle commenced in 2017, were still being funded in 2019, with the funding period billed to run out in 2020. The two medical devices mentioned above raised the number of prototypes developed at WSU to four (4) as of 2019, the earlier two being herbal tea extracts and a biogas stove.

Accredited outputs

Unaudited figures for 2019 show that the University achieved substantial growth in publication output, with 122.19 units for journal articles and conference proceedings. This figure excludes (yet-to-be-allocated units for two books and nine book chapters), and represents a 91% increase on the 63.97 total publication units for 2018.

	2014	2015	2016	2017	2018	2019
Actual outputs	26.07	49.41	59.33	74.08	63.97	**122.19** **(unaudited; excludes units for 2 books and 9 book chapters)**

POSTGRADUATE STUDIES

The Directorate of Research Development and Innovation took steps in 2019 to boost postgraduate enrolment and throughput by applying for and obtaining Council approval for University-funded research bursaries for non-staff WSU postgraduate students, as they were not catered for in the existing UCDG funding mechanism. Though initially modest, the new support dispensation would come into effect in 2020 and would benefit WSU-enrolled, non-staff Honours, Master's and Doctoral students who do not hold any other bursary.

The Research Directorate also launched a postgraduate recruitment pipeline development initiative to attract Honours students into Master's programmes, and Master's students into Doctoral studies. Preliminary townhall meetings held on the Butterworth and Queenstown Campuses to create awareness about the initiative attracted a total of 55 participants, indicating relatively wide support among the target student cohorts.

An Entrepreneurship Coaching series was also launched, targeting final-year Master's and Doctoral candidates.

ASSOCIATED RESEARCH ENTITIES

The National Pollution Laboratory

The National Pollution Laboratory (NPL) exists as a project through an MOA signed with the Department of Environmental Affairs (DEA). The NPL carried out various activities as part of its mandate, for example:

As part of its South Africa National Antarctica programme, in 2018-2019, NPL technicians, Ms V Momoti and L Ndlela, together with Ms L Nettie, a technician at the NPL, collected water samples at Gough Island, Antarctica.

The NPL is also involved in the Benguela Current Convention, involving three countries. Dr. Nakin, the acting project manager, participated in a workshop for the Development of Assessments for the Prevention and Management of Marine Litter for Western, Central and Southern Africa and which was held in 2019 in Windhoek, Namibia.

Risk and Vulnerability Centre

The Risk and Vulnerability Science Centre (RVSC) received a grant from the Department of Science and Technology through NRF-SAASTA to host the National Science Week (NSW) at WSU (Mthatha Campus) between 29 July to 5 August 2019.

The participating schools in the NSW were drawn from OR Tambo DM and Alfred Nzo DM. The total number of learners who participated in the NSW was 1772. Other stakeholders such as WSU's various Faculties, Government Departments, NGOs, and Research equipment suppliers participated in the event.

PART F: COMMUNITY ENGAGEMENT

WORK-INTEGRATED LEARNING

Some academic programmes offered at the University require that students spend a certain period in the workplace in order to integrate the theory they learn in the classroom with practice. Students registered for these programmes cannot graduate unless they finish the WIL component of their studies. The WIL Unit finds the placement opportunities and coordinates the entire process until the student completes the experiential training. The Unit also places unemployed WSU graduates for internship with the help of funding from the SETAs and NGOs.

Work-Integrated Learning funding

Funder	Programmes funded	No. of students Funded	Stipend paid per student
Department of Education	ND: Office Management & Technology; ND: Administrative Management; and ND: Human Resources Management	10	R5000
FoodBev SETA	ND: Electrical Eng. and ND: Mechanical Eng.	54	R5000
South African Graduate Development Association (SAGDA)	ND: Marketing	9	R4000
Entle Communications	ND: Journalism; ND: Public Relations; ND: Marketing	12	R3800
Council for Built Environment (CBE)	ND: Building	36	R3000
CSIR-TLIU	ND: Mechanical Eng. ND: Electrical Eng. ND: Analytical Chemistry	12	R4454

African Footprints of Hope Organisation	ND: Building	20	R5000
EC Office of the Premier	ND: Electrical Eng. ND: Mechanical Eng.	49	R2500
KMS – Through the WSU/ UIF funded project	ND: Administrative Management; ND: Financial Accounting	16	R4500

Work-preparedness programme (WPP)

The work preparedness programme aims to prepare the students for the industry they are about to join. The sessions cover a range of topics, including expectations and responsibilities of all parties involved, labour law and labour relations, workplace codes of conduct, as well as CV writing and interview skills. The students in the following academic programmes received the WPP: Engineering, Public Relations, Marketing, Food and Consumer Science, Sports Management, Administrative Management, Small Business Management, Office Management and Technology, and Hospitality Management.

WIL Visitations

It is compulsory for WIL academic coordinators to visit every student at least once during their WIL programmes as part of monitoring and evaluation. It also strengthens the relations between the University and the hosting companies. In 2019, the academic WIL coordinators for the following WIL programs visited the WIL students in the following academic programs:

ND: Hospitality Management – BC, Butterworth & Mthatha Campuses
ND: Mechanical Engineering – BC & Butterworth Campuses
ND: Building – BC & Butterworth Campuses
ND: Journalism – BC Campus
ND: Sports Management – BC Campus
ND: Administrative Management – BC Campus
ND: Public Relations Management- BC & Mthatha Campuses
ND: Marketing – BC Campus
ND: Electrical Engineering – BC & Butterworth Campus
ND: Civil Engineering – BC & Butterworth Campuses
ND: Food and Consumer Science – BC Campus
ND: Tourism Management – BC & Butterworth Campuses
ND: Analytical Chemistry – BC Campus
ND: Small Business Management – BC Campus

SERVICE LEARNING

The following Service-Learning Modules were successfully implemented during the 2019 academic year.
The table below details the Service-Learning Programme activities, the number of community sites used, the number of community participants and the number of students who visited those sites.

Name of the Service-Learning Module (Community site where module was rolled out)	Program (Year/Level in which module is implemented)	No of students involved	Number of community members who participated in the module
Faculty of Health Sciences			
Population Medicine Service-Learning Module (Bhaziya, Mbekweni, Mhlakulo, Ngangelizwe, Mqanduli, Qumbu, Stanford Terrace)	MB ChB (3rd Year level)	110	770
Community Health Nursing Science Service-Learning Module (Bhaziya, Mbekweni, Mhlakulo, Ngangelizwe)	B Cur (1st Year level)	80	600
Health Promotion Practicum (Bizana, Lusikisiki and Mount Frere)	BSc (Health Promotion) (2nd and 3rd Year Levels)	25 - 2nd Year level 28 - 3rd Year level	3000

Faculty of Humanities, Social Sciences and Law			
Practicum A (Psychology) Service-Learning Module (Bhaziya, Mbekweni, Mhlakulo)	B Psych (3rd Year level)	16	270
Street Law (Bhaziya)	LL B (4th Year level)	15	60
Economic Theory (Chris Hani Informal Settlements, Payne Village)	B Com (Economics) (3rd Year level)	16	60

STRATEGIV PARTNERSHIPS

MoUs and MoAs Signed in 2019

Some partnerships are more active than others and what follows sets out some of the 2019 highlights.

Organisation Name	Purpose	Signed date
National Partnerships		
Kwan2Telecoms	Mobilising funds to support students	MoA signed on 3 May 2019
South Africa Institute of Chartered Accounting (SAICA)	Accredit WSU as an AT (SA) accredited training provider	MoA signed on 10 October 2019
University of Free State	Academic Collaboration Agreement	MoA signed on 20 September 2019
Insurance Sector Education and Training Authority (INSETA)	Bursaries for students	MoA signed on 8 September 2019
Local Government SETA (LGSETA)	Bursaries for students	MoA signed on 9 October 2019
Mining Qualification Authority	Bursaries for students	MoA signed on 4 September 2019
Wholesale and Retail Sector Education and Training Authority (W&RSETA)	Bursaries for students	MoA signed on 22 October 2019
BankSETA	Staff Development project; Bursaries for students	April 2019
ETDP SETA	Training and Development for staff; Special financial support for needy students; Support for WIL students; Bursaries for students.	Various agreements for different projects signed in 2019.
Nelson Mandela University (NMU)	Academic collaboration agreement	MoU signed on 21 September 2019
Department of Human Settlements (Eastern Cape)	Research and development	November 2019
ABSA	Bursaries for students	June 2019
International Partnerships		
Hangzhou Vocational and Technical College (HVTC – PRC)	Academic collaboration agreement (including staff and student exchange programmes)	MoU signed on 10 September 2019
Lagos State University (Nigeria)	Curriculum collaboration, research collaboration, staff & students exchange programmes	December 2019
Coventry University (UK)	Curriculum collaboration, research collaboration, staff & students exchange programmes	June 2019

National Manpower Development Secretariat, LESOTHO	Bursaries for students	January 2019
Masinde Muliro University of Science and Technology, KENYA	Research collaboration; staff and student exchange	January 2019

ICT for Rural Development

ICT Summit 2020, East London

The Eastern Cape e-Skills ICT for Rural Development CoLab exists as a project through an MOA signed with NEMISA, a state-owned entity. The CoLab is located within BCC and Mthatha campuses at Walter Sisulu University. The BCC FSET Dean is the chair of the CoLab Management Committee. During 2019, Colab was involved in varying ICT activities. It participated in the Eastern Cape ICT Summit hosted by Imbizo Events on the 20 and 21 November 2019.

The theme of the Summit was 'Digital Inclusion for a sustainable 4IR Future for Africa working with Private and Public Sector Stakeholders'. The event was attended by more than 500 delegates, providing CoLab an excellent opportunity to showcase EC and NEMISA's ICT national agenda. Approximately 500 delegates from business, education and government were in attendance. The EC CoLab was part of a round table discussion entitled 'What the Fourth Industrial Revolution means for South African Economy: Capital ICT Skills Development'.

Furthermore, CoLab signed a pilot MoA with Fort Hare School of Science and Technology (FOSST) Discovery Centre to collaborate in the pilot rollout of robotics training. On 28 – 30 of August 2019, training was conducted in Butterworth and accommodated 68 pupils from Caley, Zizamele, SW Mbanga, Siyanda and Ncapai primary and junior schools. Further training was conducted in Queenstown (120 learners) and at the ICT Summit (62 learners).

Butterworth Robotics training

Other CoLab Initiatives

Provincial ICT Working Group and Broadband, September (East London) and December (Mthatha)

CoLab and ECSECC signed an agreement in 2018 for the development of a five-year provincial digital skills plan to consolidate provincial participation on Industry 4.0. The Eastern Cape ICT working group is co-chaired by the Premier's Office and the Eastern Cape Socio Economic Consultative Council (ECSECC). The group meets quarterly for updates on various ICT initiatives within the province.

The CoLab attended provincial ICT Working Group meetings on 26 September 2019 (in East London) and 5 December 2019 (in Mthatha). The CoLab had the opportunity to present its 2019/2020 work progress.

Introduction to Coding, Johannesburg and Mount Frere The CoLab hosted a 2- day programming session from 5 – 6 September 2019 for 31 NEMISA staff members at their Head Office in Parktown, Johannesburg. The training was designed to give our funders exposure to CoLab activities.

A similar session was hosted in September 2019 in the form of a LEGOThon (i.e. all-night event) in Mount Frere for learners from Mount Frere High School. The CoLab engaged an expert to facilitate the sessions.

Digital Marketing for SMMEs

Between July and September 2019, the CoLab hosted three 'Digital Marketing for SMMEs' sessions in Libode, Queenstown and Butterworth. A total of 112 people attended. The CoLab also hosted a Digital Marketing session for Professional Communication in East London, whereat 23 people attended.

Digital Marketing in collaboration with Enoch Mgijima Local Municipality

Mqhekezweni Village Project

The Mqhekezweni Village, which is where the late President Nelson Mandela grew up, was declared a National Heritage Site and is currently awaiting the outcome from the United Nation of being classified as a World Heritage Site.

During the reporting period, WSU in partnership with the Mqhekezweni Great Place and with numerous stakeholders such as the National Heritage Council, the Department of Social Development, OR Tambo DM, KSD LM and others have had two planning meetings to explore the community projects that will be rolled out in this village.

WSU in partnership with the Department of Social Development launched its presence and projects at Mqhekezweni Village by participating in community dialogues on 17 July 2019 and hosting the National Population Day on Nelson Mandela Day on 18 July 2019.

merSETA

When the merSETA project came into being in 2016, it committed to fund staff development, academic programme development and research development for the Faculties of Engineering at WSU. The partnership came to an end in December 2019 although arrangements for a new partnership are underway.

Implementation of the project began in January 2017 and to date it has graduated 3 Masters and 2 PhDs and by the end of 2020 an additional 8 Masters and 1 PhD will be graduating.

INTERNATIONALISATION

Industry Representatives receiving feedback on progress, and advising staff – 12 Nov 2019

Coventry-Stellenbosch UCDP-funded project

This UCDP collaborative project has WSU as a lead partner and the MoA was concluded in June 2019. The project aims to capacitate staff at WSU and enable student engagement in effective meaning-making practices aligned to industry needs and supported through explicit curriculum mapping and problem-orientated pedagogic initiatives. Thereafter, the partners met to work out the details of the implementation plan.

In 2019, WSU and her partners hosted various activities, firstly, on 11-14 November they hosted a workshop with three important strategic thrusts; a curriculum mapping exercise which provided participants with an opportunity to share curriculum perspectives and best practices.

The second theme, 'Learning the world of work' aimed to prepare students for the industry they are about to join or training for. It thus 'bridges' the gap between theory and practice.

Concerning the third thrust on staff development, participants' supervisory skills were enhanced. This intervention dovetails with WSU's vision of increasing the cohort of postgraduate students, especially in engineering.

The staff development programme's primary goal is to increase the number of permanent WSU academic and professional staff with doctoral qualifications. Resultantly, 10 WSU staff members have registered for doctoral programmes.

TRANSFORMING STAFF DOCTORAL RESEARCH

The MoU between WSU and Coventry University was signed by the Prof JR Midgley, Vice Chancellor (WSU), and Prof Richard Dashwood, DVC: Research (Coventry University)

PART G: CONCLUSION

The year under review has seen modest improvement in all the key areas of the academic project although we still rank low in the league of our South African peers. This positive development may be attributable to the improvement of staff qualifications, better attendance at professional development activities and to the implementation of the promotion policy. It is anticipated that the recent appointments of the Senior Directors to the Teaching & Learning and the Research & Innovation directorates and the DVC:AAR will usher in a new era of sustained improvements in the academic project for WSU from 2019 onwards.

Professor JR Midgley
CHAIRPERSON OF SENATE

PERFORMANCE ASSESSMENT ON CORE BUSINESS

It is a requirement that the performance assessment section of the annual report is prepared in accordance with the Annual Performance Plan (APP) for the reporting year (2019), that was submitted to the Department of Higher Education & Training (DHET) by the University. Walter Sisulu University (WSU) has therefore prepared this section of its annual report in accordance with the requirements of the Regulations for Reporting by Public Higher Education Institutions. Furthermore, the *Implementation Manual for Reporting by Public Higher Education Institutions* as prepared by DHET and gazette on Government Gazette, No. 37726, 9 June 2014, dictates that the University's performance assessment report should refer to "the key performance indicators and targets as stated in the Annual Performance Plan.

The University uses the audited HEMIS data to prepare the performance assessment section of its annual report, as this is the only official source of University data. It is only in cases where there is no official record kept that the University will augment with data external to HEMIS data source. The 2019 figures presented in this report will not incorporate any changes that may be applied on the University data after 20 May 2020.

Key Performance Area 1: Academic Excellence

There are four dimensions to KPA 1: Academic Excellence, namely:
- Access Indicators
- Success Indicators, including Graduation and Throughput Rates
- Efficiency Indicators
- Research Indicators

Each of the above indicators are discussed in detail in the few sub-sections below, except the 'research indicators' which is briefly discussed in one of the sub-sections below, but a detailed discussion is provided in the section, titled **KPA2: Research and Innovation.**

Access

The access indicator relates to the total number of unduplicated student headcounts enrolled in a particular year for a formal qualification at the University. The student headcount enrolments set in the Annual Performance Plan is based on the targets set by the University in agreement with DHET in the University's enrolment plan. These targets are set for (i) First-Time Entering Students in Undergraduate programmes, which are students enrolled for the first time at a higher education institution for an undergraduate programme; (ii) First-Time Foundation enrolments, which are, students enrolled for the first time in foundation courses; (iii) Total headcount for Undergraduate and (iv) Total headcount for Postgraduate, and (v) the Overall headcount enrolments.

The Access performance indicator at WSU is set to also provides a perspective of the University enrolment performance per Major Field of Study. Perhaps, it may be worth highlighting here that the access performance indicator does not provide an exhaustive list of measures to assess University's performance on increasing access to education, but just some of the important measures.

Calendar Year	2017		2018		2019	
Key Performance Indicator	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**
A. Access (Enrolments)						
Headcount Enrolments	**28 585**	**30 517**	**29 100**	**32 123**	**29 000**	**33 572**
Headcount enrolments (foundation provisioning)	1 531	1 305	1 500	1 309	1 700	2 204
First-Time Entering Undergraduate	7 200	6 960	7 300	7 056	7 178	7 175
Headcount enrolments Total UG	27 100	28 656	27 500	29 788	27 500	30 818
Headcount enrolments Total PG	1 485	1 861	1 600	2 353	1 715	2 754
Enrolments by Major Fields of Study						
Science, Engineering and Technology	8 171	8 107	8 602	8 515	9 354	9 403

Business Management	9 259	10 294	8 864	10 062	8 469	10 195
Education	6 085	5 235	6 217	5 679	6 366	5 842
Other Humanities	5 071	6 881	5 417	7 866	3 206	8 132

The headcount enrolment for the 2019 academic year has exceeded the set target of 29,000 to reach a total of 33,572. This translates to an excess of 4,572 student headcount, this expressed in percentage is 15,8%. This over enrolment is due to the high number of returning students that could not be refused access to the system and has been building up since 2017 with just below 2,000 headcounts over the set target. This number of over enrolled students increased to 3,023 in 2018 and further increased to 4,572 headcounts in 2019. In other words, the 2019 total enrolment target has been exceeded by 15,8% to reach total headcount enrolment of 33,572. Although this is the case, the overall enrolment for the reporting year has increased by 1,549 headcounts from that of the previous year.

While the University has exceeded its overall enrolment target, it has fell short to meet its set target for First-Time Entering undergraduate students by 1,7%, reaching 7,175 instead of the set target total of 7,058. Contrary to this, the University have exceeded its set target for First-Time Entering students in Foundation Programmes by 29,6%, this expressed in headcounts translates to an excess of 504 students. The total headcount enrolment in both under- and post-graduate programmes have been exceeded by 3,318 (12,1%) and 1,039 (60,6%), respectively. Lastly, the enrolment by major fields of study have exceeded the target for all except Education which fell short to reach the target by 8,2%. The Science, Engineering and Technology (SET) is almost within its target having exceeded by just 49 headcounts translating to 0,5%; while the Business/ Management (Bus/Man) Sciences and Other Humanities fields of study exceeded the target by 1,726 and 4,926 headcounts, respectively.

Success

This performance indicator presents two dimensions at which the success of a student may be measured, with the first dimension being the success rates which provides for assessment of progression by students towards completion of a qualification and the second being the actual output in terms of graduation. One may also want to attach a time factor into the completion of qualifications by students, which therefore presents another and a third perspective of measuring the success of a student, the throughput. This dimension of success is normally based on a cohort which started in a particular year, however, it is not presented in this report as the University did not set itself targets for this dimension of performance.

It is therefore the intent of this success indicator to present University performance in terms of the success rates presented as the degree credit success rates (or pass rates). The degree credit success rates are calculated as the quotient of completed course credits to those that were enrolled, in terms of courses and/or modules.

Calendar Year	2017		2018		2019	
Key Performance Indicator	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**
B. Success						
Success Rate	**75%**	**79%**	**75%**	**79,0%**	**82,0%**	**77,6%**
Success Rate UG	75%	81%	75%	80,1%	82,0%	79,7%
Graduates						
Graduates UG	5 921	5 460	6 210	6 371	5 990	6 108
Graduates PG	379	512	396	759	530	916
Undergraduate Output by Scarce Skills						
Engineering	227	257	234	369	275	334
Life and Physical Sciences	114	87	124	98	124	150
Animal and Human Health	226	245	238	262	255	287
Teacher Education	944	1 096	959	1 454	798	981
Graduates PG	379	512	396	759	530	916
Undergraduate Output by Scarce Skills						
Engineering	227	257	234	369	275	334

Life and Physical Sciences	114	87	124	98	124	150
Animal and Human Health	226	245	238	262	255	287
Teacher Education	944	1 096	959	1 454	944	981

The performance, in terms of, the success rates for the 2019 academic year overall is above the set target, the University have registered a 77,6% success rate against a target of 75%. The undergraduate programmes have recorded a 79,7% success rate, while the postgraduate degrees have recorded a success rate of 53,9%.

The success rate by major fields of study ranging from the highest to the lowest are 85,8% for Education against a target of 84,6%; 80,5% for Other Humanities against a target of 73,3%; 73,6% for Business and Management Sciences against a target of 71,3%; and 70,2% for SET against a target of 73,8%. It is only SET that has not met its success rate targets, while all other major fields of study have met and exceeded its targets. The overall success rate shows a decline from 79% in 2018 to 77,6% in 2019 and also for undergraduate programmes a decline from 81% in 2017 to 79,7% in 2019.

The University has exceeded its graduates headcount target by 96 headcounts to reach 7,024 against a target of 6,928 set for 2019 academic year. The highlight in exceeding the target on graduates is the postgraduate level where graduates have been exceeded by 97,6% to reach 916 graduates instead of the set target of 530 graduates. Finally, the graduates target has also been exceeded in all scarce skills areas, Teacher Education appears to have dropped from the previous year, however, the 2018 graduates presented are inclusive of the postgraduate level graduates, while the 2019 are exclusive of postgraduate.

Efficiency

The efficiency performance indicator relates to what the University puts in place in terms of human resources to support efforts of excellence in the academic project. Firstly, it reflects on the headcount of instructional/research staff which are commonly referred to as the academic staff of the University, that are at the employ of the University to serve the academic project. All University staff are appointed either on a permanent or a temporary basis. Therefore, the headcount of the permanent academic staff includes all academic staff appointed on a permanent basis who were in service for any period from 1 January to 31 December 2019.

This indicator further looks into the ratio of permanent instructional/research staff as FTE against students to give an indication of a number of students against an academic staff member. The proportion of permanent academic staff whose highest qualification are a Master's degree or a Doctoral degree is also indicated in this indicator. Lastly, academic staff undergoing staff development through NGap are also indicated in this indicator.

Calendar Year	2017		2018		2019	
Key Performance Indicator	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**
C. Efficiency						
Instructional/Research Professional Staff	-	853	-	878	-	886
Headcount and FTE's of permanent instructional / research professional staff	621	580	636	620	620	-
% Staff with Doctoral Degrees	13,7%	13,6%	14,9%	12,6%	16%	15,4%
Number of nGap Staff	4	6	4	11	11	16
Ratio of FTE Students to FTE Instructional/Research Staff	30,5	32,5	31,0	34,1	33,4%	32,9
Number of nGap Staff	4	6	4	11	11	16
Ratio of FTE Students to FTE Instructional/Research Staff	30.5	32.5	31	34.1	33.4%	32.9
FTE Students	23 127	25 891	23 525	27 856	24 006	27 207

The instructional/research professionals or academic staff makes up a total of 886 headcounts from the total staff complement. From that total, 616 at the end of 2019 were permanently employed by the University, which has slightly decreased from the total of 620 recorded at the end of 2018.

The headcount of Instructional/Research Staff for both permanently and temporally employed staff translates to a total of 827 Full-Time Equivalent (FTEs). This gives us a consistent FTE/headcount ratio of 0.93 for 2018 and 2019 academic years.

The efficiency performance indicator presents an improvement from 2018 to 2019, in that, the percentage of staff with both Masters and Doctoral degrees have improved. Secondly, the FTE ratio of student to staff also improved from 34,1 to 32,9; meaning that, the load of teaching for academic staff has gone down. This means that the set target of 33,4 for the reporting year has been exceeded.

Research Output

This indicator reflects part of the research outputs of the University, viz. the approved publication units generated by journal articles, books or book chapters, and conference proceedings. Excluded from this indicator are research units generated by the research component of the master's and doctoral degrees that the University awards to students.

Calendar Year	2017		2018		2019	
Key Performance Indicator	Target	Actual	Target	Actual	Target	Actual
D. Research Output						
Publication Units per FTE Staff	0,10	0,13	0,10	0,10	0,25	0,16
Research Masters Graduates	16	8	20	8	40	10
Doctoral Graduates	8	9	10	3	81	11
Doctoral Graduates	8	9	10	3	27	11

The publication units as defined above are sitting at 101,15 units, 31 units more than the set target which translates into 47,9% above target. The Publication Units per Permanently employed Instructional/Research Staff for the reporting year shows an improvement from the 0.10 ratio of the previous year to 0,16 in 2019. On the other hand, the research Masters graduates has fallen short to reach the set target of 40 graduates by 30, only managing to record 10 graduates.

Key Performance Area 2: Research and Innovation

Research and innovation, in this case, means the activities performed as part of the value chain of creation and application of knowledge for the development of the communities served by WSU, and beyond. These activities are informed by close engagement with communities at various levels, and together they inform teaching and learning and the PQM. Community, in this case, means people and their livelihoods, including government, business and civil society. The reality is that WSU is located in a largely rural agricultural economy that is linked to urban centres, although two of the University's campuses are located in urban centres. This straddling of rural and urban locales is beneficial in many ways, but it necessitates an integrated academic approach to respond to specific socio-economic realities. The particular focus of research and innovation is to generate knowledge and products that improve lives and livelihoods. Put simply, research at WSU must be informed by community engagement, and must recognise the value of local input and the role of provincial, national and international development policies, frameworks and strategies. Robust community engagement, collaboration and network-building will necessarily determine the pedagogy and content of the PQM. Research chairs and postdoctoral fellowships will be established through funding from NRF, the private sector and other development stakeholders, both nationally and internationally. Research niche areas will be established to drive research and serve as seedbeds of innovation and a base for the development of postgraduate talent. Local researchers will be developed through training, networking and exchanges, and additional researchers will be recruited.

With specific regard to 'research indicators', especially as a dimension of academic excellence (see KPA 1 above), it must be pointed out that the University's research output figures for any given year represent accredited publication units generated through journal articles, books, book chapters, and conference proceedings. The research indicators for 2019 (with comparative data for 2018 and 2017) are provided in the table below:

Strategic Objective	High-level Indicators	Strategic Plan Target	Target year : 2019		Strategies / projects/ activities to achieve output
			Target	Actual	
To increase the number of staff and students participating in research so that all academics participate.	Number of academics	300	200	743	Research associates and contract researchers will be appointed and they will, amongst others, mentor and coach novice researchers in faculty and departmental projects and institutional niche areas.
	Number of research chairs.	3	2	1	
	Number of postdoctoral research fellows	20	10	12	
	Number of postgraduate students	1601	2450	1 686	
Increasing subsidy earning research output of academic staff members to 0.5 units per permanent academic staff member (total of 300 subsidy earning research output units).	Total number of subsidy earning conference proceedings	60	30	4,84 units (unaudited)	The following workshops will be conducted to assist researchers: Research paper writing, post-graduate student supervision, book writing, book chapter writing, thesis and dissertation writing. The funding of the attendance of conferences will be increased. Research policies will be reviewed.
	Total number of subsidy earning journal articles	170	100	87,89 units (audited)	
	Total number of subsidy earning book chapters	25	10	4,92 (unaudited)	
	Total number of subsidy earning books	3	4	0	
	Total number of research masters graduates	30	40	48	
	Total number of research doctorates	8	27	10	
	Total subsidy earning Publication Units	40	84	133	
To increase the applied research outputs to 5% at postgraduate level.	The percentage of applied research outputs at postgraduate level	5%	4%	27,9%	Higher incentives for applied research. New institutional and campus research niche areas in applied research.
	Number of approved institutional research niche areas	3	5	0	
Increase the number of research grants to 150. Increase the number of research grants to 150.	Number of WSU research grants	150	100	6	Proposal writing workshops and an increase in the number and quality of proposals submitted to the National Research Foundation and other private research funding agencies. Proposal writing workshops and an increase in the number and quality of proposals submitted to the National Research Foundation and other private research funding agencies.
	Number of NRF research grants	60	30	12	
	Number of government community engagement research grants	30	25	1	
	Number of private sector community engagement research grants	55	50	2	

Strategic Objective	High-level Indicators	Strategic Plan Target	Target year : 2019		Strategies / projects/ activities to achieve output
			Target	Actual	
Increase the value of research grants to 20 million.	Value of WSU research grants	R23m	R15m	R5,5m	Proposal writing workshops and an increase in the number and quality of proposals submitted to the National Research Foundation and other private research funding agencies. Proposal writing workshops and an increase in the number and quality of proposals submitted to the National Research Foundation and other private research funding agencies.
	Value of NRF research grants	R54m	R15m	R11m	
	Value of government community engagement research grants	R5m	R4m	R2,6m	
	Value of private sector community engagement research grants	R22m	R15m	R20m	
Increase the number of research bursaries to 1600.	Number of WSU research bursaries	750	450	58	Establish relationships through partnerships with government and the private sector for the support of postgraduate student funding and setup and WSU postgraduate student fund. Establish relationships through partnerships with government and the private sector for the support of postgraduate student funding and setup and WSU postgraduate student fund.
	Number of NRF research bursaries	425	300	105	
	Number of other government research bursaries	200	100	12	
	Number of private sector community engagement research bursaries	225	100	1	
Increase the value of research bursaries to R56 million.	Value of WSU research bursaries	R12m	R10m	R1,3m	Establish relationships through partnerships with government and the private sector for the support of postgraduate student funding and setup and WSU postgraduate student fund. Establish relationships through partnerships with government and the private sector for the support of postgraduate student funding and setup and WSU postgraduate student fund.
	Value of NRF research bursaries	R15m	R15m	R7,6m	
	Value of other government research bursaries	R14m	R10m	R346K	
	Value of private sector community engagement research bursaries	R15m	R12m	R45K	

Key Performance Area 3: Community Engagement

Community engagement is considered a flagship for the University, the aim is for it to be infused in academic programmes and research. This is based on sustainable relationships with communities which are professionally regulated with memoranda of understanding and/or agreements that are tailor made to suit each partner, under the overall regulation of the WSU community engagement policy.

High level Indicators	Strategic Plan Target	2018		2019			Strategies / projects/ activities to achieve output
		Target	Actuals	Target	Mid-year	Actual	
Percentage of infusion of community engagement	50%	45%	47%	45%	47%	47%	Faculty-based workshops on the infusion of Community Engagement will be held. The community engagement committees of departments and faculties will monitor and oversee the infusion of community engagement into the curriculum.
Percentage of students timeously placed for service learning and/or work integrated learning in all relevant programmes	100%	85%	85%	85%	75%	85%	Partnerships with communities, public and private sectors will be strengthened. Students will be compelled to attend all student preparedness programmes. The community engagement committees of departments and faculties will monitor and oversee WIL and Service Learning programmes.
Number of research projects that address the prioritized community needs.	40	35	40	35	42	42	The community engagement and research committees of departments and faculties will monitor and oversee the work of the departments in the development of the research projects with the communities (e.g. industry partners).
Number of academic programmes with infused rural development	50%	25%	25%	25%	26%	26%	Faculty-based workshops on the infusion of rural development will be held. The rural development committees will monitor and oversee the infusion of the rural development into the curriculum.
Percentage implementation of MoU's with key partners.	70%	80%	85%	80%	78%	85%	Intensify the roll-out of projects flowing from the current MoU's/ MoA's. The community engagement committee will review the MoU's and assist the departments and faculties in identifying new projects and partners.

Key Performance Area 4: Student Life Experience

WSU desires to create an environment that also gives students an out of classroom experience that enhances their stay at the University. This is done, amongst others, by providing student residences that are conducive to living and learning, student health and wellness, adequate smart learning, sporting and recreational infrastructure.

Strategic Objective	High-level Indicators	Strategic Plan Target	2018		2019			Strategies / projects/ activities to achieve output
			Target	Actuals	Target	Mid-year	Year end	
Increase the number of students who utilise health care facilities to 50% of all students per annum by 2019.	Percentage of total students visiting health care facilities	50%	35%	87%	45%	33%	31%	Conduct health awareness campaigns. Make health facilities customer-friendly environments.
	Percentage of students participating in preventative health programmes	50%	30%	87%	40%	33%	31%	Conduct health awareness campaigns. Make health facilities customer-friendly environments.
Ensure that a minimum of 50% of all students participate in student governance processes per annum by 2017 onwards.	Percentage of students participating in student elections	50%	50%	44%	60%	Elections only held in Sept	36%	Hold annual SRC elections. Improve SRC accountability mechanisms. Introduction of Democracy Open Lectures and Human Rights Colloquia to educate the students about the importance of participating in the election of their own representatives.
	Percentage participation of women in student leadership	50%	50%	47%	50%	26%	26%	Amend SRC constitution to provide for compulsory female candidate delegations at 50%.
	No. of disabled students in student leadership	4	4	0	4	0	0	Encourage participation of students with disabilities.
Increase the provision of modern student recreation and sports facilities to cater for a minimum of 10% of all students in the four campuses by 2019.	No. of new student centres built (1 per campus)	4	0	0	1	0	0	Develop funding proposals; no funding secured yet.
	No. of new sport complexes built (1 per campus)	1	1	0	1	0	0	Develop funding proposals.
	No. of wellness centres in all campuses	5	5	4	5	4	4	Funding applications.
Increase number of University owned modern student residences to cater for 8124 students by 2019 (i.e. 30% of student population per campus).	No. of University owned beds provided	8124	6184	5056	6184	6184	6184	Use IEF Grant funds for resident development.

Strategic Objective	High-level Indicators	Strategic Plan Target	2018		2019			Strategies / projects/ activities to achieve output
			Target	Actuals	Target	Mid-year	Year end	
Undertake student satisfaction surveys on the quality of their student experience.	Percentage satisfaction of students with their student experience on the various student support functions	50%	50%	55%	55%	Questionnaire being processed	0	Develop a survey instrument; Perform a satisfaction survey by campus; A questionnaire developed, survey to be done immediately after registration.

Research Day

Key Performance Area 5: Sustainable and Viable Institution

The development of a sustainable and viable university is at the core of the WSU turnaround project. The creation of a strong and firm financial base is at the centre of the new strategy. The achievement of the sound financial base will enable the University to deliver on her core mandate of excellence in teaching and learning and research. The implementation of the new institutional organogram is at the centre of the Human Resource strategy for the reduction of the personnel budget. Information technology as a key strategic enabler seeks to lay the platform for effective management. With the development of physical infrastructure, the university aims to modernize her infrastructure and ensure that it is safe and user friendly to the university community.

Strategic Objective	High-level Indicators	Strategic Plan Target	2017 Actual	2018 Actual	2019			Strategies / projects / activities to achieve output
					Target	Mid-year	Year end	
Reduce student debt to 10% of all student fees per academic year by 2019 (student debt ratio).	% student debt per annum (Student debt before provision for doubtful debts / (tuition + other fee income)	< 0.20:1	0.50:1 (50%)	0.25:1 (25%)	0.50:1 (50%)	Reported at year end	0.42:1	Student accounts regularly sent to parents. Settlement terms agreed with parents to be monitored regularly.
	% student debt per annum (Student debt after provision for doubtful debts / (tuition + other fee income)	< 0.20:1 (20%)	0.30:1 (30%)	0.20:1 (20%)	0.30:1 (30%)	Reported at year end	0.21:1	Student accounts regularly sent to parents.
Obtain a clean audit opinion for 2018 and maintain it thereafter.	Audit opinion	Unqualified audit	Audit disclaimer in 2017	Qualified audit for 2018	Unqualified audit	Qualified audit for 2018	Unqualified audit	Implement policies and strengthen financial control measures.
Achieve a break-even budget, with a small reserve built in.	Council-controlled income to expenditure ratio	1.0:1	1.0:1	1.0:1	1.0:1	1.1:1	1.1:1	• Cost cutting measures have been introduced. • Strengthen budgeting processes. • Introduce monthly management accounts as a performance monitoring tool. • Improve cash flow management.

Strategic Objective	High-level Indicators	Strategic Plan Target	2017 Actual	2018 Actual	2019			Strategies / projects / activities to achieve output
					Target	Mid-year	Year end	
Achieve an operating surplus and maintain it over a long term (opera-ting surplus ratio).	Operating surplus ratio; total income (excluding other in-come) less total expenses/ total income (ex-cluding other income)	0.001:1	0.0050:1	0.0040:1	0.0040:1	Reported at year end	0.06:1	• Cost cutting measures have been introduced. • Strengthen budgeting processes. • Introduce monthly management accounts as a performance monitoring tool. • Improve cash flow management. • Reduce operating costs to reasonable levels: o Payroll costs; o Leasing on student private residences (or negotiate reasonable rental rates); o Leasing of administration offices. • Introduce quarterly variance analysis to monitor actual costs vs. budget.
	Council controlled income as % of total income	0.7:1	0.76:1	0.75:1	0.75:1	Reported at year end	0.68:1	Cost cutting measures have been introduced. Strengthen budgeting processes. Introduce monthly management accounts as a performance monitoring tool. Improve cash flow management. Reduce operating costs to reasonable levels: o Payroll costs; o Leases on student private residences.
	Restricted funds as % of total income (excluding other income)	0.1:1	0.10:1	0.10:1	0.10:1	Reported at year end	0.08:1	Monthly management accounts preparation has been introduced as a performance monitoring tool. Monthly expenditure reconciliations introduced.
	Student accommodation as % of total income (excluding other income)	0.2:1	0.14:1	0.15:1	0.15:1	0.20:1	0.24:1	

Strategic Objective	High-level Indicators	Strategic Plan Target	2017 Actual	2018 Actual	2019			Strategies / projects / activities to achieve output
					Target	Mid-year	Year end	
Achieve an operating surplus and maintain it over a long term (opera-ting surplus ratio).	Total annual surplus achieved	1% - 3% surplus over long term	>1%	>3%	>3%	Reported at year end	0.06:1	Introduce measures to reduce student debt to reasonable levels. Improve cash generating capabilities/ investments. Improve 3rd stream income generation.
Ensure a liquidly ratio of 2:1 (current assets: current liabilities) and above by 2019.	Liquidity ratio	Liquidly ratio of 2:1 (Current assets: current liabilities) and above by 2019.	> 1:1	> 1:1	>1:1	Reported at year end	1.75:1	Introduce measures to reduce student debt to reasonable levels. Improve cash generating capabilities/ investments.
Ensure a quick ratio of > 1:1 (current assets: current liabilities) and above by 2019.	Quick ratio: (Current assets - inventory and student debtors)/ Current liabilities	>1:1	>1:1	>1:1	>1:1	Reported at year end	1.75:1	Introduce measures to reduce student debt to reasonable levels. Improve cash generating capabilities/ investments.
Ensure four month and annual sustainability ratios of 1 by 2018 and maintain them there-after.	Short term sustainability ratio	1.0	1.0	<1.0	1.0	Reported at year end	0.23	Strengthen internal controls. Encourage adherence to financial policies (especially the SCM policy). Strengthen monthly financial reporting so that actual vs. budget expenditure can be closely monitored. Invest funds to generate reserves in order to improve the financial viability of the institution.
	Annual sustainability ratio	1.0	0.4	0.6	0.6	Reported at year end	0.93	

Strategic Objective	High-level Indicators	Strategic Plan Target	2017 Actual	2018 Actual	2019			Strategies / projects / activities to achieve output
					Target	Mid-year	Year end	
Ensure income streams that will ensure that the institution is able to generate funds for its survival.	Subsidies and grants (% of the university's revenue made up of government grants vs. total income, excluding other income)	40% - 45%	54%	54%	54%	48%	55%	Need to generate income from other income streams as well such as: Donations; Consultancy fees; 3rd stream income generation.
	Tuition & residence fees as a % of total income, excluding other income	35%	46%	46%	46%	52%	41%	Need to change the funding model from being dependent on tuition fees (as the other main source of income) to that of generating income from other sources (such as those stated below).
	Third stream income (excluding other income) / total income (excluding other income)	20%	>1%	>1%	3%	0%	0%	Improve 3rd stream income generating capabilities: Donations; Contract research; Consultation fees.
Ensure an annual short-term council controlled reserve is at a ratio of 0.4 by 2019.	Short-term council controlled reserve ratio	0.66:1	0.1:1	(1):1	0.1:1	Reported at year end	0.21:1	Improve cash generating capabilities.
Ensure a solvency ratio that is greater than 1:1.	(Total Assets - PPE) / Total Liabilities	> 1:1	>1.1	1:1	1:1	0.78:1	1.08:1	
Increase the third stream income to at least R40m per annum by 2019.	Rand value of third stream income per annum	At least R40m per annum.	R15m	R15m	R20m	R11m	R22.3m	Improve 3rd stream income generating capabilities: Donations; Consultation fees; Contract research.
Reduce personnel costs to a maximum of 63% of unrestricted income from 2018 onwards.	Personnel costs as a % of unrestricted income	63%	68%	66%	63%	62%	62%	Implement the new organisational structure for both academic and support.
	Council Controlled Personnel costs/Block Grant	100% - 120%	146%	126%	100%	92%	117%	Implement the new organisational structure for both academic and support.
Reduce staff turn over to a maximum of 10% or below per annum.	% annual staff turnover rate	<10%	<10%	<10%	<10%	Reported at year end	6%	Implement match and place agreement for support staff. Complete the academic staff organogram.

Strategic Objective	High-level Indicators	Strategic Plan Target	2017 Actual	2018 Actual	2019			Strategies / projects / activities to achieve output
					Target	Mid-year	Year end	
Ensure that the ratio of academic staff costs to support staff costs is at least 60:40 by 2018 onwards.	The ratio of academic staff costs to support staff costs	60:40	60:40	60:40	60:40	58:42	60:40	Monitor personnel expenditure of academic staff against that of support staff.
Ensure that vacant academic posts are filled within three months by 2018 onwards.	Number of months to fill posts	3 months	3 months	3 months	3 months	Reported at year end	6 months	Implement developed recruitment standard operating procedure.
Improve the COBIT maturity assessment rating to a minimum of level 4 by 2019.	COBIT rating	level 4	Level 2	Level 2	Level 2	Reported at year end	Level 3	Refer to ICT assessment exercise.
Ensure 100% of all buildings meet the basic OHS Act requirements by 2019.	Percentage of buildings meeting the basic OHS Act requirements	100%	25%	35%	50%	Reported at year end	45%	Conducted OHS Audits, Reports available on campuses, and Fire Compliance issues attended, remedial work conducted regularly.
Ensure that all student residences are safe and secure with proper access control by 2019.	% of student residences that are safe and secure	100%	50%	60%	70%	Reported at year end	65%	Fire compliance attended – Fire plans Iphulo renovation, BCC Old Res renovation, BTW Village renovation reduced the number of unsafe student residences.
Increase the maintenance budget to 1% of build costs by 2019.	Percentage of maintenance budget against build cost	1%	0.5%	0.5%	0.8%	2%	6%	The reduction of personnel expenditure to 63% of unrestricted income will result in greater operational budget made available.
Gradually reduce the maintenance backlog budget by 10% every three years.	% reduction in maintenance back-log budget	20%	7%	10%	9%	Reported at year end	10%	Want to reduce maintenance backlog by 10%, it order to do that we need to increase maintenance budget [Maintenance Backlog Budget – R20 million in 2019]
Ensure that all buildings are compliant to universal access by 2018 onwards.	% of buildings that are deemed to have universal access	100%	75%	80%	90%	Reported at year end	85%	Universal Access at Chiselhurst, Universal Ramp – Kuwait Residence, Universal access ramp planned for BTW Electrical Building
Reduce over-utilisation of teaching facilities to 10% by 2019.	% over- utilization rate of teaching facilities	10%	50%	50%	30%	Reported at year end	50%	Still not have institutional wide electronic timetable

Key Performance Area 6: Governance and Management

The foregrounding of good governance as guided by the King IV Report shall be at the centre of the University's effective leadership. This will include the development of responsible and accountable student leadership. DHET has developed the Code of Good Governance Practice and Score Indicators for Council self-assessment on an annual basis. The University Council will be trained and oriented on these documents as they seek to improve Council's fiduciary responsibility. Being a multi-campus university with a wide geographic spread, it is important that the divisional management system is fully entrenched with proper governance and management systems.

Strategic Objective	High-level Indicators	Strategic Plan Target	2018		2019			Strategies / projects/ activities to achieve output
			Target	Actuals	Target	Mid-year	Year end	
Implementation of King IV principles.	Implement the practice of sustainable reporting	100%	100%	90%	100%	100%	100%	Implement a monitoring and evaluation tool on the compliance of statutory bodies.
Ensure that all governance structures are always functional.	A number of functional governance structures	17	17	17	17	17	17	Forward planning of all standing meetings/ development of committee charters.
Re-align the delegation of authority to the new divisional model to ensure a clear separation of powers between management and Council.	A realigned delegation of authority	1	1	1	1	1	1	Cascading of approved delegations from the Vice-Chancellor to Institutional Executives. Cascading from Campus Rectors to Campus Management.
Full implementation of the Divisional Management System by 2018 on-wards.	Percentage implementation of the divisional management system	100%	100%	90%	100%	100%	100% Ongoing	Appointment of staff to new organogram through, inter alia, the match-and-place process (HR driven). Orientation and training of staff subsequent to the match-and-place process.

VICE-CHANCELLOR'S REPORT ON MANAGEMENT AND ADMINISTRATION

PART A: INTRODUCTION

This report should be read in conjunction with two other annual reports, the Senate Report and the Performance Report on Core Business. These reports collectively review the University's performance against its strategic goals and objectives. The Senate Report focuses on the first three strategic goals relating to academic performance, this report on the goals relating to student life, management and governance, while the Assessment concentrates on the University's performance against its predetermined objectives.

This report deals with the following Strategic Goals set out in the University's five-year Strategic Plan:

- Improve the quality of student experience;
- Ensure a sustainable and viable institution; and
- Developing and sustaining efficient, effective and relevant corporate governance and management systems.

PART B: NATIONAL CONTEXT

THE NATIONAL ENVIRONMENT

A new Minister of Higher Education and Training assumed office following the general elections in April. We had worked well with Minister Pandor and thank her for the measured way in which she oversaw the Department. Minister Nzimande, having been in the position before, is no stranger to us and so we expect our sound relations with the Department to continue.

NSFAS

There has been a delay in developing a national funding framework for the Higher Education Sector. Indications were that a report will be issued for public comment around April 2020, with a view to implementation in 2021. WSU is heavily dependent on subsidy income and its fee income lags behind that of other institutions. We are not in a position unilaterally to correct this imbalance and hope that the new framework will consider the financial realities of institutions like ours. In the meantime, we are in a holding pattern as far as funding is concerned.

The start of the year is always dominated by student issues around registration and student funding remains the primary driver. As in previous years, administration of NSFAS bursaries and allowances dominated. Apart from stricter application of academic criteria, NSFAS introduced different rules in January; the most significant being that allowances had to be distributed in cash directly to students and not through any voucher system. WSU did not have the capacity to administer the 23,000-odd funding applications from WSU students, and related disbursements, which resulted in administrative inefficiencies and became a primary cause for student unhappiness.

The unexpected directive to pay allowances upfront also put the University under pressure from a cash flow perspective, but fortunately DHET and NSFAS agreed to bring forward other payments (in respect of monies they owed us) and so we were able to avoid going into overdraft.

PART C: STUDENT LIFE

POLICY ENVIRONMENT

With a spate of policies having been approved the previous year, policy development took a breather in 2019 and no new policies were put on the table. In the second semester, with SRC elections pending, some student organisations wanted to reopen consultations around the SRC Constitution, but this was put in abeyance.

STUDENT PROTEST CULTURE

Although there were minor incidents on all the campuses during registration, other than in Butterworth, the first six weeks of the year were far more peaceful than in the same period last year. Unfortunately, following calls by SAUS and SASCO for national protest action, the climate changed and from March onwards violent student protest action dominated the landscape on all campuses, but especially in Buffalo City and Mthatha. The academic time lost in the first semester was significant and the academic calendar and recess periods had to be revised substantially.

Thankfully, the second half of the year saw a decline in student protests although there were sporadic events around payment of NSFAS allowances. The change was largely brought about by the new Convocation Executive who had met with student leaders and brokered a public undertaking from them to refrain from engaging in destructive protest action in future.

The underlying reasons for the protest action are complex and are influenced by national calls, institutional issues and issues local to each campus, and this year, the general elections also had an impact. Payment of NSFAS allowances remained the central issue, however. Expectations created at national level that allowances would be paid to students in cash within three days of registration were unrealistic and imposed an unfair burden on the University, which in the past has struggled to meet standard payment dates. A second protest catalyst was slow student residence administration, which had many bottlenecks, including unreliable electricity supply. In the end, two campuses resorted to manual allocations to prevent escalating frustrations from students, but this in turn created major control difficulties.

In Butterworth an additional aspect surfaced and we lost a week's teaching time in August, not because of student action but because of community protest action around the water supply to the town. People came onto Campus initially to access water from our tanks, but this escalated to damaging our borehole system and our water containers. The water protest action resulted in R189,750 in property damage and additional security measures amounted to R1 543 426.

The financial implications of the first semester protest action is significant. Expenditure on security constituted WSU's second-highest expenditure line item after personnel costs, and was double that of our maintenance expenditure. Put differently, if we could halve our security costs, we could double our maintenance expenditure.

	Number of Strikes	Estimated Cost of Repairs	Additional Security Costs	Number of Working Days Lost
Buffalo City	3	R 0	R 1 761 811	2 weeks
Butterworth	3	R 3 387 464	R 800 000	7 weeks
Mthatha	4	R 4 531 604	R 9 600 000	7 weeks
Queenstown	3	R 123 449	R 0	1 week
		R 8 042 517	**R 12 100 811**	

The real damage, however, is not financial. The University has no credibility among outsiders and especially funding entities. Employers doubt the quality of our degrees, diplomas and certificates, and our graduates simply don't have the attributes to render them employable. Exit-level outcomes cannot be achieved through catch-up plans. A proper education requires a stable environment, and time on task. It is the result of assimilation and reflection, not mere short-term rote learning for examinations. Harsh as this may seem, through their own actions, students are relegating themselves to the category of unemployable graduates.

STUDENT LIFE

SPORT

Undoubtedly, Karate brought about this year's stand-out achievements. Three students, Sabelo Funda, Samkelo Macetshane (both from BCC) and Athule Clock (Butterworth), represented Team SA at the Karate World Championships (IKO NAKAMURA) in Japan. They were accompanied by two staff members, Ms Yonela Ntongana and Pumza Kekezwa as coaches.

Anele Madlala, a physics final-year student, participated in the World Fighting Kyokushin Organization Grand Prix, a full contact Karate event held in Russia. He defeated his Russian opponent in the 79-80kg division to clinch WFKO World Title.

Rowing has now been introduced as a sporting code at WSU and we participated for the first time in the annual intervarsity boat race in Port Alfred, gaining valuable competition experience. At the end of September this event was followed by the inaugural boat race between WSU and UFH on the Buffalo River in East London. The universities shared the spoils, with UFH winning the men's eight and WSU the women's eight. It is hoped that this will become an annual event.

In rugby, the WSU All Blacks had high hopes but struggled in the Varsity Shield Competition, ultimately finishing third.

Our students had a good run at the USSA games this year:

- Boxing: Onke Meyeliseli (IT student) Onke won Gold in the USSA Boxing Challenge and furthermore was selected to represent SA in the Olympics Team currently on camp in Germany.
- Basketball: Our Ladies Team lost in the quarter finals but for the first time ever qualified for participation in the Varsity Basketball Competition in 2020.
- Volleyball: Our Male Team won the Trophy Plate and were ranked 9th out of 20 participating institutions.
- Netball: Two teams represented WSU. Out of 14 participating institutions, Team A came 7th and Team B 10th.
- Karate: We won Silver out of 18 participating institutions. Two students were selected to represent SA in Zimbabwe in October.
- Bodybuilding: Five WSU participants won 3 medals and 2 trophies.
- Dance: Our students came 4th out of 12 participating universities.
- Rugby: Our Male 7's came 6th out of 9 participating teams and qualified for the first time to play in the Varsity Sport Tournament in 2019 and 2020. At that tournament, played in October, our team came 9th out of the 12 participating teams.
- After ending 5th out of 16 teams, our Ladies Rugby 7's Team won the Plate Final.

Although Nelson Mandela University won the annual intervarsity between the four Eastern Cape universities, WSU played in seven finals and took the honours in the Women's 2.4 km Relay, Football and Table Tennis and the Men's Full-contact Karate. WSU came second in the Men's 2.4 km Relay, Black Ball Pool, Soccer, Table Tennis and Volleyball, and in both the Men's and Women's Rowing.

WSU Ladies Basketball

WSU v Rhodes

WSU v NMU: Ladies Football Final

Karate Winners

WSU 7's

ARTS AND CULTURE

The WSU Enactus Team reached the semi-final stage in their national competition with a project from the Queenstown Campus. Overall, they won four trophies as well as the Best Administrator Prize. Congratulations to Ms Nombulelo Blaai.

WSU choirs participated in the inaugural Higher Education Institutions Performing Arts Festival held in Pretoria. Mthatha Campus emerged as the overall winner, with Mthatha winning Gold, Buffalo City Silver and Queenstown Bronze in the categories for Western and African pieces.

In September the Butterworth and Mthatha Choirs qualified for the Eastern Cape Choral Music Association Finals. The Mthatha Choir won in three categories namely: Soprano, Trio and Female Voice; came second in the Quartet, Solo Tenor and Male Voice; and third in the Western Piece, African Piece and Male Voice. Overall, they came third out of 15 choirs.

Our students performed a play written by Convex Deputy President Lunga Mantashe called 'The Letter' at the Grahamstown Arts Festival.

HEALTH AND WELLNESS

All campuses participated in the First Things First Campaign alongside the registration process, achieving the following results:

- BCC: 593 attendees, with 550 individual consultations.
- Butterworth: 494 attendees, with 630 individual consultations.
- Mthatha: 579 attendees, with 622 individual consultations.
- Queenstown: 350 attendees, with 105 individual consultations.

This year marked the end of our project under the banner of HEAIDS. We had received R200 000 for the 2018/2019 Cycle. Proposals for a new grant were submitted and we are awaiting confirmation.

HEAIDS has now changed to Higher Health. The scope of work has also been broadened to include Gender-based Violence, LGBTI & Q, Mental Health and General Health. All campuses held campaigns on Gender-based Violence, First Things First and Substance Abuse. Dialogues were held to promote awareness about Depression and other Mental Health issues.

The Men's Parliament was launched in the Amathole District in collaboration with Amathole District Municipality and the Department of Social Development, with actor Patrick Shai as the guest speaker. The Parliament formed part of an awareness Campaign on Gender-Based Violence. Four WSU Peer Educators were part of this Men's Parliament. In the picture below, sitting at the main table, the Amathole Municipality Speaker and two peer educators are heading the proceedings.

In line with our intention to have greater emphasis on health and safety issues, Management will have to pay closer attention to upscaling student health and wellness provision on all campuses. Infrastructure needs to be improved so that our clinics remain accredited as primary health care facilities, while understaffing remains an area of concern. However, we did appoint three nurses in Mthatha during the course of the year.

Men's Parliament

STUDENT DEATHS

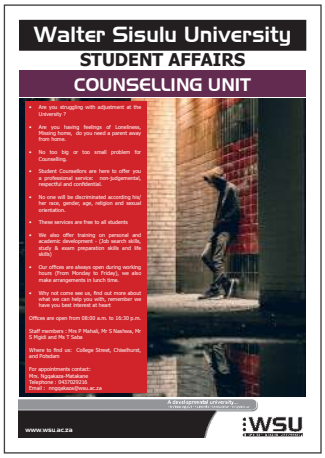
Although people are aware of the various instances when students lose their lives in sensational ways, society seldom realises that institutions experience a fair number of student deaths throughout the year, on campus or at home, in what could be considered 'normal circumstances'. Forty-two (42) WSU students passed away in 2018 and 50 in 2019. Eight of the deceased were first-year students while 18 were in their Final Year. The University mourns the untimely end to promising lives and extends its condolences to all families and friends.

Campus	Number of deceased
Mthatha	25
BCC	13
Butterworth	8
Queenstown	4
Total	**50**

During the year student suicides received media attention nationally. The situation at WSU for 2019 is reflected below:

Campus	Number of attempts	Number of deceased
Mthatha	10	-
BCC	-	-
Butterworth	-	2
Queenstown	3	-
Total	**13**	**2**

Our Student Affairs Division not only has a counselling service available for students, but also undertakes other interventions, such as faculty visits and speaking to students during lectures. In September the Division rolled out a Counselling Week Programme culminating in an Indaba focusing on issues relating to situations that can lead to suicide. The net result of the efforts was an increase in the number of students seeking sessions at Student Counselling.



SAFETY AND SECURITY

Campus safety issues have for some time impacted negatively on the University. Each incident inevitably sours stakeholder relationships, with accusations being levelled from all sides.

Much of the violence against people is concentrated in Mthatha. We had various incidents of assault and one student, suspected of having stolen a laptop, was thrown out of a third-story residence window, resulting in his death. The low point was reached in June, when the SRC hosted a Freshers' Braai. Several incidents occurred which tested the available security arrangements, and sadly, a number of students suffered stabbing injuries. Two students lost their lives that evening. Arrests followed both incidents.

After the Freshers' Braai incident, the University appointed a Commission of Enquiry into all aspects of the function's organisation. The Commission detected serious shortcomings in the application of our events management policies and assisted us with suggestions for remedial action.

As a result, strict protocols were put in place for SRC elections activities, certain types of social events on all campuses were temporarily suspended, and staff and student leaders were trained in the requirements of the Safety at Sports and Recreational Events Act 2010 (SASREA) and the University Guidelines for organising such events. In appropriate instances, disciplinary action was taken. The event became a catalyst for closer interaction with the police and WSU has been working with the Ministry in developing a campus safety programme involving all universities.

Although not as acute as in Mthatha, violence is also endemic at the Butterworth Campus and of serious concern. Assaults involving weapons are common place, and in April an intruder (not a student) died after being found in an off-campus residence confronted by a group of students. He was suspected of being part of a gang that terrorised students living in private accommodation. Additional safety measures had to be taken to protect students when community members invaded the Campus.

The other two campuses were comparatively quieter. Buffalo City had some stabbing incidents, but no serious injuries were reported. Queenstown was calm, with only one incident reported, an assault by some taxi drivers on students.

RESIDENCE MANAGEMENT

As reported previously, the management of residences remains a major risk area for the University. Our intention in 2019 was to improve the student experience regarding residence allocation. This meant, firstly, that we needed to increase the number of rooms available and secondly, to improve the allocation processes. Despite not meeting our stated targets, there was some improvement, to the extent that residence allocations did not feature in any of the registration-related grievances in early 2019.

The residence accreditation process went smoothly in Buffalo City and Butterworth, but Queenstown continues to have a shortage of suitable student accommodation. The accreditation and general management of private student accommodation in Mthatha was very weak, resulting in a number of establishments housing students without having gone through the proper accreditation processes.

Past resistance to the electronic residence allocation system continued. Initially, administrative efficiencies resulted in less unhappiness and we had no student protests relating to accommodation during the first two months of the year. The efficiencies could not be sustained, however, and slow residence administration created bottlenecks. Reacting to pressure, two campuses again resorted to manual allocations to prevent escalating frustrations from students. This in turn created major control difficulties.

The remedial interventions that followed caused some anger and concern among landlords, but the University had to ensure that monies paid to landlords were in line with services rendered.

Hopefully the allocation of these functions to a new, purpose-configured division will result in better oversight and control. We are in the process of setting up a new division for managing staff and student accommodation and temporary staff have been appointed, pending finalisation of the structure and the organogram.

Institutional capacity around residence administration remains a severe constraint, however. There needs to be better alignment between the electronic Residence Allocation System (RAS) and the ITS data and we must avoid creating reasons for resorting to manual allocations. There are too many risks associated with a manual allocation processes, not the least of which being the subsequent poor service delivery and administration. Much time had to be spent reconciling data for accurate claims to NSFAS and payment to landlords. Compared to last year, their residence billing has improved, but the completeness and accuracy of data is not where it should be.

PART D: SUSTAINABILITY

OPERATIONAL SUSTAINABILITY

The University continues to refine the divisional management model to ensure better operational efficiencies. In particular, certain financial management functions and residential management have been centralised. A crucial step in improving operations was to restructure executive oversight. Although possibly still a bit lean, the new system with two Deputy Vice-Chancellors, one to look after academic activity and the other to manage operational matters, will ensure better leadership direction and control within the Institution.

As indicated previously, the audit disclaimer in 2017 drives Management's focus on sustainability issues. If we can ensure the integrity of our administrative systems, we will not only improve efficiencies and financial viability but we should also eliminate causes for student dissatisfaction and resultant student protest. Our primary goal for a sustainable future is to create an appropriate workplace and living and learning environment for our staff and students.

ACADEMIC ADMINISTRATION

This year we implemented online application and registration processes for the first time. Although small glitches were experienced, especially with power failures and ICT overload, overall the online process was a major success. Challenges largely related to financial issues.

Unfortunately, we discovered that a group of 84 students had been fraudulently registered. All these students were de-registered and investigations into the causes and remedial action followed. When some of the affected students took WSU to court, we successfully defended the case. There is also an increasing tendency for disappointed applicants to take the Institution to court for not having been admitted. Thus far we have been able successfully to show that we cannot admit everyone who qualifies: we are constrained by quotas and capacity.

Pleasingly, faculties have developed Standard Operating Procedures (SOPs) to ensure consistent practices across campuses. This project is ongoing.

Examination administration requires attention, however, especially regarding data integrity. We found instances where marks in departments do not correlate with marks in our ITS system. Verification processes were instituted before the November 2018 results were released.

Student protests adversely affected our academic programme during the second quarter of the first semester, to the extent that the bulk of semester examinations only commenced in July instead of late May. Some semester activities were only finalised in August and the academic calendar also had to be revised several times. Staff worked hard to recover lost time, for which I am most grateful.

Our experience of online processes for the 2019 registrations enabled us to improve our systems for 2020. We opened 2020 admission applications in June 2019. The intention was to process them as they came in, but some faculties were unable to adapt as well as we would have liked. Nonetheless, despite some faculties not meeting the deadlines, the system worked well.

LEGAL MATTERS

The number of cases in which the University is involved is of concern, but in by far the majority of the cases we are called upon to deal with unsustainable claims. Overall, we have been reasonably successful in defending our cases and we have been able to close out a number through favourable judgments.

Although one can never predict with certainty, a risk exposure exercise revealed that we have defendable interests in all outstanding matters. The reality, however, is that we are only as good as our internal processes. It is, therefore, important that our staff follow correct processes. We have also been relatively successful with CCMA matters and our Human Resources processes appear to be sound.

FINANCIAL SUSTAINABILITY

Following the disclaimed audit opinion in 2017, we were pleased to receive a better outcome in 2018, albeit still a qualified opinion. Areas that resulted in a qualification included material uncorrected misstatements on fixed assets, receivables and selected disclosures not having been met adequately. This is a significant improvement from the prior year disclaimed audit opinion.

We continued to implement our remedial action plan in 2019. Our target remains an unqualified audit opinion, but given the severity and extent of the outstanding audit issues, the target might be achieved only in the medium term. Management nonetheless expects significant improvement from the prior year audit outcome.

The financial policy environment improved in 2019. Council approved revised policies on Supply-Chain Management, Contract Management, Budget and Travel and Subsistence. Our strategic financial goals for improving financial viability are still under construction, however.

The University has for a few years now tried to live within its means and our finances remain stable. The balance sheet is still not strong, unfortunately. Despite working capital reserves being tight, our expenditure remained within budget and our general financial outlook shows signs of improvement.

Our focus continued to be on improving internal controls and cash management:

- We implemented a system of monthly budgets and improved controls on procure-to-pay.
- To address the recurrent auditors' concerns around asset management, we appointed a service provider to conduct a complete physical verification of moveable assets. We now also have a staff member dedicated to oversee the fixed assets register and its reconciliation with the financial records.
- We engaged Intelimali to process student allowances, thus alleviating the administrative burden on the Finance Department and minimising the risk of error. This resulted in a significant improvement in the payment processes and a reduction in student complaints.
- We addressed most of the challenges previously experienced with residence billing, but some of the issues still creep through in other ways and which resulted in substantial manual remedial and additional systems configuration work having to be done.
- The catering unit at the NMD site has been making significant operating losses for many years. Management, in line with an FCC directive, commenced processes for closing down operations, and this was still underway at the end of the year.

- Council approved a revised Finance Division organogram and recently we commenced recruitment for a Director of Finance: Management Accounting, towards the end of the year.

Our cash flow was under control throughout the year and we were able to meet supplier commitments and pay salaries without resorting to our overdraft facility, despite the unexpected requirement to pay cash allowances to NSFAS-funded students in the first quarter.

We need to improve our cash reserves, however. Our opening balance of R127m was insufficient in providing a cushion against adverse income payments and even though we managed to improve the position to R420m at the end of the year, it was below target and, as in prior years, the University will need an upfront payment from NSFAS early in 2020 to meet its first quarter commitments without utilising the overdraft facility. Our cash flow sustainability goal is to maintain sufficient reserves to cover a minimum of three months' operational expenditure.

Student debt continues to be a major risk, having increased annually for the past five years and reaching R1,040 billion at the end of December 2019. Our situation was worsened by NSFAS applying the N+2 rules more strictly which rendered a number of students ineligible for NSFAS funding, although they remained academically on track to complete their degrees without falling foul of exclusion rules.

WSU student debt as a percentage of total enrolments (3.3%) is not significantly out of line when compared to other universities. However, in absolute terms, WSU features among a group with the highest level of student debt.

In an attempt to recover some funds, we applied our Minimum Initial Payment rules more strictly, which naturally elicited student outcry. We had engaged an experienced debt collection service in November 2018 to pursue debt owed by persons who are no longer registered as students. Neither method has been overly successful. Some payments were received, but in all, the results were below expectations, with no significant impact. We therefore appointed a second debt collection agency to help speed up the process.

On the other hand, the NSFAS payment of 2018 historic debt for NSFAS-funded students made a huge difference.

ADVANCEMENT

Fundraising at WSU is an underperformance area, and ready for growth. The year's highlight was a dinner for donors at the Johannesburg County Club in October as a gesture of friendship and gratitude to the institution's donor stakeholders. Ms Elizanne Wessels of the Albert Wessels Trust, also a committed and regular WSU donor, was the guest speaker.

Apart from regular visits to donors, activities during the year included a fundraising proposal workshop for staff, facilitated by Prof Peter Thuynsma, fundraising specialist and former Advisor to the Vice-Chancellor of the University of the Witwatersrand.

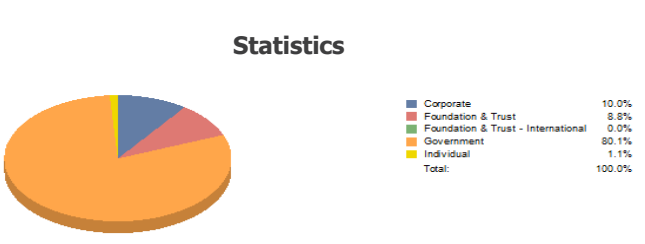
The University received R146 million for student bursaries from various individuals, companies and government departments. Substantial donors included various SETAs, the FirstRand Foundation, ABSA, ASPEN, Standard Bank, Department of Health (national and provincial), Department of Transport, Office of the Premier (Eastern Cape), OR Tambo District Municipality and the Motsepe Foundation.

Other significant third-stream income initiatives included:

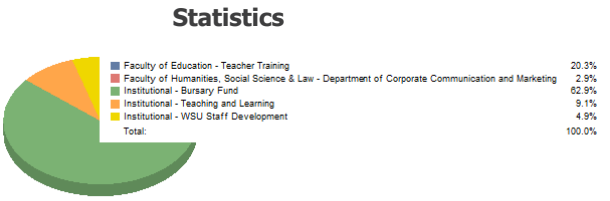
- An Unemployment Insurance Fund project to run a three-year training programme in the Eastern Cape, with a total value of R429 million, together with a partner, Khunjulwa Marketing Services.
- The ETDP SETA's funding of projects in the Faculty of Education, valued at R6,7 million.
- The Land Bank Insurance (SOC) Limited short-learning programme aimed at increasing the number of black agricultural insurance assessors, to the value of R3,8 million.
- Staff giving whereby staff members have since mid-2018 collectively given over R300,000.

Donations Income for the period 1 January 2019 to 31 December 2019

PAID FROM - SECTOR	AMOUNT
Corporate	R3 482 928.00
Foundation & Trust	R3 069 324.36
Foundation & Trust - International	R13 120.00
Government	R27 834 503.50
Individual	R370 619.00
Total	**R34 770 494.86**



DONATION - PROJECT	AMOUNT
Faculty of Education - Teacher Training	R7 075 000.00
Faculty of Humanities, Social Science & Law - Journalism	R1 000 000.00
Institutional - Bursary Fund	R21 856 099.86
Institutional - Teaching and Learning	R3 150 000.00
Institutional - WSU Staff Development	R1 689 395.00
Total:	**R34 770 494.86**



Unemployment Insurance Fund - Labour Activation Programme

Walter Sisulu University (WSU) submitted a proposal to the UIF through the Labour Activation Programme (LAP) to provide training intervention and a workplace readiness programme. WSU then entered into a Memorandum of Agreement with Khunjulwa Marketing Services (KMS) in terms of which KMS is the Implementing Agent for the project while WSU provides project management services.

The project caters for training 5,500 learners in two phases; the first focusing on 2 000 learners and the second on 3 500 learners. The table below shows how the project is divided.

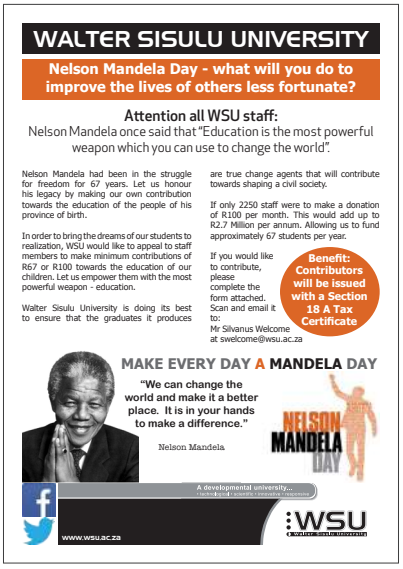
	Phase 1 - 2000	Phase 2 - 3500	TOTAL
Training Cost	97 325 000.00	170 100 000.00	267 425 000.00
Stipend Fee	48 000 000.00	84 000 000.00	132 000 000.00
Project Management	10 899 375.00	19 057 500.00	29 956 875.00
	156 224 375.00	273 157 500.00	**R 429 381 875.00**

The learners were recruited from the Employment Services System of South Africa (ESSA) database of the UIF: 70% UIF beneficiaries and 30% non-UIF beneficiaries. WSU managed to maintain the UIF beneficiaries above 80%, female participants above 60% and youth participants above 65%. The learners were recruited from different districts in the Eastern Cape Province.

WSU met the project objectives in terms of participant selection and providing workplace opportunities in different industries to unemployment beneficiaries. However, an additional obligation includes building a required number of first-generation entrepreneurs within local communities who will sustain home-grown rural economies. Some learners have registered their own companies and others are waiting for their co-operative documents.

Staff Giving Programme

There is a growing culture of giving among staff members and since a campaign launch in mid-2018, staff had collectively given over R300 000 by December 2019. The donations have been directed to final-year students with outstanding debt, and this will assist them to graduate and receive their certificates.



HUMAN RESOURCES

In general, our workforce is stable. Staff complement remains steady at approximately 1750 full-time staff. The ratio of academic staff to support staff is approximately 1:1.1, which is below the generally accepted ratio of 1:1.5, and possibly indicating that we are understaffed on the support side. The employee turnover rate is around 6% which suggests that not many employees are leaving the university.

Around 55% of our academic staff have Master's or PhDs, which is way below national benchmarks, while a further 20% have other forms of postgraduate qualifications. Unfortunately the percentage of academic staff with only undergraduate degrees (25%) is still unacceptably high. In an effort to improve staff qualifications and capacity, as well as academic leadership across all disciplines, Management resolved that all professorial vacancies must be filled in the University.

The University's employment equity status, although not perfect, is satisfactory, and our reporting to the authorities is compliant. Gender representativity is balanced, except at executive and senior management levels, where the required targets of 45%, based on the economically active population (EAP), are not being met.

The Staff Planning and Appointment Committee (SPAC) continues to exercise oversight and control over the filling of vacant positions in the University, and successfully so. The standard norm for personnel expenditure is 58% to 63% of unrestricted income: WSU's expenditure for 2019 was 56%. The second measure on personnel costs is the ratio between Academic Staff and Support Staff. The University is currently sitting at a 59:41 split. These figures relate to total income, however, and if residence fees are excluded they could point to an overstaffing situation. Having had a number of acting appointments at executive management level, a measure of stability was restored with the appointment, at the end of the year, of two Deputy Vice-Chancellors, Professor R Songca as DVC, Academic Affairs and Research and Dr P Jaca, as DVC, Institutional Support. We still have two vacancies at Campus Rector level at Buffalo City and Mthatha.

After years of wrangling between the University and the Provincial Department of Health over issues surrounding the Joint Establishment (Staff in the Faculty of Health Sciences), the parties have finally resolved the matter amicably. We agreed to an external audit of all payments, dating back over more than ten years, and after reconciliation of all payments, the net effect was substantially a break-even situation. I am pleased that this matter is now closed.

One of our lecturers in Mthatha was arrested for having contravened the Immigration Act. It is alleged that the work permitted which he had submitted to the University was invalid. Interaction with Home Affairs officials imply that there might be implications flowing to the University from this incident, but thus far nothing has materialised.

We have been fortunate to have good working relations with all three unions operating within the Institution, although only one of them is formally recognised. Communication channels are open and the environment for engagement is stable, as evidenced by the outcome of our salary negotiations which concluded with a three-year agreement: 6.8% for 2019, 6.4% for 2020 and 6.5% for 2021. Agreement was also reached on investigating the revision of salary scales according to benchmarks and on fast-tracking the harmonisation of conditions of service (benefits), as well as the 'match and place' process for academic staff. This is a progressive agreement that bodes well for institutional stability.

Unfortunately there is still an extraordinary high level of unnecessary and, in some instances, opportunistic private disputes on labour issues. The University has no control over these, but I am pleased to report that we have a good record of success in this regard.

The University is working hard on showing its appreciation for the work that staff are doing. Highlights include the Long Service Awards Event and a new event, the Vice-Chancellor's Excellence Awards, both held in November. The purpose of the latter event is to acknowledge staff commitment and excellence in various fields, such as learning and teaching, research, community engagement and support services performance.

Capacity building has been a feature of our developmental approach to staff. Twenty-eight (28) HODs registered to attend the HELM HOD Training scheduled in East London in August, after a further 14 HODs had already attend similar training in 2018. This means that over 40 of the 59 HODs would have received some training in respect of their current portfolios.

The University sent five managers to the Higher Education Resource Services South Africa (HERS-SA) annual Academy for Women Leaders in Higher Education: 3 HODs, one Dean and one Senior Director.

Staff demographics

Table 1: Academic and support

	2019			2018		
Classification	**Permanent**	**Temporary**	**Total HC**	**Permanent**	**Temporary**	**Total HC**
Academics	616	272	888	619	258	877
Support	864	173	1037	803	169	972
Grand Total	**1480**	**445**	**1925**	**1422**	**427**	**1849**

Table 2: Staff demographic by race

	2019			2018		
Staff Demographic	**Permanent**	**Temporary**	**Total HC**	**Permanent**	**Temporary**	**Total HC**
African	1354	387	1741	1291	371	1662
Coloured	19	13	32	20	11	31
Indian	39	13	52	40	14	54
Not classified	6	3	9	5	2	7
White	62	29	91	66	29	95
Grand Total	**1480**	**445**	**1925**	**1422**	**427**	**1849**
Female	733	216	949	712	203	915
Male	747	229	976	710	224	934

Table 3: Staff demographic by race - %

	2019			2018		
Staff Demographic	**Permanent**	**Temporary**	**Total HC**	**Permanent**	**Temporary**	**Total HC**
African	91%	87%	90%	91%	87%	90%
Coloured	1%	3%	2%	1%	3%	2%
Indian	3%	3%	3%	3%	3%	3%
Not classified	0%	1%	0%	0%	0%	0%
White	4%	7%	5%	5%	7%	5%
Grand Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Female	50%	49%	49%	50%	48%	49%
Male	50%	51%	51%	50%	52%	51%

INFRASTRUCTURE AND MAINTENANCE

For the past two years we have redoubled our efforts to acquire rights to vacant land at Amalinda Junction in East London. We had hoped to secure a donation of the land from the Municipality, but this did not come to pass. Instead the Municipality agreed to a conditional sale of a 60.1 hectare section of the property on the southern side of the N2 for R9 million. Municipality officials are currently undertaking development compliance processes and the University is in discussion with the DHET regarding funding.

In February the Border Rugby Union terminated our lease of the Absa Stadium and we are now in discussion with the Municipality, the owners, about our continued occupation of the property. We run our Sports Science programmes from that venue and it is also our home venue for rugby games.

Discussions with King Sabata Dalinyebo Municipality to secure a more stable lease agreement for the Nkululekweni precinct in Mthatha are ongoing and we are waiting for various government departmental approvals before anything can be finalised.

We have also discovered that although WSU theoretically owns a vast number of properties in Mthatha, these had not been transferred into our name. We are now procuring conveyancing services to clean up the ownership of our property portfolio. In a related but separate process, the Eastern Cape Department of Public Works is working on transferring the Masibulele and Zamakulungisa sites to WSU. Finally, the Eastern Cape Rural Development Agency has agreed to transfer Uniwes 1 and 2 to WSU and we are currently awaiting Treasury consent.

We also have some long-outstanding ownership issues relating to vacant land near the Student Village in Butterworth, as well as the Vuli Valley property.

In Queenstown, we submitted a formal offer to SANRAL to purchase a portion of land adjacent to our Grey Street property and we are in discussions with the Municipality to acquire vacant land near the Komani Hospital for future development, while at the same time conducting an Environment Impact Assessment.

Regarding infrastructure development, noteworthy projects completed this year are the Zamakulungisa 200 and 400 seater auditoria project (R45.24m) and the Grey Street teaching venues project (R13,16m) in Queenstown. We have not added to our residential stock, however, so the accommodation needs remain critical, especially in Queenstown. We are, therefore, heavily reliant on private services providers.

We are still pursuing a possible partnership arrangement with DHET and the Development Bank of South Africa (DBSA) for residence development in Mthatha and Butterworth, but we have been confronted with various pitfalls and I am not overly hopeful for this project to see the light of day.

From a facilities perspective, private student accommodation meets the requisite norms and standards for student accommodation. The same cannot be said for University-owned accommodation however. Most residences were constructed during the 1970s and 1980s and are in a state of disrepair due to maintenance backlogs. Some residences have serious compliance shortfalls and hold a significant risk from a health, safety and security compliance perspective.

With only limited funds available, we are not doing things piecemeal. Instead, we are focusing on making a noticeable difference, targeting one residence at a time for major overhaul. Major repairs and maintenance were effected in the Ntinga Residence in Mthatha and we also improved the lighting along the walkways from the residence to teaching venues. The total refurbishment of Iphulo, with costs likely to exceed R50m, started in March and will be completed mid-2020. In Butterworth, we repainted the Student Village. After frustrating delays, we finally received DHET authorisation for the R20m refurbishment of the old residence block at Potsdam, enabling procurement processes to commence. Work is likely to start in 2020.

Our Occupational Health and Safety focus has improved with the appointment of a Health and Safety Manager and professional OHS consultants to conduct risk assessments/Audits. Health and Safety Committees have been set up on all campuses and staff have been trained as Health and Safety representatives, First Aiders and Basic Fire Fighters.

Queenstown Lecture Hall

ICT

Our ICT Project activity aims to address risks around the security and the ageing infrastructure within the ICT environment, emphasising adequate connectivity, improved security and having less downtime. For business continuity management and disaster recovery purposes, the ITS and Blackboard databases were replicated off-site, in the cloud, and virtual servers backed up to an offsite location. On the connectivity front, Phase 1 of the Wi-Fi to residencies and open areas was completed.

PART E: GOVERNANCE AND MANAGEMENT

GOVERNANCE STRUCTURES AND SYSTEMS

Council experienced a stable year with the only changes in its composition coming from new Convocation office bearers having been elected. We accordingly welcome Adv Tembeka Ngcukaitobi and Mr Sandile Puti to Council.

Council and its sub-committees continued to conduct their oversight functions. Only the Student Services Council struggled to function properly.

INSTITUTIONAL FORUM

The Institutional Forum (IF) meets regularly and takes its role seriously. Mr Z Makom and Mr Z Sontshi were re-elected as chairperson and deputy chairperson respectively.

CONVOCATION

Convocation activity produced a number of highlights this year. The most significant was the elective Annual General Meeting which had around 1000 alumni and convocants in attendance. This was the biggest attendance in the history of WSU and probably also in the higher education sector as a whole.

A new Convocation executive was elected.

The newly elected committee warmed to its task, engaged various stakeholders and quickly created a platform for changing the University's reputation. In my view, Convocation activity can be credited for improved stability on campuses and also for a better flow of information.

In September the WSU Convocation, alumni and student leaders participated in a successful Leadership Dialogue at the East London Guild Theatre. Key speakers included Profs Somadoda Fikeni and Lwazi Lushaba, Adv Tembeka Ncgucaitobi and Mr Luleka Flatela.

A second gala dinner for alumni was held at the Mayfair Hotel in Mthatha in November, followed by the launch of the Eastern Cape Alumni Chapter the following day. The Premier was the keynote speaker, with His Royal Highness Acting King Zanellizwe Dalendyebo and his wife, and Ms South Africa, Zozibini Tunzi, also gracing the occasion.

Convocation Executive Committee

Prof Rob Midgley (WSU VC), The Honourable Oscar Mabuyane (Premier of the Eastern Cape), Zozibini Tunzi (Miss Universe), Adv. Tembeka Ngcukaitobi (Convocation President) at the launch of the Eastern Cape Alumni Chapter

STUDENT GOVERNANCE

After four years of stakeholder consultations, Council finally approved a new SRC Constitution at the end of 2018. This meant that the old dispensation still operated for most of 2019, with the new governance structure taking effect only when the 2019 elections were held.

Under the new system, students vote directly for candidates contesting five portfolios, with the balance of the SRC seats being allocated on a proportional basis to contesting student political organisations. Some student structures wanted to return to the old, fully proportional representation system and campaigned for a boycott of SRC elections until the SRC Constitution had been revised. This resulted in SRCs being elected in Buffalo City, Mthatha (after a delay) and Queenstown; but not in Butterworth, where an interim structure had to be appointed to deal with student issues.

The election outcomes were as follows:

Campus	EFF	PASMA	SASCO	SCO	YL
Buffalo City	1	5	3	-	-
Queenstown	-	1	4	-	-
Mthatha	1	1	7	1	1

The spread of seats is pleasing and significant. It shows that contrary to claims by those who were against the changes, the new system promotes a vibrant democratic dispensation. Each campus has a different mix of organisational representatives, yet with a clear winner in each instance, structural stability has been achieved.

An aspect that requires attention, however, is the cost of SRC elections. The sad reality is that we spend too much money on conducting elections and for security services to protect students against themselves. In a

written response to a Parliamentary question, Minister Pandor indicated that over the past 10 years universities allocated at least R86.9m to SRC elections, but because not all institutions kept full records, the total amount is in fact higher. WSU spent R11.5m, second after Unisa and almost double that of the institution in third place. Most universities spent between R2m and R3m. We should of course remember that these costs are for a 10-year period, that we have four campuses SRCs and that we had a cumbersome SRC election dispensation in place. With a new SRC constitution having been approved, with a different structure, these costs will certainly go down.

MANAGEMENT STRUCTURES

On previous occasions I mentioned that the University suffered from an overly flat management structure, unsuitable for a complex multi-campus institution and that management oversight and capacity needed to be improved. This issue was addressed in 2019. We welcomed the following persons to the ranks of senior management early this year: Prof Wilson Akpan, Senior Director, Research and Innovation; Mr Christopher Khoza, Director, Quality Assurance; Mr Anele Magwentshu, Senior Director, Institutional Research and Planning; Prof Clever Ndebele, Senior Director, Teaching and Learning; Mr Morgan Nhiwatiwa, Chief Financial Officer; and Mr Nkosinathi Zulu, Director, Operations and ICT. Towards the end of the year the two DVCs, Prof Rushiella Songca and Dr Prince Jaca, assumed office. As a result, our management capacity is now vastly strengthened.

The following persons occupied temporary positions, for most of the year: Prof Victor Mtetwa, Acting DVC Academic Affairs and Research; Mr Mark Rosslee, Acting DVC Institutional Support; and Dr Prince Jaca, Acting Campus Rector, Mthatha, assisted by Prof Theresa Chisanga and Dr Lulamile Ntonzima. We thank them for their service.

TRANSFORMATION

Substantial progress continues to be made on disability matters. The Institutional Disability Committee is working well and there is a strong sense of identity among people who live with disabilities and, as managers, we are more aware of our responsibilities in this regard.

Perhaps the biggest success thus far is the fact that we have been able to improve our NSFAS bursary regime for students with disability. The Transformation Office trained staff from our Financial Aid Office and we should be able to provide a more sensitive bursary service next year. We have also planned to have a more user-friendly website so that we can pick up students with special needs early and put the necessary steps in place to deal with their needs.

The Extra Time Committee to assess applications from people who require additional time to complete their examinations worked well in June and is now operational.

A manager has been appointed to give effect to our Language Policy and already we are seeing some small, tangible developments. Finance remains the biggest constraint, however.

The Institutional Disability Committee

PART F: CONCLUDING REMARKS

Management continued its work on building a suitable environment and we are beginning to see some systemic improvements on the financial and academic administration fronts. Student protests remain the Institution's Achilles' heel, however, and the University will not become a respected place for academic activity while protest is valued above pursuit of knowledge.

Professor JR Midgley
VICE-CHANCELLOR & PRINCIPAL

STATEMENT OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS

The Council is responsible for the preparation and fair presentation of the Annual Financial Statements for Walter Sisulu University, comprising of the statements of financial performance at 31 December 2019, the statements of comprehensive income, statements of changes in funds and cash flows for the year then ended and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes in accordance with International Financial Reporting Standards and in the manner required by the Minister of Education in terms of Section 41 of the Higher Education Act, 1997 (Act No 101 of 1997), as amended. In addition, the Council is also responsible for the preparation of the Report of the Chairperson of Council, Council's Statement on Governance, Report on Risk Exposure Assessment and the Management thereof, Statement of Transformation, Statement of Internal Administrative/Operational Structure and Controls, Senate Report, Report of the Vice-Chancellor and Principal and the Financial Review, and for which Council is responsible for its accuracy and consistency with the Annual Financial Statements.

The Council is also responsible for such internal control as the Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for maintaining adequate accounting records and an effective system of risk management.

The Council has made an assessment on the ability of the University to continue as a going concern and believes that the University will be a going concern in the year ahead.

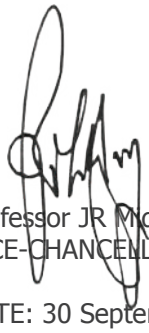
The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

APPROVAL OF THE FINANCIAL STATEMENTS

The annual financial statements, as identified in the first paragraph, were approved by the Council on 30 September 2020 and are signed on its behalf by:

Mr T Zakuza
CHAIRPERSON OF COUNCIL

DATE: 30 September 2020



Professor JR Midgley
VICE-CHANCELLOR & PRINCIPAL

DATE: 30 September 2020

THE REPORT OF THE CHAIRPERSON OF THE FINANCE COMMITTE

INTRODUCTION

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as well as the Department of Higher Education and Training (DHET) requirements for Higher Education Institutions.

South Africa experienced a recession in 2019, with a downgrade to junk status by international rating agencies towards the of the 2019 financial year. However, the University benefited from increased Government funding, directly through the block grant and indirectly through NSFAS bursaries. This increase, together with better implementation of financial controls, resulted in a further modest improvement in the University's financial position during this period.

At the end of the 2019 financial year, the Corona Virus Disease (Covid-19) was still a remote threat, after being reported in Wuhan, China. Post year-end, the virus spread to South Africa and resulted in the country being placed on lockdown to contain the spread of the disease. The impact on the economy has been devastating, and government funding has had to be re-prioritised to health, social security and to support businesses negatively impacted by the lockdown measures. With the shrinking economy and declining tax revenues, it is inevitable that government spending on higher education will be reduced from 2021 through to 2022. This will put further strain on the financial sustainability of universities.

CONTROL ENVIRONMENT

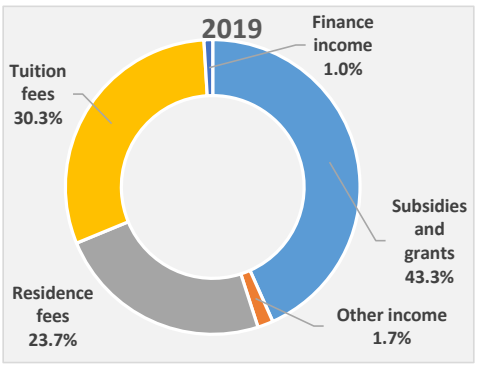
In the course of 2019, key finance policies that were not in place previously were drafted and existing policies updated. Together with the restructuring and capacitation of the institutional finance office, the improved financial policy environment will go a long way in addressing the financial control environment of the University, which has been an area of concern for the last few years. Another important development during the year, was continued investment in training of staff on the financial system and automation and integration of financial processes. Although we experienced some teething issues with the new processes, the benefits and efficiencies of the new processes far outweigh the initial setbacks and challenges.

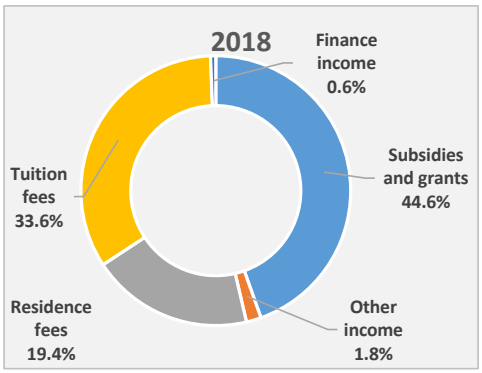
FINANCIAL RESULTS

The University achieved an overall operating surplus of R195m, which is a decrease of R28m (14%) from the prior year surplus of R223m. An increase in the doubtful debts provision charge of R89m is the main reason for the decrease in the operating surplus. The University has been operating on a break-even budget for the last few years, and has been enforcing budgetary and financial discipline in its processes. On Specifically Funded Activities, the University realised a loss of R7.6m which is an improvement of R69m from the prior year loss of R76.7m. The improvement was due to better management and recovery of costs which the University incurred in respect of these projects. Given that the University should also be achieving a break-even position on Specifically Funded Activities, further work needs to be done to improve the financial management of projects. In respect of Residences, the University realised a surplus of R14m, which is a decrease of R21.2m from the prior year surplus R35.2 million. As with the overall operating surplus, the movement in provision for doubtful debts charge accounts for the decrease in the Residences surplus.

Revenue

Total revenue increased to R2.514 billion, an increase of 24% compared to the prior year revenue of R2.028 billion. The sources of revenue can be analysed as follows:





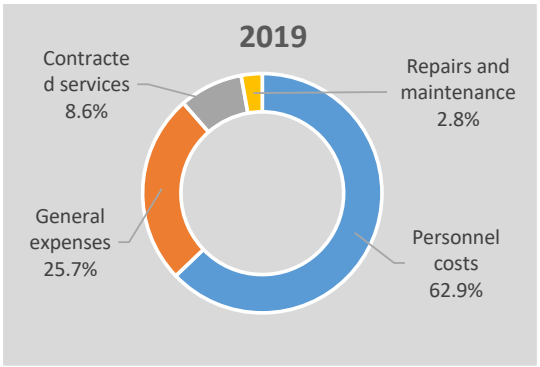
The table below compares the 2019 revenue to the 2018 revenue.

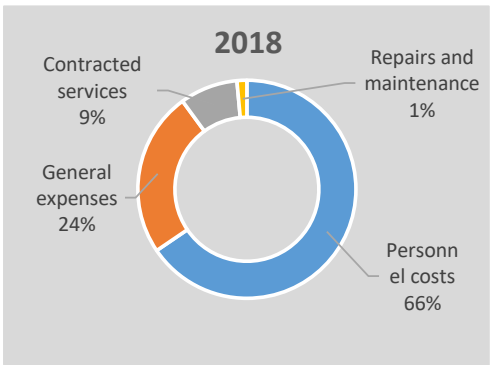
Description	2019	Mov. %	2018
Subsidies and grants	R1 089m	20%	R904m
Tuition fees	R782m	12%	R682m
Residence fees	R597m	52%	R394m
Other income	R22m	19%	R18m
Subtotal	R2 490m	24%	R2 016m
Finance income	R24m	89%	R13m
Total	**R2 514m**	**24%**	**R2 028m**

Subsidy and grants revenue accounts for 43.3% of the revenue (2018: 43.6%). Revenue from grants increased by 20% from the prior year as a result of increased allocations from the DHET. Tuition fee revenue accounts for 30.3% of the revenue, which although percentage wise is lower than 2018, represented an increase of 12% from the prior year in terms of actual funds received. This increase was due to an annual fee increase of 5.4%, augmented by an increase in enrolments of 7%. The contribution of Residence fees increased to 23% from 19.4% in the prior year due to an increase in the number of students placed in leased residences. The University's cash flow position also improved, as investment of surplus cash in short term investments resulted in the finance income increasing by 84% compared to the prior year.

Expenditure

Total expenditure increased by 28% to R2.317 billion from R1.806 million in the prior year. The pie charts below show an analysis of the major expenditure line items:





The table below analyses the movement for the major line items from the prior year:

Description	2019	Mov. %	2018
Personnel costs	R1 154m	12%	R1 031m
General expenses	R471m	22%	R385m
Contracted services	R158m	17%	R135m
Repairs and maintenance	R52m	126%	R23m
Subtotal	R1 834m	15%	R1 574m
Doubtful debt provision	R39m	178%	(R50m)
Hire: Student Residence	R444m	66%	R268m
Total	**R2 317m**	**28%**	**R1 792m**

Personnel costs are the largest cost driver for the University, which despite an increase of 12% over the prior year, remained within acceptable norms and comprised 62.1% of the total expenditure (2018: 68%). The increase in personnel costs of 12% from the prior year was due to a slight increase in the staff head count as well as the annual salary increase. Personnel costs as a percentage of recurrent income were 60.9% (2018: 63.7%) which brought the ratio to within the target of 58% to 62%. However, it should be noted that the improvement was largely attributable to the substantial increase in state funding in the 2019 financial year as explained above.

The repairs and maintenance spent of 2.9% is considerably lower than the annual performance plan target of 5%, although there has been an improvement from the prior year's 2%. This area will continue to be a focus area to ensure that the Institution's facilities are in an acceptable state.

FINANCIAL POSITION

Total assets of the University increased by R412m (17%) to R2.857 billion from R2.445 billion due to an increase of R337m in cash and bank balances and an increase of R61m in trade and other receivables. Property, Plant Equipment includes assets with a carrying value of R83m that were added to the Fixed Asset Register following the verification of assets and a reconciliation of the work-in-progress account.

Student debt continues to be one of the major financial risks facing the University, increasing to a gross carrying value of R1.039 billion from R0.935 billion in the prior year. The University should have benefited from the increased NSFAS funding, but a number of our students did not qualify for funding in 2019 due to a stricter application of the N+2 rule by NSFAS. Given that the University serves mostly previously disadvantaged communities, the unfunded students are unable to pay the amounts due at registration, which in turn results in increased student debt.

RESTRICTED FUNDS AND GRANTS

Grants and subsidies for specific purposes are ring-fenced and invested in separate bank and call accounts. At year-end, the unspent restricted funds amounted to R950 million (2018: R906 million). A substantial portion of the restricted funds are from the DHET and specifically earmarked for defined purposes relating to either capital projects or operational costs outside of the University's normal operating expenditures.

GOING CONCERN

The financial statements reflect that the University is both liquid and solvent as its current assets exceed its current liabilities with a current ratio of 1.7:1 (2018: 1.7:1), while total assets exceeded total liabilities by R306 million (2018: total liabilities exceeded total assets by R110 million). The University is able to meet its obligations as they fall due and has prepared a break-even budget for 2019 and 2020. Like all public higher education institutions, the University's ability to continue as a going concern is dependent on continued funding from DHET in the form of subsidies and NSFAS funding for qualifying students.

AUDIT OUTCOME

We are pleased to report that after receiving a disclaimed audit opinion in the 2017 financial year and a qualified audit opinion last year, we have now received an unqualified audit opinion on the consolidated annual financial statements for the year ended 31 December 2019. Given where the University found itself in 2012, when it was placed under administration, this is a significant milestone and a momentous achievement.

OUTLOOK

We were fortunate that there were no cuts in DHET funding to Universities in 2020. The real impact of the Covid-19 pandemic is likely to be experienced in 2021 and 2022. The University has been operating with negligible reserves, although this position has been improving slowly. Accordingly, for the University to be financially sustainable, it will need to further strengthen financial management controls and continue to find ways to reduce and contain costs. Although the external outlook is bleak, there are opportunities to improve internal efficiencies, such as the finalisation of the financial viability model and review of the fee structure. In addition, the University must focus more on generating third-stream income, an area in which the University has not performed well.

CONCLUSION

All stakeholders of the University have an important role to play in protecting the financial viability and sustainability of the Institution. We wish to express our appreciation to the Council, the Finance Committee of Council, the Audit and Risk Committee of Council, the Institutional Management team, the finance team and all staff for their contribution to the financial well-being of the University. As we continue to implement changes to improve processes and to ensure long-term financial stability, some pain and discomfort is inevitable; but a financially strong institution will benefit all stakeholders and enable the University to impact positively on society.

Ms C Mulder CA (SA)
CHAIRPERSON - FINANCE COMMITTEE OF COUNCIL

DATE: 30 September 2020

Mr M Nhiwatiwa CA (SA)
CHIEF FINANCIAL OFFICER

DATE: 30 September 2020

Independent auditor's report to the Minister of Higher Education, Science and Innovation and the council of Walter Sisulu University

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the Walter Sisulu University and its subsidiaries (the group) set out on pages 108 to 152, which comprise the consolidated statement of financial position as at 31 December 2019 , the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended as well as the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Walter Sisulu University as at 31 December 2019 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Higher Education Act of South Africa, 1997 (Act no. 101 of 1997) (HEA).

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

We are independent of the University in accordance with section 290 and 291 of the Independent Regulatory Board for Auditors' *Code of professional conduct for Registered Auditors (Revised January 2018)*, parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively.

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

Responsibilities of Council for the consolidated financial statements

The council is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Higher Education Act, and for such internal control as the council determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the consolidated financial statements, the council is responsible for assessing the Walter Sisulu University's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the University or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

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

A further description of our responsibilities for the audit of the consolidated financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, we have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected key performance areas presented in the annual performance report. We performed procedures to identify material findings but not to gather evidence to express assurance.

Our procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the University. We have not evaluated the completeness and appropriateness of the performance indicators/ measures included in the planning documents. Our procedures do not examine whether the actions taken by the University enabled service delivery. Our procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, our findings do not extend to these matters.

We evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected key performance areas presented in the annual performance report of the University for the year ended 31 December 2019:

Key Performance Area	Pages in the annual performance report
Key Performance Area 1 - Academic Excellence	59 - 62
Key Performance Area 2 - Research and Innovation	62 - 64
Key Performance Area 5 - Sustainable and Viable Institution	68 - 72

We performed procedures to determine whether the reported performance information was consistent with the approved performance planning documents. We performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

The material findings in respect of the usefulness and reliability of the selected key performance areas are as follows:

Key Performance Area 1 - Academic Excellence

Usefulness

Various Indicators

The following strategic objectives approved in the strategic plan were not included in the annual performance plan (APP) and annual performance report (APR):

- Increase student access by ensuring student enrolment of 27 080 by 2019.
- All relevant programmes should be accredited by CHE.
- Improve student success rates at undergraduate level to at least 80% by 2018 onwards.
- Increase the graduation rate to at least 20% at undergraduate level by 2019.
- Increase the graduation rate to at least 20% at postgraduate level by 2019.
- A minimum of 20% of all academic staff should have a PhD by 2019.
- Ensure that a minimum of 20% of students can access fully equipped resource centres at any point in time by 2019.
- 80% of students and staff participate in appropriate teaching and learning technology by 2019.

Various indicators

The source information and method of calculation for achieving the planned indicators listed below were not clearly defined:

- *Success rate*
- *Success rate UG*
- *Number of nGap staff*
- *Publication units per FTE Staff*

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Reliability

Various indicators

We were unable to obtain sufficient appropriate audit evidence for the reported achievements of the indicators relating to this programme due to portfolio's of evidence not being appropriately maintained. We were unable to confirm the reported achievements by alternative means. Consequently, we were unable to determine whether any adjustments were required to the reported achievements in the annual performance report of the indicators listed below:

Indicator	Reported achievement
First-time entering undergraduates	7175
Headcount enrolments	33572
Headcount enrolments (Foundation Provisioning)	2204
Headcount enrolments total UG	30818
Headcount enrolments total PG	2754
Success rate	77.6%
Success rate UG	79.7%
Graduates UG	6108
Graduates PG	916
% staff with doctoral degrees	15.4%
Number of nGap staff	16
Publication units per FTE Staff	0.16
Research masters students	10
Doctoral graduates	11

Key Performance Area 2: Research and Innovation

Reliability

Various indicators

The achievements reported in the annual performance report materially differed from the supporting evidence provided for the indicators listed below:

Indicator	Reported achievement	Audited value
Number of postdoctoral research fellows	12	9
Total number of subsidy earning conference proceedings	4.84	4.06
Value of NRF research grants	R 5,500,000	R6,071,434

Various indicators

We were unable to obtain sufficient appropriate audit evidence for the reported achievements of 4 of the 28 indicators relating to this programme. This was due to the lack of accurate and complete records. We were unable to confirm the reported achievements by alternative means. Consequently, we were unable to determine whether any adjustments were required to the reported achievements in the annual performance report for the indicators listed below:

Indicator	Reported achievement
Number of academics	743
Number of research chairs	1
Total number of research masters graduates	10
Total number of research doctorates	11

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Key Performance Area 5 - Sustainable and Viable Institution

Usefulness

% of student residences that are safe and secure

The source information and method of calculation for achieving the planned indicator was not clearly defined.

Reliability

Various indicators

We were unable to obtain sufficient appropriate audit evidence for the reported achievements of 2 of the 31 indicators relating to this programme. This was due to the lack of accurate and complete records. We were unable to confirm the reported achievements by alternative means. Consequently, we were unable to determine whether any adjustments were required to the reported achievements in the annual performance report for the indicators listed below:

Indicator	Reported achievement
Percentage of buildings meeting the basic OHS Act requirements	45%
% of student residences that are safe and secure	65%

Achievement of planned targets

Refer to the annual performance report on pages 59 to 73 for information on the achievement of planned targets for the year and explanations provided for the under/ over achievement of a number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the performance information reported in this report.

Adjustment of material misstatements

We identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of *Key Performance Area 1 – Academic Excellence, Key Performance Area 2 - Research and Innovation and Key Performance Area 5 - Sustainable and Viable Institution*. As management subsequently corrected only some of the misstatements, we raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

In accordance with the PAA and the general notice issued in terms thereof, we have a responsibility to report material findings on the compliance of the University with specific matters in key legislation. We performed procedures to identify findings but not to gather evidence to express assurance.

The material findings on compliance with specific matters in key legislations are as follows:

Annual financial statements

The financial statements submitted for auditing were not prepared in accordance with International Financial Reporting Standards and supported by complete accounting records, as required by section reg 7(4)(b)(xii) of the regulations for reporting by public higher education institutions.

Material misstatements of current assets, current liabilities, revenue and disclosure items identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified opinion.

Strategic planning

The annual performance plan did not include the annual budget as required by regulation for reporting by public higher institutions 5(2)(g) .

Procedures for mid-year reporting and assessment were not established to facilitate effective performance monitoring, evaluation and corrective action, as required by regulation for reporting by public higher institutions 6(3).

Procurement and contract management

A member of staff or employee did not in writing:

(a) before he or she was appointed or assumed office, declare any business that may raise a conflict or a possible conflict of interest with the public higher education institution concerned; and/or

(b) notify the public higher education institution concerned of any conflict or possible conflict of interest before such public higher education institution procured any goods or services from such member of staff or an organisation within which such member or employee held an interest, in contravention of section 34(4)(a)-(b) of the Higher Education Act.

An employee conducted business directly or indirectly with the university at which he or she is employed that entailed or may have entailed a conflict of interest with the university in contravention of section 34(5)(a)-(c) of the Higher Education Act.

Other information

The council is responsible for the other information. The other information comprises the information included in the document titled "*Walter Sisulu University 2019 Annual Repor*t".The other information does not include the consolidated financial statements, the auditor's report thereon and those selected key

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performance areas presented in the annual report that have been specifically reported on in the auditor's report.

Our opinion on the consolidated financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements and the selected objectives presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information that we have obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We are unable to conclude whether the other information is materially misstated because of the findings noted in respect of the reported performance information for the selected key performance areas.

Internal control deficiencies

We considered internal control relevant to our audit of the consolidated financial statements, reported performance information and compliance with applicable legislation; however, our objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the Performance assessment of the University core business and the findings on compliance with legislation included in this report.

- The University did not have adequate performance management systems and adequate consequence management systems in place to enforce the disciplines necessary to enable oversight and monitoring of financial management, performance information and compliance with legislation.
- Corrective and preventative actions were not developed and implemented to appropriately prevent and detect non-compliance with applicable legislation.
- Appropriate processes were not implemented to facilitate collation of performance information and reporting thereof.

Other reports

We draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the University's consolidated financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of our opinion on the consolidated financial statements or our findings on the reported performance information or compliance with legislation.

Investigations

The following forensic investigations have been performed during the 2019 financial year:

Description	Matter investigated	Period covered
Allegations of 84 fraudulent registrations in Mthatha	84 students were admitted fraudulently, or under suspicious circumstances, with indications that money had changed hands. Private detective was engaged to delve further into the matter. Report delivered and matter referred to Hawks for further investigation. Matter closed out, pending outcome of Hawks investigation	24 January to 8 February 2019
Allegations of marks having been changed on the system in Mthatha	Separate internal investigations have found numerous instances in the Faculty of Education and one in the Faculty of Humanities, Social Sciences and Law. Education has already conducted an audit of 2018 marks and Deans in all WSU faculties have been asked to do a similar verification exercise. Investigation is still in progress.	15 February to 31 December 2019

Audit-related services and special audits

Agreed-upon procedures on certificates were performed for grants, other funding and similar items. Below is the list of Agreed-upon procedures engagements performed or are in the process of being performed in relation to 2019. These services were rendered by other service providers and not the external auditors.

Project Name	Year End	Description of services	Completion date
E-Skills Grant	31 March 2019	Agreed Upon Procedures	21 May 2019
Institute of Advanced Tooling (IAT)	31 March 2019	Agreed Upon Procedures	24 May 2019
DOE Infrastructure Funding (R404m, R421m, R49.3m, R24.5m, R183m HDI grant, R202m & R82m)	31 March 2019	Agreed Upon Procedures	31 May 2019
Clinical Training Grant (CTG)	31 March 2019	Agreed Upon Procedures	31 May 2019
Office of Technology Transfer for Capacity Building grant (OTT)	31 March 2019	Agreed Upon Procedures	16 January 2020
Department of Environmental Affairs grant (DEA)	31 March 2019	Agreed Upon Procedures	31 May 2019
National Research Foundation (NRF)	31 December 2019	Agreed Upon Procedures	10 March 2020
Student, Staff & Academic programme data audit (HEMIS)	31 December 2019	Agreed Upon Procedures	In Progress

Project Name	Year End	Description of services	Completion date
Health Resource Centres (HRC)	31 March 2019	Audit	In Progress
Clinical Training Enrolments (CTE)	31 December 2019	Agreed Upon Procedures	31 July 2020
Foundation Extended Programmes grant	31 December 2019	Agreed Upon Procedures	04 August 2020
University Capacity Development grant (UCDG)	31 December 2019	Agreed Upon Procedures	04 August 2020
New Generation of Academics Programmes (nGAP)	31 December 2019	Agreed Upon Procedures	05 August 2020
Research Output	31 December 2019	Agreed Upon Procedures	31 July 2019

Auditor tenure

We report that PricewaterhouseCoopers Inc. has been the auditor of Walter Sisulu University for 3 years.

Pricewaterhouse Coopers Inc.

PricewaterhouseCoopers Inc.

Director: JFD Labuschagne

Registered Auditor

East London

30 September 2020

Annexure – Auditor's responsibility for the audit

1. As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout our audit of the consolidated financial statements, and the procedures performed on reported performance information for selected key performance areas and on the University's compliance with respect to the selected subject matters.

Financial statements

2. In addition to our responsibility for the audit of the consolidated financial statements as described in this auditor's report, we also:

   - identify and assess the risks of material misstatement of the consolidated financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

   - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control

   - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council which constitutes the accounting authority

   - conclude on the appropriateness of the council's use of the going concern basis of accounting in the preparation of the consolidated financial statements. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Walter Sisulu University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the consolidated financial statements. Our conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a University to cease continuing as a going concern

   - evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

   - obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion

Communication with those charged with governance

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

4. We also confirm to the accounting authority that we have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

WALTER SISULU UNIVERSITY

Consolidated Annual Financial Statements for the year ended 31 December 2019

INDEX

	PAGE
Consolidated Statement of Financial Position	108
Consolidated Statement of Comprehensive income	109
Consolidated Statement of Changes in Equity	110
Consolidated Statement of Cash Flows	111
Accounting Policies	112 - 126
Notes to the Consolidated Annual Financial Statements	127 - 152

WALTER SISULU UNIVERSITY

Consolidated Annual Financial Statements for the year ended 31 December 2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

Figures in R `000	Notes	2019	2018 (Restated)	2017 (Restated)
Assets				
Non-current assets				
Property, plant and equipment	5	889,853	882,655	845,718
Right-of-use assets	6	7,218	-	-
Unlisted investments	7	15,879	14,857	14,899
Total non-current assets		**912,950**	**897,512**	**860,617**
Current assets				
Trade and other receivables	8	574,651	513,698	234,034
Cash and cash equivalents	9	1,369,059	1,033,525	751,698
Total current assets		**1,943,710**	**1,547,223**	**985,732**
Total assets		**2,856,660**	**2,444,735**	**1,846,349**
Reserves and liabilities				
Reserves				
Capital Reserves		380,255	380,255	380,255
Accumulated deficit		(73,971)	(269,379)	(492,807)
Total reserves		**306,284**	**110,876**	**(112,552)**
Liabilities				
Non-current liabilities				
Lease obligation	6	4,919	-	-
Deferred income	11	1,417,789	1,407,512	1,063,698
Total non-current liabilities		**1,422,708**	**1,407,512**	**1,063,698**
Current liabilities				
Accrual for employment obligations	12	201,657	181,320	174,500
Trade and other payables	13	532,463	413,746	392,246
Lease obligation	6	3,312	-	-
Deferred income	11	390,236	331,281	328,457
Total current liabilities		**1,127,668**	**926,347**	**895,203**
Total liabilities		**2,550,376**	**2,333,859**	**1,958,901**
Total equity and liabilities		**2,856,660**	**2,444,735**	**1,846,349**

WALTER SISULU UNIVERSITY

Consolidated Annual Financial Statements for the year ended 31 December 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Figures in R `000	Notes	2019 Council controlled unrestricted	2019 Specifically funded activities restricted	2019 Residences and accommodation	2019 Total	2018 (Restated) Total
Subsidies and Grants		894,358	194,574	-	1,088,932	903,980
State appropriations - subsidies and grants	14.2	894,358	124,744	-	1,019,102	858,965
Institutional grants	14.2	-	69,830	-	69,830	45,015
Tuition and residence fee revenue		781,559	-	596,908	1,378,467	1,094,908
Sundry Income		22,347	-	-	22,347	17,527
		1,698,264	194,574	596,908	2,489,746	2,016,415
Operating expenditure						
Personnel costs	15	(1,050,028)	(73,061)	(30,656)	(1,153,745)	(1,030,955)
Academic		(622,235)	(36,155)	-	(658,390)	(590,371)
Other personnel		(427,793)	(36,906)	(30,656)	(495,355)	(440,584)
Other operating costs	16	(428,645)	(114,075)	(535,250)	(1,077,970)	(783,808)
Doubtful debt provision	8	(21,975)	-	(16,784)	(38,759)	50,361
Depreciation and impairment	17	(30,832)	(15,541)	-	(46,373)	(41,283)
Total operating expenditure		(1,531,480)	(202,677)	(582,690)	(2,316,847)	(1,805,685)
Finance income	18	23,312	459	-	23,771	12,699
Finance cost	6.3	(1,262)	-	-	(1,262)	-
Sub total		(1,509,430)	(202,218)	(582,690)	(2,294,338)	(1,792,986)
Surplus/(Deficit)	17	188,834	(7,644)	14,218	195,408	223,429

WALTER SISULU UNIVERSITY

Consolidated Annual Financial Statements for the year ended 31 December 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Figures in R `000	Capital Reserves	Accumulated deficit	Total
Balance at 1 January 2018 as previously reported	380,255	(577,403)	(197,148)
Increase due to corrections of prior period errors - Note 19	-	84,595	84,595
Balance at 1 January 2018 as restated	380,255	(492,808)	(112,551)
Surplus for the year	-	223,429	223,429
Surplus for the year previously stated	-	241,557	241,557
Decrease due to corrections of prior period errors - Note 20	-	(18,128)	(18,128)
Balance at 31 December 2018 as restated	**380,255**	**(269,379)**	**334,307**
Surplus for the year	-	195,408	195,408
Balance at 31 December 2019	**380,255**	**(73,971)**	**306,284**

WALTER SISULU UNIVERSITY

Consolidated Annual Financial Statements for the year ended 31 December 2019

CONSOLIDATED STATEMENT OF CASH FLOWS

Figures in R `000	Notes	2019	2018 (Restated)
Cash flows from operating activities			
Surplus for the year		**195,408**	**223,429**
Adjusted for:			
Depreciation and amortisation expense	17	46,373	41,283
Amounts written off	5	-	5,345
Finance income	18	(23,771)	(12,699)
Finance costs	6	1,262	-
Changes in:			
Adjustments for increase in trade accounts receivable		(103,859)	(213,365)
Adjustments for increase in other operating payables		118,717	21,592
Adjustments for increase in accrual for employment obligations		20,337	6,820
Adjustments for decrease/(increase) in other operating receivables		4,797	(17,160)
Adjustments for impairment losses and reversal of impairment losses		38,759	(50,357)
Cash flows from operating activities		**298,023**	**4,888**
Interest paid	6	(1,262)	-
Interest received	18	23,771	12,699
Net cash flows from operating activities		**320,532**	**17,587**
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(49,891)	(82,443)
Adjustments for increase in deferred income	11	69,232	346,638
Purchase of other financial assets		(1,021)	42
Net cash flows from investing activities		**18,320**	**264,237**
Payments on lease liabilities	6	(3,318)	-
Net increase in cash and cash equivalents		**335,534**	**281,824**
Cash and cash equivalents at the beginning of year	9	1,033,525	751,701
Total cash and cash equivalents at end of year	9	**1,369,059**	**1,033,525**

WALTER SISULU UNIVERSITY

Consolidated Annual Financial Statements for the year ended 31 December 2019

ACCOUNTING POLICIES

1. General information

Walter Sisulu University ("WSU") is a Higher Education Institution incorporated in South Africa and governed by the Higher Education Act 1997 (Act No. 101 of 1997) as amended. The principal activities of WSU relate to education, research, community partnership programmes and providing residential accommodation to students. The University consolidated annual financial statements are presented in South African Rand and all values are rounded to the nearest thousand (R'000) except where otherwise stated.

2. Basis of preparation and summary of significant accounting policies

The University consolidated annual financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and the requirements of the Higher Education Act of South Africa. These consolidated annual financial statements have been prepared under the historical cost convention, except for investments measured at fair value through profit and loss.

The preparation of consolidated annual financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the University's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated annual financial statements are disclosed in note 3.

Consolidated financial statements have not been presented as the assets and liabilities that are controlled by the University are immaterial to the University's operations.

The principal accounting policies applied in the preparation of these consolidated annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless as disclosed in Note 31.

2.1 Going concern

The going concern basis has been adopted in preparing the consolidated annual financial statements on the basis of the continued support from the Department of Higher Education, as set out in the Ministerial Statement on University Funding 2019/20 and 2020/21.

Walter Sisulu University generated a net surplus of R195m million during the year ended 31 December 2019 and, as of that date the University's net assets were R324m. The University's is implementing a financial recovery plan which includes cost control, debtors management, improving the administration of NSFAS claims and reviewing the viability of programmes with the aim of improving the working capital and the balance sheet. The cash flow position of the University has continued to show a steady improvement in the last few years. Cash flow projections indicate that the University will have sufficient operating cash flows for the next 12 months.

The University had unrestricted cash balances of R800m as of June 2020. With no contractual debt and no committed borrowings, Council believes that the University has sufficient operating cash reserves to maintain operations and meet obligations as they fall due for the next 12 months.

2.2 Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the university has control. The university controls an entity when the university is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the university. They are deconsolidated from the date that control ceases.

WALTER SISULU UNIVERSITY

Consolidated Annual Financial Statements for the year ended 31 December 2019

ACCOUNTING POLICIES

Basis of preparation and summary of significant accounting policies continued...

The University applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the university. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The university recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The details of structured entities of the University are disclosed in Note 26.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in surplus or deficit.

Any contingent consideration to be transferred by the university is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in surplus or deficit or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-entity transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the university's accounting policies.

The difference between the amounts disclosed in consolidated annual financial statements and the amounts applicable to the University, on a stand-alone basis, is insignificant and for that reason separate financial statements were not compiled.

Disposal of subsidiaries

When the University ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in surplus or deficit. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the university had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to surplus or deficit.

2.3 Joint arrangements

Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

The University has assessed the nature of its joint arrangements and has determined them to be joint operations.
The University recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the consolidated annual financial statements under the appropriate headings. Details of the joint operation are set out in note 10.

2.4 Property, plant and equipment

Definition

Property, plant and equipment are tangible items that:

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

WALTER SISULU UNIVERSITY

Consolidated Annual Financial Statements for the year ended 31 December 2019

ACCOUNTING POLICIES

Basis of preparation and summary of significant accounting policies continued...

Recognition

Property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Initial measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost.

The cost of an item of property, plant and equipment includes:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Subsequent measurement - Cost model

After initial recognition, property, plant and equipment is measured at cost less any accumulated depreciation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure incurred on items of property, plant and equipment is capitalised only to the extent that such expenditure enhances the value or previous capacity of those assets. Repairs and maintenance not deemed to enhance the economic benefit or service potential of items of property, plant and equipment are expensed as incurred.

Where the entity replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Depreciation

Depreciation of an asset commences when it is available for use, and ceases at the earlier of the date that the asset is classified as held for sale or the date that the asset is derecognised.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset. The depreciable amount of an asset shall be allocated on a systematic basis over its useful life. The depreciable amount of an asset is determined after deducting its residual value.

Residual values, useful lives and depreciation methods are reviewed at each financial year end. Where there are significant changes in the expected pattern of economic consumption of the benefits embodied in the asset, the relevant changes will be made to the residual values and depreciation rates, and the change will be accounted for as a change in accounting estimate.

WALTER SISULU UNIVERSITY

Consolidated Annual Financial Statements for the year ended 31 December 2019

ACCOUNTING POLICIES

Basis of preparation and summary of significant accounting policies continued...

The measurement base, useful life or depreciation rate as well as the depreciation method for all major classes of assets are as follows:

Asset class	Measurement base	Useful life / depreciation rate	Depreciation method
Buildings	Cost	Buildings only up 50 years	Straight Line
Leasehold improvements	Cost	Lease period	Straight Line
Motor vehicles	Cost	10 years	Straight Line
Fixtures and fittings	Cost	3 to 10 years	Straight Line
Computer equipment	Cost	5 years	Straight Line
Construction in progress	Cost	Not depreciated until transferred to respective asset class and items brought into use	
Land	Cost	Not depreciated	

Impairments

The University tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in surplus or deficit, except where the decrease reverses a previously recognised revaluation increase for the same asset the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

Where the estimated impairment loss exceeds the carrying amount of the asset to which it relates, the resulting liability is only recognised if it is required by another standard.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up are included in surplus or deficit when the compensation becomes receivable.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised when the asset is disposed of or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. Gains are classified as other gains on the face of the statement of surplus or deficit and other comprehensive income.

2.5 Borrowing costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which it occurred.

WALTER SISULU UNIVERSITY

Consolidated Annual Financial Statements for the year ended 31 December 2019

ACCOUNTING POLICIES

Basis of preparation and summary of significant accounting policies continued...

Where funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

Where funds are borrowed generally and the entity uses the funds for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation will be calculated by applying a capitalisation rate to the costs incurred on the qualifying asset. The capitalisation rate is based on the weighted average of the borrowing rate applicable to all borrowings outstanding during the period, apart from borrowings made specifically for the purpose of obtaining a qualifying asset.

Capitalised borrowing costs are limited to actual borrowing costs incurred during any period.

The capitalising of borrowing costs as part of the cost of a qualifying asset will begin on the commencement date. The commencement date for capitalisation is the date when all of the following conditions are met:

- expenditures for the asset are incurred;
- borrowing costs are incurred; and
- activities that are necessary to prepare the asset for its intended use or sale have commenced.

Capitalisation of borrowing costs is suspended during extended periods in which active development of a qualifying asset is suspended.

Capitalising borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

When construction of a qualifying asset is completed in parts and each part is capable of being used while construction continues on other parts, capitalising borrowing costs ceases when all the activities necessary to prepare that part for its intended use or sale has been substantially completed.

2.6 Lease liabilities

Definition

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

Identification of a lease

At inception of a contract, it is assessed to determine whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the terms and conditions of a contract are changed, it is reassessed to determine if the contract is still a lease or now contains a lease.

Where a contract contains a lease, each lease component with the contract is accounted for separately from the non-lease components. The consideration is then allocated to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components are determined on the basis of the price the lessor, or a similar supplier, would charge an entity for that component, or a similar component, separately. If an observable stand-alone price is not readily available, an estimate of the stand-alone price is made, maximising the use of observable information in each case. All non-lease components are accounted for in accordance with whatever other policy is applicable to them.

Lease term

The lease term of a lease is determined as the non-cancellable period of the lease, together with the periods covered by an option to extend the lease where there is reasonable certainty that the option will be exercised, and periods covered by an option to terminate the lease if there is reasonable certainty that the option will not be exercised.

WALTER SISULU UNIVERSITY

Consolidated Annual Financial Statements for the year ended 31 December 2019

ACCOUNTING POLICIES

Basis of preparation and summary of significant accounting policies continued...

The assessment of the reasonable certainty of the exercising of options to extend the lease or not exercising of options to terminate the lease is reassessed upon the occurrence of either a significant event or a significant change in circumstances that is within the university's control and it affects the reasonable certainty assumptions.

The assessment of the lease term is revised if there is a change in the non-cancellable lease period.

Recognition

At inception, a right-of-use asset and a lease liability is recognised. Right-of-use assets are included in the statement of financial position. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019.

Measurement

Right-of-use assets are initially measured at cost, comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred; and
- an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The obligation for those costs are incurred either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Where a lease transfers ownership of the underlying asset by the end of the lease term or if the cost of the right-of-use asset reflects a purchase option will be exercised, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The university tests for impairment where there is an indication that a right-of-use asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of a right- of-use asset is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in surplus or deficit.

The lease liability is initially measured at the present value of the lease payments that are not yet paid at the commencement date. Lease payments are discounted using the interest rate implicit in the lease, if the rate can be readily determined, else it is based on the university's incremental borrowing rate. The following lease payments are included where they are not paid at the commencement date:

- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under residual value guarantees;
- the exercise price of a purchase option if there is reasonably certainty that the option will be exercised; and
- payments of penalties for terminating the lease, if the lease term reflects the exercising an option to terminate the lease.

Subsequently, the lease liability is measured by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The periodic rate of interest is the discount rate described above, or if

WALTER SISULU UNIVERSITY

Consolidated Annual Financial Statements for the year ended 31 December 2019

ACCOUNTING POLICIES

Basis of preparation and summary of significant accounting policies continued...

Low value and short-term leases are not capitalised. Payments in respect of these leases are expensed in profit and loss.

2.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A financial asset is any asset that is:

- cash;
- an equity instrument of another entity;
- a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.
- a contract that will or may be settled in the entity's own equity instruments and is a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or

A financial liability is any liability that is:

- a contractual obligation to deliver cash or another financial asset to another entity to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Classification and recognition

Classification of a financial instrument, or its component parts takes place on initial recognition. Each instrument is classified as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument.

Financial assets classification

The university classifies financial assets into the following categories:

- Unlisted investments subsequently measured at fair value through profit and loss
- Financial assets subsequently measured at fair value through other comprehensive income (OCI)
- Financial assets subsequently measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are either recorded in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Financial liabilities classification

The University classifies financial liabilities into the following category:

- Financial liabilities subsequently measured at amortised cost

Financial liabilities are classified, at initial recognition as loans and borrowings and payables as appropriate.

Recognition

Financial instruments are recognised initially when the University becomes a party to the contractual provisions of the instruments.

WALTER SISULU UNIVERSITY

Consolidated Annual Financial Statements for the year ended 31 December 2019

ACCOUNTING POLICIES

Basis of preparation and summary of significant accounting policies continued...

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the University commits to purchase or sell the asset.

Initial measurement

Financial assets

When a financial asset is recognised initially, it is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial liabilities

Financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The University's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

Financial assets

Debt instruments

Subsequent measurement of debt instruments depends on the University's business model for managing the asset and cash flow characteristics of the asset. Debt instruments are subsequently measured at:

- Amortised cost: assets held only for collection of principal and interest payments
    - Interest income is included in finance income using the effective interest rate method.
    - Any gain or loss on derecognition is recognised in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses.
    - Impairment losses are presented as a separate line item in the statement of profit or loss.
    - The University's financial assets at amortised cost includes trade receivables.

Financial liabilities

- Amortised cost: Loans and borrowings
    - After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.
    - Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.
    - Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.
    - The effective interest rate amortisation is included as finance costs in the statement of profit or loss.
    - This category generally applies to interest-bearing loans and borrowings.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the university or the counterparty.

WALTER SISULU UNIVERSITY

Consolidated Annual Financial Statements for the year ended 31 December 2019

ACCOUNTING POLICIES

Basis of preparation and summary of significant accounting policies continued...

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when it is transferred, and the transfer qualifies for derecognition.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Impairment of financial assets

A forward-looking allowance for expected credit losses is recognised for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between contractual cash flows due in accordance with the contract and all the cash flows that the University expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The impairment methodology applied depends on whether there has been a significant increase in credit risk:

- For credit exposures with no significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit loss).
- For credit exposures with significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit loss).

For trade receivables and contract assets, a simplified approach is applied in calculating expected credit losses. Instead of tracking changes in credit risk, a loss allowance is recognised based on lifetime expected credit losses at each reporting date. A provision matrix was established that is based on the University's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The University considers a financial asset in default when fees charged for an academic year are not settled within the academic year. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently carried at amortised cost.

Trade and other payables

Trade payables are initially measured at fair value plus direct transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

2.8 Provisions and contingencies

A provision is a liability of uncertain timing or amount. A liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

WALTER SISULU UNIVERSITY

Consolidated Annual Financial Statements for the year ended 31 December 2019

ACCOUNTING POLICIES

Basis of preparation and summary of significant accounting policies continued...

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A provision is recognised when:

- there is a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when it is virtually certain that reimbursement will be received when the obligation is settled. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement will not exceed the amount of the provision.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating losses.

The present obligation under an onerous contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when:

- there is a detailed formal plan for the restructuring identifying at least the business or part of a business concerned, the principal locations affected, the location, function, and approximate number of employees who will be compensated for terminating their services, the expenditures that will be undertaken and when the plan will be implemented; and
- there has been raised a valid expectation in those affected that the restructuring will be carried out by starting to implement that plan or announcing its main features to those affected by it.

After initial recognition and until the liability is settled, cancelled or expires, a contingent liability is recognised in a business combination at the higher of the amount that would be recognised as a provision, and the amount initially recognised less cumulative amortisation.

Contingent assets and liabilities are not recognised, but details are disclosed in the notes to the consolidated annual financial statements.

WALTER SISULU UNIVERSITY

Consolidated Annual Financial Statements for the year ended 31 December 2019

ACCOUNTING POLICIES

Basis of preparation and summary of significant accounting policies continued...

2.9 Revenue from contracts with customers (Tuition fees)

Tuition, registration and residence fee revenue are recognised in income in the academic year to which it relates. The University has assessed that the students simultaneously receive and consume the benefits provided within the year, as such revenue is recognised over time.

The University is in the business of providing teaching and learning, research, community partnership programmes and providing residential accommodation to students.

A contract with a customer is recognised when all of the following criteria are met:

- the contract has been approved and all parties to the contract are committed to performing their respective obligations;
- each party's rights regarding the goods or services to be transferred are identifiable;
- payment terms for the goods or services to be transferred are identifiable;
- the contract has commercial substance; and
- it is probable that the consideration in exchange for the goods or services that will be transferred will be collected.

At the inception of a contract, the goods or services promised in the contract are assessed and a performance obligation is identified for each promise to transfer to the customer either:

- a good or service that is distinct; or
- a series of distinct goods or services that are substantially the same and that have the same pattern of transfer.

Revenue is recognised when or as the performance obligation is satisfied by transferring a promised good or service to a customer. Assets are transferred when or as the customer obtains control of that asset.

Measurement

When a performance obligation is satisfied, revenue is recognised as the amount of the transaction price that is allocated to the performance obligation, but excluding estimates of variable consideration that are constrained and any amounts collected on behalf of third parties. The transaction price may include fixed amounts, variable amounts, or both.

The university allocates the transaction price to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which the university expects to be entitled in exchange for transferring the promised goods or services to the customer.

The university recognises as an asset the incremental costs of obtaining a contract with a customer if the university expects to recover those costs.

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the university recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the university can specifically identify (for example, costs relating to services to be provided under renewal of an existing contract or costs of designing an asset to be transferred under a specific contract that has not yet been approved);
- the costs generate or enhance resources of the university that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

When either party to a contract has performed, the university presents the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the university's performance and the customer's payment. The university presents any unconditional rights to consideration separately as a receivable.

WALTER SISULU UNIVERSITY

Consolidated Annual Financial Statements for the year ended 31 December 2019

ACCOUNTING POLICIES

Basis of preparation and summary of significant accounting policies continued...

Rental Income

Where the University retains the significant risks and benefits of ownership of an item under a lease agreement, it is classified as an operating lease. Receipts in respect of the operating lease are recognised on a straight-line basis in the statement of profit or loss and comprehensive income over the period of the lease.

Rendering of services

Revenue from rendering services and is recognised over the life of the plan in the accounting period in which the services are rendered. Sales of services are already accounted for on an accrual basis over time and does not have multiple element arrangements included in it.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Sundry sales of goods are mostly delivered to customers at the point of sale.

Private gifts and donations

Private gifts and donations, whether of cash or assets, are recognised as revenue in the period they are received or receivable only when the University obtains control of these funds, the right to receive it or it is probable that the economic benefits comprising these funds will flow to the University and the amount of the private gifts and donations can be measured reliably.

Donations with no restrictions attached to them are recognised at that point in time, or otherwise deferred in line with the performance conditions.

Significant financing component

Generally, the university receives short-term advances from its customers. Using the practical expedient in IFRS 15, the university does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

2.10 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for services rendered by employees or for the termination of employment.

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service.

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

Other long-term employee benefits are all employee benefits other than short-term employee benefits, post-employment benefits and termination benefits.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

WALTER SISULU UNIVERSITY

Consolidated Annual Financial Statements for the year ended 31 December 2019

ACCOUNTING POLICIES

Basis of preparation and summary of significant accounting policies continued...

When an employee has rendered service to an entity during a period, the contribution payable to a defined contribution plan in exchange for that service is recognised:

- as a liability, after deducting any contribution already paid. Where the contribution already paid exceeds the contribution due for service before the end of the reporting period, the excess is recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.
- as an expense, except where the amount is allowed as an inclusion in the cost of an asset.

2.11 Government grants

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the university. They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the university.

Government grants, including non-monetary grants at fair value, are not recognised until there is reasonable assurance that:

- the entity will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised in surplus or deficit on a systematic basis over the periods in which the related costs for which the grants are intended to compensate are expensed.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the university with no future related costs are recognised in surplus or deficit of the period in which it becomes receivable.

Non-monetary grants are measured at fair value of the non-monetary asset and both the grant and asset are recognised at that fair value. An alternative course that is sometimes followed is to record both asset and grant at a nominal amount.

Government grants related to assets, including non-monetary grants at fair value are presented in the statement of financial position either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Repayment of a grant related to income is applied first against any unamortised deferred credit recognised in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or when no deferred credit exists, the repayment is recognised immediately in surplus or deficit.

Repayment of a grant related to an asset is recognised by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised in surplus or deficit to date in the absence of the grant is recognised immediately in surplus or deficit.

Where a loan is received from government at below market interest rate, the difference between the fair value of the loan and the amount received is recognised as a government grant.

Government grants are excluded from the scope of IFRS 15 and accounted for in terms of IAS 20. Research grants are accounted over the term of the research period.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

WALTER SISULU UNIVERSITY

Consolidated Annual Financial Statements for the year ended 31 December 2019

ACCOUNTING POLICIES

Critical accounting estimates and judgements continued...

The university makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

3.1 Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The university uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the University's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the tables included in note 8.

3.2 Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

4. New standards and interpretations

4.1 Standards and Interpretations effective and adopted in the current year

	Effective date: Years beginning on or after	Expected impact
Amendments to IFRS 9 - 'Financial instruments' Financial instruments' on prepayment features with negative compensation and modification of financial liabilities. The narrow-scope amendment covers two issues: - The amendments allow companies to measure particular repayable financial assets with so called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met instead of at fair value through profit or loss. It is likely to have the biggest impact on banks and other financial service entities. - How to account for the modification of a financial liability. The amendment confirms that most such modifications will result in immediate recognition of a gain or loss. This is a change from common practice under IAS 39 today and will affect all kinds of entities that have a renegotiated borrowings.	1-Jan-19	Not material

WALTER SISULU UNIVERSITY

Consolidated Annual Financial Statements for the year ended 31 December 2019

ACCOUNTING POLICIES

New standards and interpretations continued...

IFRS 16 - Leases	1-Jan-19	Implemented from effective date (note 29)
Annual improvements cycle 2015-2017. These amendments include minor changes to: - IFRS 3, 'Business combination': a company remeasures its previously held interest in a joint operation when it obtains control of the business. - IFRS 11,'Joint arrangements': a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business. - IAS 12,' Income taxes': The amendment clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. - IAS 23,' Borrowing costs': a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale	1-Jan-19	Not material
Amendments to IAS 28 Investments in associates and joint ventures: long- term interests in associates and joint ventures. The amendments clarified that companies account for long-term interests in an associate or joint venture, to which the equity method is not applied, using IFRS 9. The amendments are effective from 1 January 2019, with early application permitted	1-Jan-19	Not material

4.2 New standards and interpretations not yet adopted

Amendment to IAS 1, 'Presentation of financial statements' and IAS 8 Accounting policies, changes in accounting estimates and errors' on the definition of material. These amendments to IAS 1 and IAS 8 and consequential amendments to other IFRSs: use a consistent definition of materiality through IFRSs and the Conceptual Framework for Financial Reporting; clarify the explanation of the definition of material; and incorporate some of the guidance in IAS 1 about immaterial information. The amended definition is: 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.	1-Jan-20	Management has performed a high level impact assessment and are not expecting any material changes

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
Figures in R `000

5. Property, plant and equipment

Balances at year end and movements for the year ended 31 December 2019

	Land and buildings	Leasehold improvements	Motor vehicles	Fixtures and fittings	Computer equipment	Construction in progress	Total
Balance at 1 January 2019							
At cost	880,409	45,864	33,919	108,423	48,293	37,491	**1,154,399**
Accumulated depreciation and impairment	(161,504)	(1,401)	(21,964)	(68,024)	(18,851)	-	**(271,744)**
Net book value	**718,905**	**44,463**	**11,955**	**40,399**	**29,442**	**37,491**	**882,655**
Movements for the year ended 31 December 2019							
Additions	-	-	-	8,589	12,249	29,053	**49,891**
Disposals	-	-	(121)	-	-	-	**(121)**
Cost	-	-	(4,271)	-	-	-	(4,271)
Accumulated depreciation	-	-	4,150	-	-	-	4,150
Depreciation	(20,195)	(1,487)	(1,001)	(10,723)	(9,166)	-	**(42,572)**
Increase (decrease) through transfers from construction in progress	10,088	-	-	-	-	(10,088)	**-**
	708,798	**42,976**	**10,833**	**38,265**	**32,525**	**56,456**	**889,853**
Closing balance at 31 December 2019							
At cost	890,243	45,864	28,900	116,448	59,881	56,456	**1,197,792**
Accumulated depreciation and impairment	(181,445)	(2,888)	(18,067)	(78,183)	(27,356)	-	**(307,939)**
Net book value	**708,798**	**42,976**	**10,833**	**38,265**	**32,525**	**56,456**	**889,853**

Land and buildings

Certain properties are still registered in the names of institutions that were merged into Walter Sisulu University. The University however maintains full control over these properties. Transfer of these properties into the University's name is regarded as an administrative matter. These properties have therefore been recognised within the financial records of the University. Please refer to the detail below.

Property, plant and equipment continued...

Name of former institution	Number	Carrying value
Border Technikon	2	5,869
Transkei Trust (TT Trust)	2	3,958
University of Transkei	29	873
	33	**10,700**

Leasehold improvements

As disclosed in note 10 Investment in Joint Operations, the University has an interest in the Cooperative Joint Library in East London. The University's contribution to the construction of the library has been classified as leasehold improvements.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
Figures in R `000

Property, plant and equipment continued...

	Land and buildings	Leasehold improvements	Motor vehicles	Fixtures and fittings	Computer equipment	Construction in progress	Total
Reconciliation for the year ended 31 December 2018							
Balance at 1 January 2018							
At cost	**840,020**	**32,174**	**24,270**	**77,731**	**20,620**	**9,718**	**1,004,533**
Adjustments for prior period errors	42,596	-	7,764	15,065	8,623	-	**74,048**
New assets identified/costs not capitalised - Note 19.1	42,596	-	8,222	28,808	9,613	-	**89,239**
Write-off of assets not verified - Note 19.1	-	-	(458)	(13,743)	(990)	-	**(15,191)**
Accumulated depreciation and impairment	**(146,277)**	**(7,453)**	**(19,960)**	**(54,677)**	**(11,795)**	**-**	**(240,162)**
Adjustments for prior period errors	(1,704)	-	(459)	8,869	593	-	**7,299**
New assets identified - Note 19.1	(1,704)	-	(906)	(861)	(114)	-	(3,585)
Assets written-off - Note 19.1	-	-	447	9,730	707	-	10,884
Net book value	**734,635**	**24,721**	**11,615**	**46,988**	**18,041**	**9,718**	**845,718**
Movements for the year ended 31 December 2018							
Additions	2,148	20,142	1,345	11,524	19,511	27,773	**82,443**
New assets identified - Note 20.1	-	-	-	7,120	8,170	-	15,290
Previously stated	2,148	20,142	1,345	4,404	11,341	27,773	67,153
Write-off of assets not verified - Note 20.1	-	-	-	(3,762)	(461)	-	(4,223)
Depreciation	(17,878)	(400)	(1,005)	(14,351)	(7,649)	-	**(41,283)**
Correction to depreciation charge - Note 20.1	(852)	-	(336)	(4,116)	(3,931)	-	**(9,235)**
Previously stated	(17,026)	(400)	(669)	(10,235)	(3,718)	-	**(32,048)**
	718,905	**44,463**	**11,955**	**40,399**	**29,442**	**37,491**	**882,655**
Closing balance at 31 December 2018							
At cost	880,409	45,864	33,919	108,423	48,293	37,491	**1,154,399**
Accumulated depreciation and impairment	(161,504)	(1,401)	(21,964)	(68,024)	(18,851)	-	**(271,744)**
Net book value	**718,905**	**44,463**	**11,955**	**40,399**	**29,442**	**37,491**	**882,655**

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
Figures in R `000

Property, plant and equipment continued...

Land and buildings

Certain properties are still registered in the names of institutions that were merged into Walter Sisulu University. The University however maintains full control over these properties. Transfer of these properties into the University's name is regarded as an administrative matter. These properties have therefore been recognised within the financial records of the University. Please refer to the detail below.

Name of former institution	Number	Carrying value
Border Technikon	2	5,842
Transkei Trust (TT Trust)	2	3,958
University of Transkei	29	900
	33	**10,700**

Leasehold improvements

As disclosed in note 10 Investment in Joint Operations, the University has an interest in the Cooperative Joint Library in East London. The University's contribution to the construction of the library has been classified as leasehold improvements.

WALTER SISULU UNIVERSITY
Consolidated Annual Financial Statements for the year ended 31 December 2019

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Figures in R `000	**2019**	**2018**

6. Lease liabilities

6.1 Lease liabilities are analysed as follows:

Buildings	7,611	-
Vehicles	620	-
	8,231	**-**
Non-current liabilities	4,919	-
Current liabilities	3,312	-
	8,231	**-**

6.2 Amounts recognised in the consolidated statement of financial position

Right-of-use assets		
Buildings	5,627	-
Motor vehicles	1,591	-
Total	**7,218**	**-**
Analysis of carrying amount		
Buildings		
Cost	10,410	-
Accumulated depreciation	(4,783)	-
Carrying amount	**5,627**	**-**
Vehicles		
Cost	3,183	-
Accumulated depreciation	(1,592)	-
Carrying amount	**1,591**	**-**
Total	**7,218**	**-**
Lease liabilities		
Current portion	(3,312)	-
Non-current portion	(4,919)	-
	(8,231)	**-**

6.3 Amounts recognised in the statement of surplus or deficit and other comprehensive income

Depreciation		
Buildings	2,740	-
Motor vehicles	1,061	-
Total	**3,801**	**-**
Other expenses		
Interest expense	1,262	-

WALTER SISULU UNIVERSITY
Consolidated Annual Financial Statements for the year ended 31 December 2019

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Figures in R `000	**2019**	**2018**

Lease liabilities continued...

6.4 Amounts recognised in the consolidated statement of cash flows

Total cash outflow for leases	3,318	-

6.5 Other information related to leases

Leasing activities and accounting for leases

The university leases various properties, and vehicles. Rental contracts are typically made for fixed periods of 2 to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the University. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the University's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

Extension and termination options

Extension and termination options are included in a number of property and equipment leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the university and not by the respective lessor.

Short-term and low value lease commitments

Lease commitments for short-term leases for which recognition exemption has been used.

WALTER SISULU UNIVERSITY
Consolidated Annual Financial Statements for the year ended 31 December 2019

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Figures in R `000	**2019**	**2018**
Lease liabilities continued...		
Student Residences	444,296	-
Administration Buildings	9,003	-
Printers	3,502	-
	456,801	-

The University has accounted for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases as per practical expedient allowed by IFRS 16.

Student Residences - The University leases student accommodation from private landlords. The contracts had a termination date of 31 December 2019 and have therefore not been capitalised in terms of IFRS 16. The University enters into new contracts every year following an accreditation and a procurement process.

Administration buildings - The University leases a number of buildings for office space. The rental agreements had come to an end at the of December 2019 and the contracts are being renewed on a month to month basis.

7. Unlisted investments

Unlisted investments comprise of the following balances

Guard Risk Insurance	412	412
Sanlam Multi Investment (Listed unit trusts)	15,467	14,445
	15,879	**14,857**

8. Trade and other receivables

8.1 Trade and other receivables comprise:

Trade receivables	1,039,597	935,719
Trade receivables impairment	(504,877)	(466,118)
Trade receivables - net	**534,720**	**469,601**
Sundry debtors	312	35,227
Eastern Cape Department of Health receivable	27,520	-
Prepaid expenses	5,818	2,345
Value added tax	6,281	6,525
Total current receivables	**574,651**	**513,698**

Due to the nature of the University's business, there will be receipts from debtors and funders not allocated to individual accounts at year end due to timing reasons or insufficient information or incorrect references used by depositors. Unallocated receipts amounting to R98.6m (2018: R90.8m) were set off against the outstanding receivables at year end.

WALTER SISULU UNIVERSITY
Consolidated Annual Financial Statements for the year ended 31 December 2019

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Figures in R `000	**2019**	**2018**

Trade and other receivables continued...

8.2 Trade and other receivables classification

Prepaid expenses	5,818	2,345
Value added tax	6,281	6,515
Total non-financial instruments included in trade and other receivables	12,099	8,860
Total trade and other receivables excluding non-financial assets included in trade and other receivables	562,552	504,838
Total trade and other receivables	**574,651**	**513,698**

8.3 Movements in impairment of trade and other receivables are as follows:

At start of year	466,118	516,479
Impairment provision raised/(reversed)	38,759	(50,361)
At end of year	**504,877**	**466,118**

As at 31 December 2019, student debtors of R1 039million (2018: R936 million) were past due (fees are due and payable in the year of study). Based on an analysis of outstanding payments and a historical payment patterns, student debtors to the value of R504 million (2018: R466 million) were provided for. The amount that best represents the maximum exposure to credit risk at the end of the reporting period without taking account of any collateral held or other credit enhancements was R1 039 million (2018: R936 million).

The University prepared an ageing of its trade receivables and calculated lifetime Expected Credit Losses as follows:

31 December 2019

Ageing / Category	**Balance outstanding**	**Expected loss rate**	**Cash shortfall**	**Discount factor**	**ECL Allowance**
Registered students - NSFAS	317,487	16%	49,917	3,578	53,495
Registered students - self and partly funded	379,565	27%	104,132	3,692	107,824
Unregistered students	458,081	68%	311,525	33,399	343,558
Total	1,155,133		465,574	40,669	504,877

31 December 2018

Ageing / Category	**Balance outstanding**	**Expected loss rate**	**Cash shortfall**	**Discount factor**	**ECL Allowance**
Registered students - NSFAS	18,273	11%	1,955	649	2,604
Registered students - self and partly funded	610,807	26%	157,527	24,902	188,012
Unregistered students	309,831	89%	274,541	960	275,501
Total	938,911		434,023	26,511	466,117

WALTER SISULU UNIVERSITY
Consolidated Annual Financial Statements for the year ended 31 December 2019

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Figures in R `000	**2019**	**2018**

Trade and other receivables continued...

Expected credit losses on amounts due from NSFAS are minimal to low, while expected credit losses on amounts due from registered students are expected to be low to medium. Expected credit losses on amounts due from registered students have been calculated from collection history. Future collections are not expected to vary significantly from previous experience.

The University has handed over debt due from unregistered students to a debt collection firm. Expected credit losses from unregistered students have been calculated from the success rates in securing repayment arrangements from unregistered students.

The carrying amount of receivables approximates fair value.

9. Cash and cash equivalents

Cash and cash equivalents comprise:

Cash		
Cash on hand	**-**	**673**
Short term investments	560,477	-
Balances with banks	808,582	1,032,852
Total bank balances	**1,369,059**	**1,032,852**
Total cash and bank balances	**1,369,059**	**1,033,525**
Details of balances with banks		
Council controlled	419,287	127,149
Restricted	949,772	905,703
Total bank balances	**1,369,059**	**1,032,852**

Restricted cash represents funds held by the University that have been specifically earmarked for defined purposes relating to either capital projects or operational costs outside of the University's normal operating expenditures.

Cash and cash equivalents have been assessed for impairment in terms of IFRS 9 and expected credit losses are considered to be immaterial.

Cash held on behalf of third parties
As at year end R101 259 (2018: R546 927) in respect of Group Life pay-outs were included in Cash and cash equivalents.

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Bank overdrafts		
Total undrawn facilities at year end	**71,000**	**71,000**

WALTER SISULU UNIVERSITY
Consolidated Annual Financial Statements for the year ended 31 December 2019

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Figures in R `000	**2019**	**2018**

Cash and cash equivalents continued...

Overdraft facilities are available with First National Bank to the value of R71 000 000 (2018: R 71 000 000). A guarantee in favour of the Municipality of the City of East London to the value of R50 000 and a guarantee in favour of the MTN SP (Pty) Ltd to the value of R100 000 was in place at year end. Cash at bank and on hand includes restricted funds.

10. Investments in joint operations

Interests in joint operations

- ECDOH's share of employment costs of the joint staff establishment
- ECDOH's agreed share of employment costs for employees in the four Health Resource Centres in the Eastern Cape Province
- ECDOH's agreed share of the operational expenses of the aforementioned Health Resource Centres, including library resources.
- ECDOH's agreed share of goods and services disbursements in respect of Health Sciences Training including the joint staff establishment

The University recognises its 40% portion of the salary expenses incurred on the joint staff establishment (HPTD JSE) as well as the amount receivable from ECDOH at year end. The above has been incorporated in the consolidated annual financial statements under the appropriate headings:

Statement of comprehensive income		
Personnel costs	6,361	8,157
Statement of financial position		
Trade and other payables - Note 13	-	(8,519)
Trade and other receivables - Note 8	27,520	-

Co-operative joint library

WSU, University of Fort Hare (UFH) and University of South Africa (UNISA) entered into a collaboration agreement to build and maintain a library facility in East London. The library was financed as follows:

- A contribution of R20 million from WSU. This was paid by DHET.
- A contribution of R80 million from UFH and UNISA
- A contribution of R100 million from the Department of Higher Education and Training (DHET)

The library was constructed on immoveable property held by UFH and hence ownership of the library vests with UFH. The interest of WSU and UNISA were secured through the registration of servitudes of use, 50 years in duration.

The above has been incorporated in the consolidated annual financial statements under the appropriate headings:

Statement of comprehensive income		
General expenses	1,152	309
Depreciation	800	400

WSU contributes 10% of the running costs of the library

WALTER SISULU UNIVERSITY
Consolidated Annual Financial Statements for the year ended 31 December 2019

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Figures in R `000	**2019**	**2018**
Investments in joint operations continued...		
Statement of financial position		
Property, plant and equipment (Leasehold improvements)	38,800	39,600
Deferred income	(19,400)	(19,800)

11. Deferred income

Deferred income is analysed as follows:

Balance at the beginning of the year		1,737,414	1,392,155
Add	Grant received	213,815	432,787
	Interest received	44,325	43,712
		1,995,554	1,868,654
Less	Expenditure	(187,529)	(131,240)
		1,808,025	**1,737,414**
Made up as follows:			
Cash at bank		949,772	907,636
Net book value of assets		657,949	710,082
Utilised in operations		200,304	119,696
		1,808,025	**1,737,414**
Asset Based Deferred Income		1,417,789	1,421,065
Income Based Deferred Income		390,236	317,728
		1,808,025	**1,738,793**
Non-current liabilities		1,417,789	1,407,512
Current liabilities		390,236	331,281
		1,808,025	**1,738,793**

12. Accrual for employment obligations

Leave pay accrual	177,301	161,732
13th cheque accrual	24,356	19,588
	201,657	**181,320**

12.1 Movement in the employee benefit obligations were as follows:

	Leave pay accrual	**13th cheque accrual**	**Total**
Balance at 1 January 2019	**161,732**	**19,588**	**181,320**
Increase in current year	15,569	4,768	20,337
Total changes	15,569	4,768	20,337
Balance at 31 December 2019	**177,301**	**24,356**	**201,657**
Balance at 1 January 2018	157,242	17,258	174,500
Increase in current year	4,490	2,330	6,820
Balance at 31 December 2018	**161,732**	**19,588**	**181,320**

WALTER SISULU UNIVERSITY
Consolidated Annual Financial Statements for the year ended 31 December 2019

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Figures in R `000	**2019**	**2018**

Accrual for employment obligations continued...

12.2 Details of employee obligations

Leave pay accrual
Employee entitlements to annual accumulated leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual and accumulated leave as a result of services rendered by employees up to the reporting period. Employees older than 55 years who did not participate in the leave buyout are provided for in full, while the provision for the rest of the employees is capped at 60 days. The present obligation at the end of the reporting period is calculated as the cost to company remuneration applied to the accumulated leave days taking into account the capped days.

13th cheque accrual
Employee entitlements to a 13th cheque are recognised when they accrue to employees. An obligation is made for the estimated liability for the 13th cheque as stipulated in employment contracts. Employees who have structured their remuneration to have a 13th cheque receive the 13th cheque in their respective birthday months. The present obligation at the end of the reporting period is calculated as the cost to company remuneration applied to the number of months accrued at the end of the reporting period.

13. Trade and other payables

Trade and other payables are made up as follows:		
Payables and accruals	109,471	114,960
Other payables	10,706	21,707
DHET missing middle grant	19,193	-
Debtors with credit balances	280,034	134,183
Eastern Cape Department of Health	-	8,519
Payroll liabilities	1,811	23,129
DHET payable	111,248	111,248
Total trade and other payables	**532,463**	**413,746**

The amount due to DHET will be settled by the University's contribution to DHET approved capital projects.

The carrying amount of payables approximates fair value.

14. Revenue

14.1 Tuition and other fee revenue

Tuition fees	760,965	682,459
Student levies and other charges	20,594	18,774
Subtotal	781,559	701,233
Residence fees	596,908	393,675
Total	**1,378,467**	**1,094,908**

Student levies and charges include copyright fees, sports fees and the ambulance levy charged to students. It also comprises other fees charged to students or prospective students for administrative costs incurred in processing of applications or appeals.

WALTER SISULU UNIVERSITY
Consolidated Annual Financial Statements for the year ended 31 December 2019

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Figures in R `000	**2019**	**2018**
Revenue continued...		
14.2 Subsidies and grants		
State appropriations - subsidies and grants	894,358	770,816
Government grants - Specifically funded Institutional Based	124,744	88,149
Government grants - State Approved	69,830	45,015
Total subsidies and grants	**1,088,932**	**903,980**
Total other income	**22,347**	**17,527**
Total revenue	**2,489,746**	**2,016,415**
14.3 Other income is analysed as follows:		
Donations and other receipts	4,328	15,781
Management fees received	7,066	100
Other income - Donations	444	280
Long outstanding credit balances written back to income	8,856	-
Rent received	1,126	1,365
Profit on disposal of assets	527	-
Total other income	**22,347**	**17,526**
14.4 Sources of revenue		
Contracts with customers (Tuition and other fee revenue)	1,378,467	1,094,908
Non-monetary exchanges between entities (Government Grants)	1,088,932	903,980
Other non-contract revenue (Other income)	22,347	17,527
	2,489,746	**2,016,415**
15. Personnel costs		
Salaries and wages	1,078,548	965,156
Defined contribution plans	75,197	65,799
	1,153,745	1,030,955

Employees of the University contribute a portion of their earnings to several defined contribution plans through the University. The contributions are recognised as an expense as the related service is rendered.

16. Other operating expenses		
Short term and low value leases expenses	456,801	283,673
Building rentals	9,003	10,955
Equipment rentals	3,502	4,534
Hire: Leased residences	444,296	268,184

WALTER SISULU UNIVERSITY
Consolidated Annual Financial Statements for the year ended 31 December 2019

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Figures in R `000	**2019**	**2018**
Other operating expenses continued...		
Contracted services	112,731	97,673
Data and communication costs	22,344	17,672
Insurance expenses	10,739	9,143
Licenses	44,886	36,688
Rates, water and electricity	73,113	77,946
Rental - other	1,072	-
Repairs and maintenance	51,700	22,685
Student development expenses	23,633	21,930
Travel and accommodation expenses	33,462	19,417

17. Surplus from operating activities

Surplus from operating activities includes the following separately disclosable items

Other operating expenses		
Property plant and equipment		
- depreciation - Property Plant and Equipment	42,572	41,283
- depreciation - right of use assets	3,801	-
Subtotal	46,373	41,283
Audit fees		
Auditor's remuneration	3,429	1,847
Internal audit fees	3,922	3,965
	7,351	5,812

18. Finance income

Finance income comprises		
Interest received	23,771	12,699

WALTER SISULU UNIVERSITY
Consolidated Annual Financial Statements for the year ended 31 December 2019

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
Figures in R `000

19. Prior period errors - restatement of opening balances

Statement of financial position		1 January 2018 as originally presented	Correction of error	1 January 2018 restated
19.1	**Property, plant and equipment**	**764,371**	**81,347**	**845,718**
	During the year, the University performed a physical verification of moveable assets. The reconciliation of the verification results to the fixed asset register revealed assets that needed to be added to the asset register (unrecorded assets) and assets that need to be written-off (unverified assets). In addition, a reconciliation of the work-in-progress accounts identified costs of a building that had not been capitalised. The opening balance of property, plant and equipment as at 1 January 2018 was restated as follows to account for the new assets and write-offs:			
	Unrecorded assets added to the Fixed asset register		**85,654**	
	Cost		**89,239**	
	Buildings		42,596	
	Motor vehicles		8,222	
	Furniture and equipment		28,808	
	Computer equipment		9,613	
	Accumulated depreciation		**(3,585)**	
	Buildings		(1,704)	
	Motor vehicles		(906)	
	Furniture and equipment		(861)	
	Computer equipment		(114)	
	Unverified assets written off		**(4,307)**	
	Cost		**(15,191)**	
	Motor vehicles (disposals incorrectly accounted for)		(458)	
	Furniture and equipment		(13,743)	
	Computer equipment		(990)	
	Accumulated depreciation		**10,884**	
	Motor vehicles		447	
	Furniture and equipment		9,730	
	Computer equipment		707	

WALTER SISULU UNIVERSITY
Consolidated Annual Financial Statements for the year ended 31 December 2019

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
Figures in R `000

Prior period errors - restatement of opening balances continued...

		1 January 2018 as originally presented	Correction of error	1 January 2018 restated
19.2	**Trade and other payables**	**(395,652)**	**3,406**	**(392,246)**
	The following errors were identified and corrected on trade and other payables:			
	• Balance due to ECDOH overstated		10,234	
	• Balance due to the Lotto project was understated		(1,749)	
	• Debit balances on creditors written off		(5,079)	
19.3	**Accumulated deficit**	**(577,402)**	**84,595**	**(492,807)**
	The impact of correcting the errors as detailed in note 19.1 and 19.2			

20. Prior period errors: Restatement of comparative figures

	Statement of financial position	31 December 2018 as originally stated	Correction of error	31 December 2018 restated
20.1	**Property, plant and equipment**	**799,476**	**83,179**	**882,655**

During the year, the University performed a physical verification of moveable assets. The reconciliation of the verification results to the fixed asset register revealed assets that needed to be added to the asset register (unrecorded assets) and assets that need to be written-off (unverified assets). The comparative balance of property, plant and equipment was restated as follows to account for the new assets and write-offs:

Correction to opening balance - Note 19.1	**81,347**
Cost of unrecorded assets added to the Fixed asset register	**15,290**
• Furniture and equipment	7,120
• Computer equipment	8,170
Cost of unverified assets written off	**(4,223)**
• Furniture and equipment	(3,762)
• Computer equipment	(461)
Correction to depreciation charge	**(9,235)**
• Buildings	(852)
• Motor vehicles	(335)
• Furniture and equipment	(4,117)
• Computer equipment	(3,931)

WALTER SISULU UNIVERSITY
Consolidated Annual Financial Statements for the year ended 31 December 2019

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
Figures in R `000

Prior period errors: Restatement of comparative figures continued...

		31 December 2018 as originally stated	Correction of error	31 December 2018 restated
20.2	**Trade and other receivables**	**511,466**	**2,232**	**513,698**
	The following errors were identified and corrected on trade and other receivables:			
	• Prepaid expenses were incorrectly classified as expenses			
20.3	**Cash and cash equivalents**	**1,034,784**	**(1,259)**	**1,033,525**
	In the prior year, cash balances were overstated due to uncleared bank items that were not correctly accounted for. The cash and bank balances have been corrected for the error and comparatives restated as indicated.			
20.4	**Trade payables**	**(397,534)**	**(16,212)**	**(413,746)**
	The following errors were identified and corrected on trade and other payables:			
	• Correction of opening balances Note 19.2		3,406	
	• Debit balances on creditors written off		(13,002)	
	• Long outstanding credit balances written back to income		6,903	
	• Expenses not accrued for		(13,519)	
	Statement of Comprehensive Income			
20.5	**Tuition and other fees**	**(1,076,134)**	**(18,774)**	**(1,094,908)**
	In the prior year, revenue in respect of levies charged to students was incorrectly classified as Other income.			
20.6	**Sundry Income**	**(30,582)**	**13,055**	**(17,527)**
	In the prior year, certain payables control accounts were not completely reconciled. These reconciliation of the control accounts resulted in corrections to sundry income. In addition, revenue in respect of levies charged to students was incorrectly classified as Sundry Income.			
	• Correction to control accounts		(5,719)	
	• Tuition and other fees incorrectly classified as Sundry Income		18,774	

WALTER SISULU UNIVERSITY
Consolidated Annual Financial Statements for the year ended 31 December 2019

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
Figures in R `000

Prior period errors: Restatement of comparative figures continued...

		31 December 2018 as originally presented	Correction of error	31 December 2018 restated
20.7	**Other operating costs**	**769,196**	**14,612**	**783,808**
	The following errors affecting operating costs were identified and corrected:			
	• Travel and expenses overstated		(5,330)	
	• Expenses not accrued for		13,519	
	• Long outstanding balances written back to income		5,014	
	• Debit balances on creditors written off		13,002	
	• Prepaid expenses were incorrectly classified as expenses		(2,254)	
	• Adjustments for assets incorrectly expensed		(15,290)	
	• Assets incorrectly capitalised / written-off		5,345	
	• Other corrections		606	
20.8	**Depreciation and impairment**	**32,048**	**9,235**	**41,283**
	The correction of the Fixed Assets Register following the physical verification of assets resulted in changes to the depreciation expense recorded in the prior year.			
20.9	**Surplus**	**241,557**	**(18,128)**	**223,429**
	The impact on operating surplus of correcting the errors detailed in Notes 20.5, 20.6, 20.7 and 20.8			
20.10	**Capital commitments**	**739,393**	**110,676**	**850,069**
	In the prior capital commitments disclosed were understated. The error was corrected and comparatives figures restated as indicated			

21.	**Commitments**	**2019**	**2018**
	Capital Expenditure		
	Capital expenditure approved but not contracted for	766,752	776,827
	Capital expenditure approved and contracted for at reporting period but not recognised in the consolidated annual financial statements.	46,874	73,242
		813,626	**850,069**

The capital expenditure is to be financed by means of Infrastructure Grants from DHET.

WALTER SISULU UNIVERSITY
Consolidated Annual Financial Statements for the year ended 31 December 2019

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Figures in R `000		**2019**	**2018**

22. Financial Instruments by Category

	Note	**Fair value through profit and loss**	
Financial Assets at fair value			
Investments	7	15,879	14,857
		15,879	**14,857**
		Amortised cost	
Financial Assets at amortised cost			
Trade and other receivables	8	534,720	469,601
Sundry debtors	8	27,832	35,227
Cash and cash equivalents (unrestricted)	9	419,287	127,149
Cash and cash equivalents (restricted)		949,772	905,703
		1,931,611	**1,537,680**
		Amortised cost	
Financial Liabilities at amortised cost			
Trade payables and other payables	13	532,463	413,746
		532,463	**413,746**

23. Financial instruments by Category

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method.
The different levels have been defined as follows:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. prices) or indirectly (i.e. derived from prices).
Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Level 2: At fair value through profit and loss	15,879	14,857

24. Financial Assets and Liabilities

Maturity analysis

31 December 2019	**Total**	**Receivables / Payable within 30 days**	**Receivables / Payable within 60 days**	**Receivables / Payable within 90 days**
Financial assets				
Derivative Financial Assets				
Investments	15,879	-	-	15,879
Non-Derivative Financial Assets				
Sundry debtors	27,832	27,832	-	-
Student receivables net of impairment	534,720	534,720	-	-
Cash and cash equivalents (unrestricted)	419,287	419,287	-	-
Cash and cash equivalents (restricted)	949,772	949,772		
Total	1,947,490	1,931,611	-	15,879

WALTER SISULU UNIVERSITY
Consolidated Annual Financial Statements for the year ended 31 December 2019

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
Figures in R `000

Financial Assets and Liabilities continued...

Non-Derivative Financial liabilities				
Lease liabilities	8,231	-	-	8,231
Trade and other payables	532,463	421,215	-	111,248
Total	540,694	421,215	-	119,479
Net liquidity	**1,406,796**	**1,510,396**	**-**	**(103,600)**

31 December 2018	**Total**	**Receivables / Payable within 30 days**	**Receivables / Payable within 60 days**	**Receivables / Payable within 90 days**
Financial assets				
Derivative Financial Assets				
Investments	14,857	-	-	14,857
Non-Derivative Financial Assets				
Sundry debtors	35,227	35,227	-	-
Student receivables net of impairment	469,601	469,601	-	-
Cash and cash equivalents (unrestricted)	127,149	127,149	-	-
Cash and cash equivalents (restricted)	905,703	905,703		
Total	1,552,537	1,537,680	-	14,857
Non-Derivative Financial liabilities				
Trade and other payables	413,746	302,498	-	111,248
Total	413,746	302,498	-	111,248
Net liquidity	**1,138,791**	**1,235,182**	**-**	**(96,391)**

25. Financial risk management

The University's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The University's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the financial performance of the University.

The University is exposed to the following risks arising from financial instruments
- credit risk; and
- liquidity risk and fair value of financial instruments risk.

The Institutional Management Committee identifies, evaluates and co-ordinates the management of strategic risk faced by the University. Risk management processes were developed to ensure continuing relevance and effectiveness.

25.1 Market risk

25.1.1 Cash flow and fair value interest rate risk

Sensitivity
Surplus or deficit is sensitive to higher/lower interest income from cash and cash equivalents - unrestricted as a result of changes in interest rates.

WALTER SISULU UNIVERSITY
Consolidated Annual Financial Statements for the year ended 31 December 2019

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
Figures in R `000

Financial risk management continued...

	Impact on surplus or deficit	
	2019	**2018**
Interest rates – increase by 200 basis points	8,386	2,543
Interest rates – Decrease by 200 basis points	(8,386)	(2,543)

* Holding all other variables constant

The University has negotiated fixed interest rate on funds held on call accounts. This limits the University's exposure to short term changes in interest rates.

25.2 Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at fair value through profit or loss (FVPL), deposits with banks and financial institutions, including outstanding receivables.

Potential concentrations of credit risk consist mainly of short-term cash, cash equivalent and student receivable and arises from default of the counter party. The maximum exposure for the University is equal to the carrying amount of these instruments. The University places cash only with major financial institutions with good credit ratings.

Receivables comprise of outstanding student fees and a number of customers, dispersed across different industries and geographical areas. The University is exposed to credit risk arising from student receivables related to outstanding fees. The risk is mitigated by requiring students to pay an initial instalment in respect of tuition and accommodation fees at registration, the regular monitoring of outstanding fees and the institution of debt collection action in cases of long outstanding amounts. In addition, students with outstanding balances from previous years of study are only permitted to renew their registration after either the settling of the outstanding amount or the conclusion of a formal payment arrangement.

The exposure to student receivables is managed by the Chief Financial Officer (“CFO”), through the finance department. Most of the students are financed by the National Student Financial Aid (NSFAS) which reduces credit risk. Students are further only allowed to register once a minimum payment is made in relation to outstanding debt. Although students are allowed to graduate, they may only have access to graduation results once they have settled the outstanding student debt balance.

25.3 Liquidity risk

The University faces a liquidity risk which is minimised by the annual grant it receives from DHET. The risk of liquidity is managed by the CFO through the Budgeting department who prepares and monitors the annual break even budget. Regular cash flows are prepared and monitored by the finance department and regular cash flows reports are presented to the Institutional Management Committee.

26. Interests in other entities

The following entities ("the Trusts") are consolidated structured entities of the University

- The Border Technikon Trust
- University of Transkei Foundation
- T T Trust

The Trusts were established in support of former Transkei and Ciskei tertiary institutions which were absorbed into the structures of Walter Sisulu University after 1994.

WALTER SISULU UNIVERSITY
Consolidated Annual Financial Statements for the year ended 31 December 2019

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Figures in R `000	**2019**	**2018**

Interests in other entities continued...

Land and buildings with a carrying value of R10.7m from former institutions were never transferred into the respective trusts and the land is still registered in the names of the former institutions.

27. Related parties

27.1 Group entities

There are no other transactions or balances between the University and the trusts, except for the land buildings as disclosed in note 26 above.

27.2 Other related parties

During the 2018 year, the University in partnership with a community based company (Aluzabyte Pty Ltd), established and registered a company called Cangobrite (Pty) Ltd which is then responsible for driving an e-Waste project that is located at Potsdam Site.

Balances

Cangobrite (Pty) Ltd	-	-

Transactions with related parties

Revenue collected on behalf of Cangobrite	**-**	**167**

27.3 Department of Higher Education and Training

The University is ultimately accountable to the Department of Higher Education and Training in terms of the Higher Education Act, 1997 (Act 101 of 1997). Transactions with the Department of Higher Education and Training are as follows:

State Subsidies and Grants	**1,088,932**	**903,980**

Balances with the Department of Higher Education and Training were as follows:

DHET payable	**111,248**	**111,248**

State subsidies and grants received from the Department of Higher Education and Training relate to subsidies and grants received for the financial year for operational expenditure and for specific purposes. Operational grants include the block grant and historically disadvantaged institution grant. There are no unfulfilled conditions or other contingencies attaching to the operating grants. Each subsidy and grant have specific terms and conditions which need to be adhered to.

Grants received for specific purposes include the clinical training grant, teaching development grant, research development grant, foundation grant and the infrastructure grant. Grants received for specific purposes that are unspent are included in note 11 on deferred income. Capital commitments relating to the infrastructure grant are disclosed in note 21.

WALTER SISULU UNIVERSITY
Consolidated Annual Financial Statements for the year ended 31 December 2019

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Figures in R `000	**2019**	**2018**

Related parties continued...

27.4 Compensation paid to key management personnel

Short-term employee benefits	29,392	20,941
Post-employment benefits	753	808
	30,145	**21,749**

27.5 Compensation paid to members of council and prescribed officers

Amounts related to services rendered as a member of council of the University

Name	**Fees paid**	**Reimbursement of expenses**	**Total**	**Total**
Chair of Council				
Mr T S Zakuza	73	5	78	51
Chair of Committees				
Mrs C C Mulder	38	-	38	27
Dr L Mpahlwa	30	-	30	17
Judge N Dambuza	60	2	62	20
Members of Council				
Mr S N Kondlo	-	-	-	3
Ms N Y Tyamzashe	15	-	15	-
Ms N N Bam	31	-	31	17
Mr L Holbrook	12	-	12	32
Mr X Nqola	3	-	3	6
Mr Z Tiya	15	-	15	28
Mr TA Klaas	30	18	48	11
Mr GTM Matyobeni	15	-	15	11
Adv W Qaji	-	-	-	8
Prof BM Mayosi	-	-	-	6
Adv TL Ngcukaitobi	3	-	3	-
Mr S Puti	9	4	13	-
† Mr LN Capa	-	-	-	-
Members of Committees				
Mr S Ngqwala	3	-	3	9
Mr R.D. Gilfillan	9	-	9	3
Mr U Sidlayi	-	-	-	3
Mr B Hlongwe	13	3	16	8
Mr P Yeko			-	3
Total	**359**	**32**	**391**	**263**

† This member receives no compensation from the University as he is a member of parliament.

WALTER SISULU UNIVERSITY
Consolidated Annual Financial Statements for the year ended 31 December 2019

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Figures in R `000	**2019**	**2018**

Related parties continued...

Name	**Salaries and related payments**	**Other remuneration**	**Total remuneration**	**Total remuneration**
Executive members of staff				
Prof JR Midgley: Vice-Chancellor and Principal	3,123	23	3,146	2,938
Prof G Mahlomahola: Deputy Vice-Chancellor		-	-	2,293
Prof R Songca: DVC: AAR Oct 2019 to Dec 2019	529	8	537	-
Prof VSB Mtetwa	2,246	23	2,269	1,712
• Acting DVC:AAR	297	-	297	-
• Rector: Butterworth Campus	1,949	23	1,972	1,712
Dr PS Jaca:	1,792	2	1,794	1,464
• DVC: IS Nov to Dec 2019	388	-	388	-
• Rector: Buffalo City Campus Jan to Oct 2019	1,404	2	1,406	1,464
Mr M Rosslee	1,854	11	1,865	804
• Act.DVC: IS Jan to Oct 2019	1,854	11	1,865	-
• Act. CFO Aug to Dec 2018	-	-	-	804
Mr HK Maphinda: Registrar	1,499	37	1,536	1,454
Mr M Nhiwatiwa: CFO	1,834	22	1,857	-
Mr V van der Linde: CFO Jan 2018 to Jul 2018		-	-	1,102
Prof MM Jadezweni Rector : Mthatha Campus			-	1,419
Prof M Speckman: Rector: Queenstown Campus	1,499	98	1,597	1,452
Dr CS Novukela: Acting Rector: Buffalo City Campus Nov to Dec 2019	369	-	369	-
Dr L Ntonzima: Acting Rectorate: Mthatha Campus	1,224		1,224	-
Prof T Chisanga : Acting Rectorate: Mthatha Campus	1,036		1,036	-
Ms S Nduli: Executive Director - HR Jan to Apr 2018			-	468
Mr SA Mnyaiza: Executive Director: Human Resources	1,257	-	1,257	805
Ms Z Dotwana: Executive Director: Stud. Dev. & SS Mr	1,531	4	1,535	1,489
S Mpambane: Executive Director: Ops. & ICT	1,914	94	2,009	1,864
Ms YG Tukwayo: Senior Director: MCA	1,199	2	1,201	1,122
Ms PP Ntshuntshe-Matshaya: Senior Director: LIS	1,425	14	1,439	1,363
Prof W Akpan: Senior Director: Research & Innovation	1,461	-	1,461	-
Mr A Magwentshu: Senior Director: IRP	1,498	44	1,542	-
Prof C Ndebele: Senior Director: LTD	1,695	23	1,718	-
	28,987	**405**	**29,392**	**21,749**

28. Contingent liabilities

Legal Matters

At year end there were 14 legal cases pending, where a final outcome had not been determined. The total claims against the University amount to R212 million (2018: R148 million). Based on legal advice, in four of the cases (with total claims amounting to R100m) the applicants have limited chances of success. In one instance the plaintiff obtained a default judgment of R6.5 million against the University, but the University has applied for rescission of the judgment as the matter had been put on the roll without notice to the University.

The Covid-19 pandemic is considered to be a non-adjusting subsequent event.

WALTER SISULU UNIVERSITY
Consolidated Annual Financial Statements for the year ended 31 December 2019

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
Figures in R `000

29. New and revised standards affecting amounts and disclosures reported in the financial statements

IFRS 16
This note explains the impact of the adoption of IFRS 16 Leases on the University's consolidated annual financial statements.

As indicated in note 4.1, the University has adopted IFRS 16 Leases retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019. The new accounting policies are disclosed in 2.6.

On adoption of IFRS 16, the University recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 13%.

Practical expedients applied
In applying IFRS 16 for the first time, the University has used the following practical expedients permitted by the standard:
- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on previous assessments on whether leases are onerous as an alternative to performing
- an impairment review – there were no onerous contracts as at 1 January 2019
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The University has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying IAS 17 and Interpretation 4 Determining whether an Arrangement contains a Lease.

Adjustments recognised in the balance sheet on 1 January 2019. The change in accounting policy affected the following items in the balance sheet on 1 January 2019.	2019	2018
-right of use assets increased by	11,019	-
-lease liabilities increased by	(10,928)	-

30. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The university makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

31. Subsequent events

Other than the impact of Covid-19 and lock down regulations as separately disclosed in note 32, there were no other subsequent events that occurred after the reporting period that require disclosure.

WALTER SISULU UNIVERSITY
Consolidated Annual Financial Statements for the year ended 31 December 2019

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
Figures in R `000

Subsequent events continued...

Like other entities, the University has been severely impacted by the Covid-19 pandemic. The Higher Education Sector has been fortunate that there were no budget cuts by Treasury for the 2020 financial year. However, given the severe impact on the economy of Covid-19, it is inevitable that allocations of state funding from the 2021 academic year will be negatively impacted but the extent is not yet known. At this stage are indications are that there may not be an increase in the funding to universities as per plan but it is unlikely that funding will be reduced. This will put significant funding pressure on the University which will be mitigated to some extent by cost control programmes and budget reprioritisation.

32. Covid-19

The impact of the Corona Virus (COVID-19) on the world economy is unprecedented. The South African economy has not been spared.

The public health and social development systems have seen increased funding. Business relief initiatives by the government has resulted in funds being diverted from other departments in order to support the livelihood of South Africans.

As a public university, WSU is highly dependent on the government for funding of student tuition (NSFAS) and operational support (DHET Block grants). The reprioritisation of government funding has resulted in the following:

- Earmarked funds for infrastructure being used to purchase devices and data for students
- Additional unbudgeted costs on Personal Protective Equipment
- Savings on costs such as travel and accommodation

The above will be recorded in the 2020 financial year and has no impact on the 2019 reported numbers. The University has prepared a revised budget for 2020, taking into account the impact of Covid-19, and the budget reflects break-even position. Cash flow projections also show that the University will have sufficient reserves to meet operational requirements for the next 12 months.

The Higher Education Sector has been fortunate that there were no budget cuts by Treasury for the 2020 financial year. However, given the severe impact on the economy of Covid-19, it is inevitable that allocations of state funding from the 2021 academic year will be negatively impacted but the extent is not yet known. Other anticipated effects of the Covid-19 from the 2021 academic year include:

- Failure to meet enrolment targets
- Students may not be able to afford tuition fees and student accommodation increases
- Reduction in collections from student debtors
- Running infrastructure at a third capacity with fixed holding costs
- Earmarked funding being reprioritised
- State Agency Funds (NRF) and bursary funding will diminish
- Health and Safety costs may continue to rise
- ICT, student devices and data will apply pressure to the finances