



**UNISA**  
UNIVERSITY OF SOUTH AFRICA



**UNISA**  
UNIVERSITY OF SOUTH AFRICA

SHAPING FUTURES

**2017**  
ANNUAL  
REPORT

ANNUAL REPORT • INGXELO YONYAKA • JAARVERSLAG  
MBIKO WEMNYAKA • U VHIGO WA NWAHA  
PEGELO YA NGWAGA • PEGO YA NGWAGA • TLALEHO YA SELEMO  
UMBIKO WOMNYAKA • UMBIKO WONNYAKA  
XIVIKO XA LEMBE

# THE CREST



“The crest symbol is composed of ten graphic elements, all carefully researched, selected and crafted to express the core values and vision of Unisa. Distinctly African – each element is rich in meaning.”



**The Flames** - are Unisa's unique differentiation as a flexible and accessible environment affording learners the freedom to pursue their dreams.

**The Sparks** - present Unisa as an environment of creation and enlightenment.

**The Calabash** - an African symbol of generosity, hospitality and sharing, represents Unisa's awareness of its social responsibility to service humanity.

**The Diamonds** - represent the Unisa colleges, each offering a wealth of knowledge and expertise.

**The Arch** - symbolises the brain as the core of learning.

**The Sun** - represents the university's ongoing search for excellence and leading role in shaping the future of Africans through learning.

**The Open Book** - reminiscent of waves - represents the university's role as an institution of learning and continuous development.

**The Unity Symbol** - An African symbol of unity and humanity signifies the university's central role in providing service to humanity, as well as the interdependence of the African community and the various university stakeholders.

**The Tusks** - represent Unisa's strength, heritage and stature as a national institution, anchor of learning and the mother of many of South Africa's leading institutions of higher learning.

**The Motto** - Pro Gentibus Sapientia - literally derived from our vision - "learning in the service of humanity".

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# Unisa

## BACKGROUND AND SCOPE

“As Africa’s leading open distance institution, we offer internationally accredited qualifications and have world-class resources that inspire learners to create meaningful futures on their own terms. We are the African university, **shaping futures** in the service of humanity.”

Established in 1873 as the University of the Cape of Good Hope, Unisa’s origins were to serve primarily as an ‘examining body’. Throughout its history of more than 140 years, Unisa has always aspired to unlock access to higher education for as many people as possible. Committed to providing inclusive education and keeping abreast of an ever-evolving higher education landscape, Unisa’s journey has been one of continuous growth and transformation. Unisa defines itself as a public-spirited institution with a clear social mandate. It is focused on quality, development, and transformation through education—teaching, research and community engagement—nationally, continentally and globally.

In 2001, in line with the new, fully inclusive democracy, and in the context of equity and redress, the South African higher education landscape underwent a complete reconfiguration and from this exercise, the new Unisa emerged in 2004 as South Africa’s single, dedicated, comprehensive distance education institution (amalgamating the old Unisa, Technikon Southern Africa and the Vista University for Distance Education Campus).

Throughout its history, Unisa was perhaps the only university in the country to have resisted exclusionary dictates, providing all people with access to education, irrespective of race, colour or creed (although graduation ceremonies were differentiated by race for a time in terms of national legislation). Reflecting Unisa’s rich history, the university today has an impressive database of alumni, many of whom are to be noted amongst the most senior echelons of society across the world. Given its rootedness in South Africa and *the* African continent, Unisa today can truly claim to be the African university **shaping futures** in the service of humanity.

Unisa is the largest open distance learning (ODL) institution in South Africa and Africa, and one of the world’s top 30 mega-institutions. With more than 350 000 students Unisa enrolls over one-third of all South Africa’s tertiary students. The student profile reflects the demographics of South Africa, underscoring the pivotal role that Unisa plays in higher education, and its strategic position nationally, continentally and globally, as a key vehicle for transformation, growth and development.

As a university that is working determinedly to be a modern innovative and effective university, Unisa’s institutional, governance and management structures have been continually adapted and adjusted to meet emerging regulatory requirements, socio-economic dynamics and the institutional spirit of transformation and growth. Unisa’s philosophy and goals as set out in the “Unisa at a glance section” of this report reflect Unisa’s unequivocal commitment to quality and define its imperatives for sustainable change and development.



### SCOPE OF THIS REPORT

This report reflects the significant activities for the period 1 January – 31 December 2017 and covers the total operations of Unisa. The emphasis of content for the report was determined by the structure and Reporting Regulations (2014) set by the Department of Higher Education and Training “DHET”. Whilst all reasonable attempts were made to equally align the report with the best practices recommended by King IV, the report was

compiled to comply firstly with the specific parameters of the DHET guidelines and respond to all the issues raised for consideration in the regulating guidelines. This onus has the effect of focusing the report on context specific stipulated information outside (and different to) the recommended boundaries of King IV. However, information that may be required on any matter in this report or otherwise, may be found on either the Unisa website or by contacting the office of the Registrar at [temanqm@Unisa.ac.za](mailto:temanqm@Unisa.ac.za).

# Unisa

## AT A GLANCE

The following is a brief overview of Unisa's philosophy and goals, its organisational structure and information on its student and staff profiles.

|         |   |           |
|---------|---|-----------|
| Vision  | Towards <i>the</i> African university shaping futures in the service of humanity.   | (English) |
| Mission | Unisa is a comprehensive, open distance learning institution that produces excellent scholarship and research, provides quality tuition and fosters active community engagement. We are guided by the principles of lifelong learning, student-centredness, innovation and creativity. Our efforts contribute to a knowledge and information society, advance development, nurture a critical citizenry and ensure global sustainability. |           |
| Values  | <ul style="list-style-type: none"> <li>ethical and collective responsibility</li> <li>integrity</li> <li>innovation and excellence</li> <li>responsive student-centredness</li> <li>dignity in diversity</li> </ul>   |           |

|                                 |  |              |
|---------------------------------|--|--------------|
| Inembombono                     | Kufikelela kuba iyunivesithi ye-Afrika erhuluphelele ukwakha ingomuso ngokusebenzela abantu boke.  | (isiNdebele) |
| Umqopho                         | I-Unisa iliziko elibanzi, elinehlelo lefundo elivuleleke ukufunda ukude, izikweli likhiqiza ifundo nerhubhululo ehle khulu, yobujamo obuphezulu begodu efaka umoya wokuzibandakanya nemiphakathi ngamajadu. Sirholwa phambili migomo yefundo yepilo yoke, ukutjheja iindingo zabafundi, amaqhinga wokwenza izinto ezitjha begodu nekghono lokwakha amano amatjha. Imizamo yethu isiza isitjhaba ngelwazi lwetheknoloji, isiza ukuletha ituthuko eya phambili, yakha ikghono lezakhamizi lokuziphendulela nokubuka izinto ngeliso elihlabako nokuqinisekisa ituthuko yehlabathi edzimelelekele nokuragela phambili. |              |
| Iminqopho eyisisekelo sekambiso | <ul style="list-style-type: none"> <li>ikambiso yokuziphatha okulungileke begodu nokuziphendulela ngokuhlanganyela</li> <li>ukuthembeka</li> <li>amaqhinga wokwenza izinto ezitjha nomsebenzi weqophelo eliphezulu</li> <li>ukutjhetjha simnyazana iindingo zabafundi</li> <li>ukuhloniphana kwabantu ngokwahlukahlukana</li> </ul>  |              |

|   |  |            |
|---|--|------------|
| Umbono                                  | Sijolise ekubeni yiyunivesithi yeAfrika equlunqa ikamva kwinkonzo yoluntu.   | (isiXhosa) |
| Umqophiso                               | I-Unisa iliziko elivulelekileyo ngokubanzi nelilelemfundo yabafunda bekude. Elivelisa imfundo enzulu nophando, lilungiselela izifundo ezikumgangatho ophezulu kwaye liphembelela ukusebenzisana ngenkuthalo noluntu ekuhlaleni. Sikhokelwa ziinqobo zemfundo eqhubeka ubomi bonke, iinqobo ezingqale ukusabela iimfuno zabafundi, ubuchule bokuyila izinto ezintsha nobugcisa. Iinzame zethu zancedisa ukuphuhlisa iinkcukacha kwezeteknoloji, ukuqhubela phambili uphuhliso loluntu, ukuseka abemi abathe gqolo ngengqwalasela nemibuzo, kwaye nokuqinisekisa uzinzo lwehlabathi ngakwicala lokusingqongqileyo. |            |
| Iinqobo zentsulungeko ezisemgangathweni | <ul style="list-style-type: none"> <li>uxanduva lweenqobo ezisesikweni ezilawula ukuziphatha okulungileyo</li> <li>intembeko nokuqinisekisa</li> <li>ukuvelisa izinto ezintsha nezibalaseleyo ngokugqwesa</li> <li>ukusabela ngokugqala kwiimfuno nezidingo zabafundi</li> <li>ukunonelela ngesidima nembeko iintlobo ezahlukeneyo zabantu</li> </ul>  |            |

|   |   |           |
|---|---|-----------|
| Umbono  | Ukufinyelela ekubeni inyuvesi yase-Afrika ebumba ikusasa ngokusebenzela uluntu ngokubanzi.  | (isiZulu) |
| Injongo enkulu  | I-Unisa iyisikhungo esijulile, esinohlelo lwemfundo oluvulekile lokufunda kwabantu bekude, lesi sikhungo semfundo sikhqiza imfundo kanye nocwaningo oluhlaba umxhwele, sihlizeka ngemfundo ekwiqophelo eliphezulu futhi siqikelela ukusebenzisana ngenkuthalo yokuzibandakanya nemiphakathi. Siholwa phambili yimigomo yokuthi abantu bafunde impilo yabo yonke, sigxila ekunakekeleni izidingo zabafundi, ubuqambi nokudala izinto ezintsha. Imizamo yethu ithela esivivaneni nokujulisa ulwazi lwezetheknoloji, ukuqhubela phambili intuthuko, ukondla kanye nokukhwezela ikhono lokuthi abantu babeyizakhamuzi ezihlolisiza izinto ngeso elibukhali ngomqondo okhaliphile kanye nokuqikelela ukuthi siba nomhlaba osimeme nokwazi ukuqhubekela phambili nangekusasa. |           |
| Izisekelo nezakhelo ezibalulekile eziwugqozi nomfutho | <ul style="list-style-type: none"> <li>inkambiso yokwazi okuhle nokubi nokusebenzisana ngokuhlanganyela</li> <li>ubuqotho nokuthembeka</li> <li>ubuqambi bezinto ezintsha neziseqophelweni eliphezulu</li> <li>ukuphendula mashesane kwizidingo zabafundi</li> <li>isithunzi nenhlonipho yabantu ngokwehlukahlukana kwabo</li> </ul>  |           |

|                        |  |           |
|------------------------|--|-----------|
| Ponelopele             | Ho fihlella univesithing ya Afrika e ahang bokamoso tshebeletsong ya botho.  | (Sesotho) |
| Maikemisetso kgolo     | Unisa ke setsi se bulehleng sa thuto se pharalatseng se hlahisang ditsebi le dliatlisiso tse babatsehlang, mme se fana ka thuto ya boleng bo phahameng le ho kghothalletsa dikamano tse mafolofolo tsa tshebedisano le setjhaba. Re tataiswa ke metheo ya thuto e sa feleng ya bophelo bohle, e shebaneng le dihloko tsa baithuti, tshibollo le boqapi ba bokgabane. Boiteko ba rona bo thusa ho tsebo le tlhahisoleseding ya theknoloji, ho susumetsa tswelopele, ho hodisa hore ho be le baahi ba shebang dilo ka leihlo la ho lekola, le ho netefatsa tswelopele ya lefatshe lohle ka ho sa feleng. |           |
| Makgabane a boitshwaro | <ul style="list-style-type: none"> <li>boitshwaro bo molemo le boikarabelo bo kopanetsweng</li> <li>botshepehi</li> <li>tshibollo le boqapi ba bokgabane</li> <li>ho mamelo dihloko tsa baithuti</li> <li>hlomphe ya ditjhaba tse fapaneng</li> </ul>  |           |

|  |  |                    |
|--|--|--------------------|
| Ponelopele   | Go fitlhela yunibesithi ya Afrika ya go bopa bokamoso bja go direla setshaba.  | (Sesotho sa Leboa) |
| Maikemišetso kgolo                                   | Unisa ke institušene e bolegilego ya go pharalatsēga ya go ithuta o le kgole, ye e akaretšago dithuto ka kakaretšo e bile e tšweletšago go ithuta ga maemo a godimodimo le go dira dinyakišišo, gape ye e fago thuto ya boleng bja godimo le go godiša dikamano tša mahlahla le setšhaba. Re hlahlwa ke metheo ya go ithuta bophelong ka moka, go bea dihlokwa le dikgahlego tša baithuti pele, boitšhimolloši le bokgoni bja go hlola dintho tše mpsha. Maitekelo a rena a thuša setšhaba go hwetša tsebo le tshedimošo ya teknolotše, tšwelopele ya tlhabelo, kgodišo ya setšhaba sa badudi ba go lebelela dintho ka bohla le go sekaseka, le go netefatša tirišo ye e tšwelelago ya ditluši nkgokolofaseng. |                    |
| Ditumelo tša šušumetšo tše bohlokwa ka ga boitshwaro | <ul style="list-style-type: none"> <li>maitshwaro a mabotse le boikarabelo bja kopanelo</li> <li>botshepegi</li> <li>boitšhimolloši bja go hlola dintsho tše mpsha le go šoma ka maemo a godimodimo</li> <li>go bea dikgahlego tša baithuti pele</li> <li>go tlotla ditšhaba tše fapanego</li> </ul>   |                    |

|   |  |            |
|---|--|------------|
| Ponelopele                                | Go fitlhelela kwa go nngeng yunibesithi ya Aforika e e bopang isago mo ditirelong tsa batho.   | (Setswana) |
| Maitlhomogolo                             | Unisa ke setheo se se akaretsang, sa go ithuta o le kgakala se se tlhagisang borutegi jo bo kwa godimo le dipatlisiso tse di matsetseleko, se tlamela ka thuto ya boleng mme se rotloetsa dikamano le dipuisano tse tlhaga le baagi. Re kaelwa ke ditsha go tsa go ithuta botshelo jotlhe, go le bana le ditlhokwa tsa baithuti, botlhami le boitshimoleledi. Maiteko a rona a tshwaela mo setšhabeng se se nang le kitso le tshedimotsetso ya theknoloji, go tšweletsa tlhabelo, go nosetsa boagi jo bo lebanago le dilo ka go sekaseka mme le go netefatsa go nnela leruri ka kakaretso ga lefatshe. |            |
| Ditshaego tsa tlhotlheletso ya maitshwaro | <ul style="list-style-type: none"> <li>maikarabelo a maitsholo a molemo le a tlhakanetsweng</li> <li>boikanyego</li> <li>botlhami le boitshimoleledi</li> <li>go le bana le ditlhokwa tsa baithuti</li> <li>tlotlo ya ditšhaba tsa go fapana</li> </ul>  |            |



- **CONSERVATION:** Preserving and utilising what is best from our legacy, making choices and decisions and taking actions in the present which ensure a sustainable future
- **COMMUNITY:** The university staff, students and alumni cohering around our shared vision, aspirations and interests in the spirit of Ubuntu, while embracing diversity in its multiple forms
- **CONNECTION:** Reinvigorating stakeholder relations to find greater synergy, harmony and meeting of minds in pursuit of transformational goals
- **CARE:** Fostering a sense of belonging among the members of the Unisa community so that they feel accepted, understood, respected and valued
- **COLLEGIALITY:** Cultivating an ethos of professionalism, shared responsibility, mutual respect, civility and trust while understanding and acknowledging one another's competencies and roles
- **COMMITMENT:** Dedicating ourselves individually and collectively to promoting and upholding the vision, goals and values of Unisa
- **COOPERATION:** Working together proactively and responsively towards the realisation of Unisa's goals and aspirations
- **CREATIVITY:** Nurturing an environment that is open and receptive to new ideas, liberates potential and leads to imaginative and innovative thinking and action
- **CONSULTATION:** Taking into account, in good faith, the views, advice and contributions of appropriate stakeholders and individuals on relevant matters ... and
- **COURAGE** to act, decide and make choices with conviction and resolution in the best interests of the institution

“THIS PLEDGE WE MAKE, confident that the institutional climate we seek to create will free us from the shackles of our pasts in order that we may face the future with confidence, pride and dignity.”

#### STRATEGIC FOCUS AREAS

**Strategic Focus Area 1:** Towards becoming a leading ODeL, comprehensive university in teaching and learning, research, innovation and community engagement based on scholarship.

**Strategic Focus Area 2:** To craft and embed an agile, innovative, sustainable and efficient operational environment.

**Strategic Focus Area 3:** To harness ICTs to support the transformation of the core business, to enable high performance, service and quality to all its communities.



# EXECUTIVE MANAGEMENT



**Prof. MS Makhanya**  
Principal and Vice-Chancellor

The organisational structure is designed to support the university in executing its core business areas of teaching and learning, research, innovation and community engagement, and to give practical effect to the identified and agreed institutional strategic and operational priorities.

It introduces an equitable distribution of functions across the portfolios and promotes horizontal integration of activities. Overall accountability resorts with the Vice-Chancellor. All the Vice-Principals report directly to the Vice-Chancellor and they constitute the senior management team of Unisa.



**Prof. MOC Moche**  
Vice-Principal Academic  
Teaching, Learning, Community  
Engagement and Student Support



**Mr PZR Zwane**  
Vice-Principal Finance /  
Chief Financial Officer



**Mr GM Letsoalo**  
Vice-Principal ICT /  
Chief Information Officer



**Dr M Socikwa**  
Vice-Principal  
Operations and Facilities



**Ms L Griesel**  
Vice-Principal  
Institutional Development  
and Transformation  
(Acting on rotation basis)



**Mr PS Zulu**  
Vice-Principal  
Institutional Development  
and Transformation  
(Acting on rotation basis)



**Prof L Labuschagne**  
Vice-Principal  
Research, Postgraduate Studies  
Innovation and Commercialisation  
(Acting on rotation basis)



**Dr D Selematsela**  
Vice-Principal  
Research, Postgraduate Studies  
Innovation and Commercialisation  
(Acting on rotation basis)



**Mr D Fortuin**  
Vice-Principal:  
Strategy, Risk and  
Advisory Services  
(Acting on rotation basis)



**Mr JC van Wyk**  
Vice-Principal:  
Strategy, Risk and  
Advisory Services  
(Acting on rotation basis)



**Prof. M Temane**  
University Registrar:  
Academic, Enrolments  
and Administration  
(Acting)

## NEW APPOINTMENTS DURING 2018



**Prof SK Ndlovu**  
Vice-Principal  
Strategy, Risk and Advisory Services  
(Commenced duty on 1 December  
2017)



**Prof T Meyiwa**  
Vice-Principal  
Research, Postgraduate Studies  
Innovation and Commercialisation



**Dr P Mokgobu**  
Vice-Principal  
Institutional Development and  
Transformation



**Ms PH Tshabalala**  
Chief Information Officer / Vice  
Principal: Information &  
Communication Technology

# REPORT/INGXELO

## OF THE CHAIRMAN OF COUNCIL/KASIBHLALO WESIGQEBA



Mr AS Simelane

Chairperson: Unisa Council  
USihlalo: Isigqeba saseUnisa

It gives me great pleasure, on behalf of the Council, to present our report for the year under review.

### OPERATING ENVIRONMENT

We continue to operate in a controversial socio-political environment underpinned by high degrees of uncertainty. Currently we have a third Minister of Education over a 24 month period, and the degree of consultation to get clarity on many material issues continues to be a challenge.

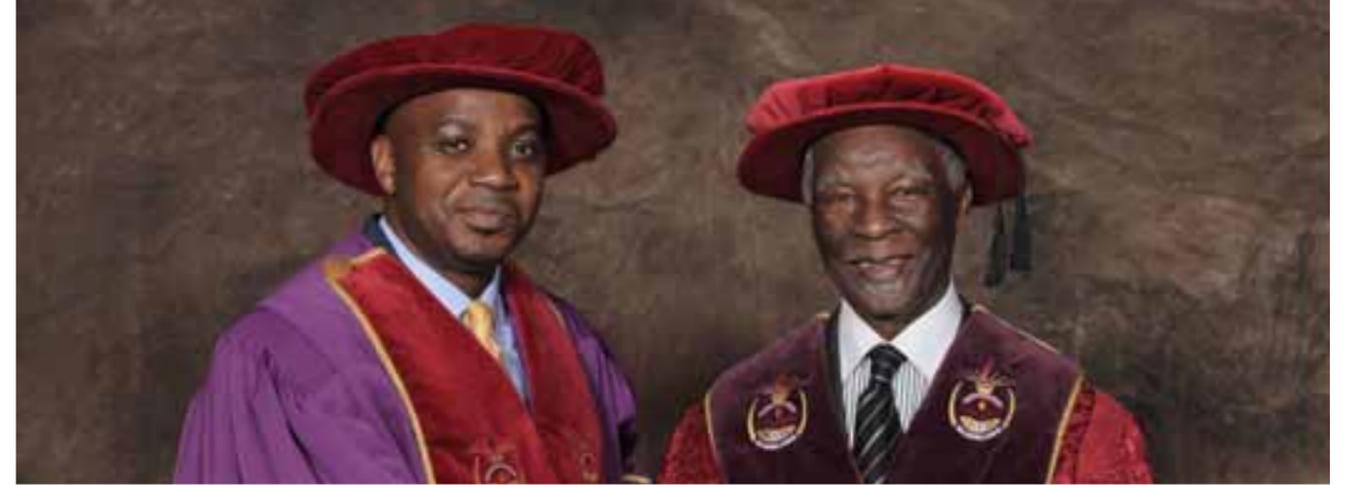
It is encouraging to see that a significant portion of the period under review has been characterised by heightened transformational activity in the country. From a larger South African context, we have seen major changes over late 2017 and early 2018, and the inauguration of a new President has sparked hope for a more favorable outlook for 2018, supported by a stronger global economy.

Ndinovuyo olukhulu, egameni lesigqeba, ukunikezela ngengxelo yalo nyaka uphantsi kwengqwalasela.

### UMHLABA WOKUSEBENZELA

Sisqhubeka ukusebenzela kwindawo exoxisayo kwezentlalo nopolitiko, imeko ephantsi kokungaqiniseki okukhulu. Kungoku nje sinoMphathiswa Wezemfundo wesithathu kwisithuba nje seenyanga ezingama-24, kwaye amalinge okubonisana ngemiba emininzi isanika umngeni.

Kuyakhuthaza ukubona ukuba kuninzi okwenzekayo ngeli xesha lengqwalasela okuluphawu lwenguqu enkulu kwilizwe lethu. Kwimeko yoMzantsi Afrika ngokubanzi, sibone iinguqu ezinkulukazi kwisithuba esiya ekupheleni konyaka wama-2017 nasekuqaleni kowama-2018, kwaye, ukubekwa esikhundleni koMongameli omtsha kuvelise ithemba lezinto ezintsha kunyaka wama-2018, themba elo lixhaswa sisimo soqoqosho esomeleleyo kwihlabathi ngokubanzi.



### 2017 IN REVIEW

A key focus on values in 2017 was the practice of 'inclusivity' to ensure that we always display a spirit of 'oneness' and unity in all we do. To this end, this theme remained 'top of mind' within the realm of every critical strategic decision undertaken by the university.

The university recorded a historic moment during 2017 when we were extremely fortunate to have welcomed our esteemed new Chancellor, President Thabo Mbeki. True to the spirit of inclusivity, we combined the inauguration with our Academic Opening for 2017, and gave our staff the opportunity to be part of the installation of the new chancellor.

We are proud to call ourselves the **leading University** in Africa. Over 2017, we grew our engagement and partnerships with various tertiary institutions across the African continent and these continue to bear fruit as we see further growth in our foreign student intake. At the forefront, investment in the appropriate technology remains key to us increasing our footprint across the continent.

One of the more challenging issues continuing from the prior year is the **#FeesMustFall** debate. We definitely saw more traction on the issue during 2017 and following the submission of the Heher Commission report, our President announced 'Free Higher Education to the poor and working class.' The announcement received mixed reactions. Whilst there was great celebration on the policy finalisation and the relief of a significant financial burden for students, many were still expecting a blanket 'Free Higher Education' concept being implemented. As the largest tertiary institution in South Africa, we celebrate the strides made to encourage and promote access to higher education for a large portion of the South African population and are grateful that a substantial number of our students will benefit from this initiative. The policy will also relieve Unisa of the potential financial loss from those students who would have had to drop out due to financial exclusion. In 2017 Unisa has made available more than R90 million for student bursaries at both undergraduate and postgraduate levels - we see this as part of our continuing vision to **shape futures** and grow South Africa.

### SIQWALASELA OWAMA-2017

Xa sigxila kwiinqobo zokuziphatha ngowama-2017 siphawula ukuba kulandelwe inkqubo 'equkayo' neqinisekisa ukuba sisoloko sibonisa umoya 'wobunye' nomanyano kwinto yonke esiyenzayo. Lo mxholo uye wasoloko 'uphezulu engqondweni' xa bekufuneka kuthathwe izigqibo ezibalulekileyo nezinobunkenenkene apha eyunivesithi.

Iyunivesithi yenze imbali ngowama-2017 ngexesha esithe sanethamsanqa elikhulu ngokuthi samkele obekekileyo owayesakuba nguMongameli, uMnumzana Thabo Mbeki njengeNgqonyela yethu.

Kanye ngokuhambelana nomoya wokuquka, saye sadibanisa ukubekwa esikhundleni kweNgqonyela nokuVulwa Konyaka Wemfundo kowama-2017, saze sanika abasebenzi ithuba lokuba babe yinxalenye yokumiselwa esikhundleni kweNgqonyela entsha.

Sinebhongo ukuzibiza ngokuba siyeyona Yunivesithi Ip-hambili eAfrika. Ngowama-2017 siwakhulisile amathuba entsebenziswano nobuqabane namaziko ngamaziko emfundo ephakamileyo kuyo yonke iAfrika, kwaye la malinge ayaqhuba ukuvelisa iziqhamo ezihle njengoko sibona ukuba ayakhula amanani abafundi bamanye amazwe abaqalisa ukufunda apha. Okuphambili, ukutyala imali kwezobuchwepheshe obufanelekileyo busesisithixo sokwandisa ifuthe lethu kwilizwekazi leAfrika.

Enye yemiba ecele umngeni kunyaka ongaphambili yaba ziingxoxo ezaziwa ngokuba yi **#FeesMustFall**. Ngokuqinisekileyo kwabakho ukuthakruthwano ngalo mba ngonyaka wama-2017, kwaza kwathi emva kwengxelo yeKhomishini kaHeher (Heher Commission), uMongameli wethu wazisa 'Imfundo Ephakamileyo Yasimahla kwabahluphekayo nabaphila ngokuphangela.' Esi saziso samkelwa ngeendlela ezahlukeneyo. Lo gama kwakubhiyozelwa ukufikelela esiphelweni soyilo lomgaqo nkqubo nokothulwa komthwalo onzima wezemali kubafundi, abanye babesalindele 'Imfundo Ephakamileyo Yasimahla' kumntu wonke. Njengelona ziko lemfundo ephakamileyo elikhulu eMzantsi Afrika, siyayivuyela imitsi ethathiweyo yokukhuthaza nokuquzelela ukufumaneka kwemfundo

In the prior year, we also reported on #OutsourcingMust-Fall and I am pleased to report back that the bulk of our **in-sourcing initiatives** have been "bedded down" and the impact can be clearly seen in our financial results, which reflect a significant decline in our outsourcing expense line, and a concomitant increase in full-time employees.

Much time has been spent on recruiting the right caliber of staff during 2016 and this endeavor continued in 2017 to ensure that we have a **fully-fledged Executive Management** team. The details of our Executive Management and new appointments are detailed on page 9.

### EVOLUTION OF STUDENT BASE

In 2017, we have seen pleasing growth in the range and demographics of our student base. We continue to attract a growing number of students emerging from secondary education and looking for affordable and accessible tertiary education. In addition, we have seen an increase in the number of students who are unemployed and are in search of better education opportunities. This paves the way for both Unisa and our Government to consider the challenge that this poses. It is within this context, that there needs to be a process of rethinking the type of facilities that we offer, particularly at our regions. This requires extensive consultation with all stakeholders in order to get the necessary support both institutionally but also from our government, particularly to invest in infrastructure that will assist in increasing our success and throughput rates. While we have always strived to be a critical component in "shaping the future" of our students, we find ourselves now responding to their changing needs, and indeed, we acknowledge the role they will now play in "shaping our future". Of course, this brings with it many challenges, the least of which is access to **appropriate technology**. Distance education is critical to increased access and massification of education as inspired by the Sustainability Development Goals, and online technology is the catalyst for bridging geographic boundaries. Always top of mind for me, will be that we remain wary of adopting global technology platforms and trends, without contextualizing this for our African reality, where bandwidth and connectivity remain expensive and inadequate to cover our continent appropriately.

**Transformation** remains at the top of our agenda. In September 2016, the Council requested Exco to convene a Transformation indaba at Unisa, and this significant milestone was successfully actioned in August 2017. We attracted many eminent speakers including Chief Justice

ephakamileyo kwiqela elikhulu loluntu lwaseMzantsi Afrika, kwaye sinombulelo wokuba baninzi abafundi bethu abaza kuxhamla kweli phulo. Lo mgaqo nkqubo uza uza kunceda iUnisa ukuba ingalahlekelwa yimali ngenxa yabafundi ekungeba bagxothiwe esikolweni kuba ben-genamali yokuhlawula. Ngowama-2017 iUnisa inikezele ngeebhasari ezizizigidi zeerandi ezingama-90 (R90 million) zokufunda ngaphambi nangemva kwesigaba sesidanga sokuqala - le nto siyibona njengenxalenye yombono wethu oqhubekayo wokubumba amakamva nokukhulisa uMzantsi Afrika.

Kunyaka ongaphambili sanika ingxelo ngephulo elalisaziwa ngokuba yi#OutsourcingMust-Fall, ngoku ke ndiyavuya ukuchaza ukuba agqityiwe amalinge amanizi okusebenzisa okwangaphakathi (in-sourcing) kwaye iziqhamo ziyabonakala kwezoqoqosho lwethu kuba zihle ngokubonakalayo iindleko zokusebenzisa okwangaphandle (outsourcing), kwaye liya lisanda inani labaphangeli abasisigxina.

Lininzi ixesha elichithwe ekurhwebesheni abasebenzi abakudidi olufanelekileyo ngonyaka wama-2016 kwaye eli lingeli liqhubekile ngowama-2017, ngenjongo yokuninisekisa ukuba sineqela elipheleleyo Labalawuli Abaphezulu. Iinkcukacha Zabalawuli Abaphezulu nabaqeshwa abatsha zidwelisiwe kwiphepha le-9.

### UKUGUQUQUKA KWESISEKELO SABAFUNDI

Ngowama-2017 sibone ukukhula okuncumisayo kwiindidi ngeendidi zabafundi abavela kwiimeko ezahlukeneyo. Siyaqhuba ukubizela inani elikhulayo labafundi abasuka kumaziko emfundo yesekondari, abafuna imfundo engabizi kakhulu nefikelelekayo. Ngaphezulu, sibone ukwanda kwenani labafundi abangaphangeliyo nabazama amathuba emfundo angcono. Le nto ilungisa indlela apho iUnisa noRhulumente wethu beya kuqwalasela ngayo umngeni owenziwa yile meko. Le meko yenza isidingo somgaqo nkqubo wokucinga ngokutsha ngezibonelelo esizinizekelayo, ngakumbi kwizithili zethu. Le nto ifuna uthethwano olunzulu nabo bonke abachaphazelekayo, ukuze kufumaneke inkxaso yeziko nekarhulumente wethu, ngakumbi ekutyaleni imali kwizibonelelo ezinokuba luncedo ekukhuliseni impumelelo yethu nezinto esizivelisayo. Nangona besisoloko sisebenzela ukuba yinxalenye ephambili "yokubumba ikamva" labafundi bethu, ngoku sizifumanisa sisabela kwizidingo zabo eziguququkayo, kwaye siyayamkela indima eza kudlalwa ngabafundi "ekubumbeni ikamva lethu".

Ewe, le nto iza nemingeni emininzi, owona mncinane

Mogoeng Mogoeng as our keynote speaker. The discussions were robust and constructive and this has set the tone for the level at which the transformation imperative needs to be deliberated. To this end, I was encouraged by the participation at all levels. What remains now is to consolidate and create a roadmap that will respond to the true and diverse needs of our many stakeholders.

### LEADERSHIP AND GOVERNANCE

From a personal perspective, 2017 has lead the way into more **pro-active leadership** from myself and the Council. Our Council continues to stay close to the issues on the ground while balancing the need to respond to these issues whilst contributing at a strategic level. We have seen 2017 show us the effectiveness of empowerment of **our critical sub-committees**, paving the way for more effective decision making at a Council level. In this report, we have refreshed our Governance section (page 28) to show the dedicated levels of work displayed by my fellow council members who are experts in their requisite fields.

As we continue into 2018, I cannot ignore the many incidents of dramatic failure of governance, ranging across the public and private sector, and including many parties implicated in "state capture". This has resulted in a **weakening of trust** that is being experienced **across the South African public**. At Unisa we acknowledge the many challenges this brings in how we engage with our students, regulatory bodies, suppliers and society at large. To that end, we continue to monitor the contract management process and related service level agreements. We will continue to focus on **proper governance** and ensure that we have the proper resources to address this. As an over-arching theme, we encourage our staff, students and all our representative bodies to behave ethically at all times and continue to uphold the values and integrity associated with the ethos of our university.

### STATUS OF THE UNIVERSITY

The Council is pleased to report a marked improvement in the **operating surplus** for the year and note that the improvement is due to the growing base of students. We continue to focus on financial stability within the context of the difficult macro-economic and regulatory environment outlined above, but also turn our focus to alternative streams of income generation. To that end, while we have been slow to execute on the operationalization of Unisa Enterprises, we are pleased to report that we have appointed a suitable Chief Executive Officer and that the business plan was approved by

ikukufikelela kwezobuchwepheshe obufanelekileyo. Imfundo yeziko elikude ibaluleke kakhulu ekufikeleleni kwabantu bonke emfundweni okukhuthazwa Ziinjongo Zophuhliso Olungapheliyo (Sustainability Development Goals), kwaye ubuchwepheshe beintanethi sisixhobo esingundoqo sokuweza imida phakathi kwamazwe. Into esoloko iphezulu engqondweni yam kukuba kufuneka sihlale sisezingqondweni zokufumana amaqonga neenkqubo ezikhoyo zobuchwepheshe, singakubeki oku kwimeko yethu yaseAfrika, apho ukufikelela kumaza eintanethi kusabiza imali eninzi, nalapho kunzima nokulifikelela lonke ilizwekazi lethu.

Inguqu ihleli ilinqaku eliphezulu kwijenda yethu. Ngenyanga yoMsintsi/uSeptemba wama-2016, iSigqeba sacela ukuba iExco ibize iNgqungquthela yeNguqu (Transformation indaba) eUnisa, kwaye eli nyathelo libalulekileyo laba yimpumelelo ngeyeThupha/Agasti kowama2017. Safumana izithethi ezibalulekileyo ezininzi eziquka iJaji Eyintloko (Chief Justice) uMogoeng Mogoeng owaba sisithethi esiphambili. Zaba shushu, zisakha iingxoxo kwaye oku kwaseka isingqi emasihambe ngayo isantya senguqu. Le ndibano yenza ukuba ndikhuthazeke yindlela abasebenzisana ngayo abathathi nxaxheba. Okuseleyo ngoku kukuqulunqa indlela yokusebenzela ukuphumeza izidingo eziyinyani nezahlukeneyo zabo bonke abachaphaphazelekayo.

### UBUNKOKHELI NOLAWULO

Xa ndithetha ngawam amava, owama-2017 wahlahla indlela yempumelelo kuhlobo lobunkokheli obukhawulela izinto zingekenzeki, obanceda mna neSigqeba. ISigqeba sisaqhuba ukusombulula iingxaki ezikumgangatho osezantsi nongowabantu, lo gama sikwafaka igxalaba kwimiba yolawulo kwizinga eliphezulu. Owama-2017 usibonise ukusebenza kakuhle kweekomiti ezincedisayo, nezihlahla indlela yokuthathwa kwezigqibo kwisigaba seSigqeba. Kule ngxelo sihlaziye icandelo loLawulo (iphepha 28) ukubonisa ukusebenza ngokuzinikela kwamalungu eSigqeba sam, aziingcaphephe kumacandelo azo.

Njengoko siqhuba kulo wama-2018, andinakho ukuzilibala iziganeko ezininzi zokungaphumeleli kolawulo. Ezi ziganeko ziquka amacandelo kawonkewonke nawabucala, kwaye zikwaquka namaqela amaninzi atyholwa "ngokubamba isizwe ngobhongwane" ("state capture"). Oku kubangele ukuba uluntu loMzantsi Afrika lungamthembi kakuhle urhulumente. Apha eUnisa siyayamkela imingeni emininzi eyenziwa yile meko ekusebenzisaneni nabafundi bethu, amaqumrhu alawulayo, abanikezeli zinkonzo noluntu ngokubanzi. Siyaqhuba ukuphosa iiso elibukhali kwinkqubo

the **Unisa Enterprises** Board, and presented to Council.

In line with the requirements of the Department of Higher Education, on behalf of the Council I would like to note that Unisa was a **going concern** in 2017, and this will continue into 2018.

Unisa operates in an **established control environment**, which is documented and regularly reviewed. This incorporates **risk management** and **internal control procedures**, which are designed to provide reasonable, but not absolute, assurance that assets are safeguarded and that the risks facing the Institution are controlled. Further information on the Council's responsibility for the total process of risk management are outlined on page 55. The review of internal financial controls is ongoing as part of the annual internal audit plan, and their report is outlined on pages 59.

Unisa has not been guilty of any material or immaterial regulatory penalties, sanctions and fines for contraventions or non-compliance with statutory obligations for the year under review.

#### GOING FORWARD

We look forward to the next year when we will commemorate our **145 year anniversary**. This significant milestone will allow us to commit ourselves once again to creating a culture of passion for what Unisa represents, and in the process create a university that is a high performance, service focused and people-centered institution. Coupled with Unisa's commitment to increased access and affordable higher education, our Council approved a **no-fee increase for 2018** which will continue to make our programmes affordable to all South Africans. Such a move requires us to be prudent and efficient in the delivery of our services, without compromising quality.

#### APPRECIATION

My report would not be complete without acknowledging the great work of many people and their ongoing commitment to the development and sustainability of our great institution

I would like to express my deep gratitude to Professor Makhanya and his management team who work tirelessly to deliver our strategy during a turbulent and challenging time. Similarly, I would like to thank my fellow council members for their dedication and support in guiding our Institution, and their eagerness to provide wise counsel. In addition, I would like to extend a warm welcome to our new Council members, Prof AV Magwaza, Mr O Galane, Ms PJ Sekwaila, Prof LI Zungu, Prof BB Senokoane, Prof

yolawulo lwezivumelwano zokusebenzisana/iikontraka nezinye izivumelwano zeenkonziso.

Siza kuqhuba ukugxininisa kulawulo olululo nokuqinisekisa ukuba sinezixhobo ezizizo zokwenza oku. Umxholo wethu owongameleyo kukukhuthaza abasebenzi bethu, abafundi nawo onke amaqumrhu omelo ukuba baziphathe kakuhle maxa onke kwaye sisoloko siphakamisa iinqobo zokuziphatha nemfezeko eyayamene nomthetho wentlalo weyunivesithi yethu.

#### IMEKO YEYUNIVESITHI

ISigqeba sinovuyo ukunika ingxelo yokwanda okubonakalayo kwemali ethe kratya yokusebenza. Sityaqonda ukuba lo kratya wenziwe kukukhula kwenani labafundi bethu. Sitho gqolo sisebenzela uzinzo kwezoqoqosho kule meko inzima yoqoqosho gabalala neyolawulo echazwe apha ngentla. Noxa kunjalo sikwagxininisa kumalinge angamanye okukhulisa ingeniso. Nangona sihambe kade ekuphumezeni ukusebenza kwamalinge oshishino aseUnisa (Unisa Enterprises), sinovuyo ukuchaza ukuba siqeshe uMlawuli Owongameleyo (Chief Executive Officer) ofanelekileyo, kwaye icebo loshishino (business plan) lamkelwa yiBhodi Yamalinge Oshishino aseUnisa (Unisa Enterprises Board), laza lanikezelwa kwiSigqeba.

Ngokuhambelana nemimiselo yeSebe Lemfundo Ephakamileyo, egameni leSigqeba ndithanda ukwazisa ukuba iUnisa ibe liqumrhu elikhulayo ngowama-2017, kwaye oku kuza kuqhubeka nakowama-2018.

IUnisa isebenza kumhlaba ozinzileyo nolawulekayo, oneengxelo ezigcinwayo nohlolwa rhoqo. Le nto iquka ukulawula iimeko zomngcipheko neenkqubo zolawulo lwangaphakathi, ezenzelwe ukuqinisekisa ngokunengqiqo, hayi ngokunyanzelisa, ukuba imithombo yobutyebi igcinwe ngokukhuselekileyo kwaye zilawulwa ngobuchule iimeko zomngcipheko ezijonge iziko. Ulwazi oluthe chatha malunga noxanduva lweSigqeba kwinkqubo yolawulo lomngcipheko lubhalwe kwiphapha lama-55. Uhlolo lweenkqubo zangaphakathi zolawulo lwezoqoqosho luqhubeka lonke ixesha njengexalenye yecebo lolawulo lonyaka loqoqosho lwangaphakathi, kwaye ingxelo yoku ifumaneka kwiphapha lama-59.

IUnisa ayikhange ibe netyala nelaluphi na uhlobo, ayikhange inikwe sohlwayo okanye isithintelo ngenxa yokungalandeli imigaqo.

#### INDLELA EYA PHAMBILI

Sijonge phambili kunyaka olandelayo apho siza kubhi-

PH Havenga and Prof RS Tshaka, and to graciously thank our departing Council members, Dr I Tufvesson, Dr PJA Mphafudi, Prof OE Mashile, Prof NS Eccles and Mrs PS Malema for their contribution, the impact of which will no doubt continue post their departure and into the future.

Last but not least, my gratitude must extend to the academic and support staff for their critical role in the evolution of our fine Institution.

In conclusion, I have full confidence, as we go into a new cycle of renewed hope to build a better South Africa for all, that together with all our stakeholders, we will reach our aspiration to be the most admired and diverse university on the continent, shaping futures in the service of humanity.

yozele isikhumbuzo sokugqiba kwethu iminyaka eli-145. Eli nqanaba liya kusivumela ukuba siphinde sizinikezele ngokutsha ekudaleni inkcubeko yothando olunzulu loku kumelwe yiUnisa, sibuye sidale iyunivesithi esebenza kwizinga eliphezulu, neziko elijolise ekunikezeleni inkonzo nasekukhathaleleni abantu. Ngokudibanisa nokuzimisela kweUnisa ekwandiseni amathuba okufikelela kwimfundo ephakamileyo engabizi mali ininzi, iSigqeba sivumile ukuba inganyuswa imali yesikolo ngowama-2018, nto leyo iya kuqhuba ukwenza iinkqubo zethu zifikeleleke ngokwasezimalini kubo bonke abemi boMzantsi Afrika. Inyathelo elilolu hlobo lifuna sichule ukunyathela kwaye sinikezele iinkonzo ngokufezekileyo, ngaphandle kokuthoba umgangatho.

#### UMBULELO

Ingxelo yam ayinakuba iphelele xa ndingawubaluli umsebenzi omkhulu owenziwe ngabantu abaninzi nabathe gqolo bezinikezele kuphuhliso nokugcina ubume beli ziko lethu libalulekileyo.

Ndithanda ukuvakalisa umbulelo wam ongazenzisiyo kuNjingalwazi Makhanya neqela lakhe elilawulayo elisebenza lingadinwa ekuphumeleliseni icebo lethu ngeli xesha lamahla ndinyuka neningeni. Ngokunjalo, ndibulela oogxa bam abangamalungu eSigqeba ngokuzinikela nokunika inkxaso ekukhokeleni eli ziko lethu, nokulangazelela ukunika iingcebiso zobulumko.

Ngaphezulu, ndithanda ukwamkela ngokufudumeleyo, amalungu amatsha eSigqeba, uNjingalwazi AV Magwaza, Mnu. O Galane, Nks. PJ Sekwaila, uNjing. LI Zungu, uNjing. BB Senokoane, uNjing. PH Havenga noNjing. RS Tshaka. Ndibulela ngokungazenzisiyo kumalungu eSigqeba aphumayo, uGqirha I Tufvesson, Gqirha PJA Mphafudi, uNjing. OE Mashile, uNjing. NS Eccles noNks. PS Malema ngendima yabo, endiqinisekileyo ukuba iya kuhlala iqhubeka naxa sebehambile.

Ekugqibeleni, kungekuncinci phofu, umbulelo wam ubhekiswa kubasebenzi becala lezifundo nelenkxaso ngendima yabo yobuchule ekuphuhliseni eli ziko lethu lodidi.

Xa ndiphetha, ndithi ndinesiqiniseko esipheleleyo, njenkokuba singena kumjikelo omtsha nje, ndinethemba elihlaziyelekileyo lokwakha uMzantsi Afrika ongcono, owethu sonke, kwaye thina sonke nabachaphazelekayo, sakufikelela kwiphupha lethu lokuba yeyona yunivesithi ithandwayo nenabantu abahlukeneyo kweli leAfrika, sibumba amakamva kwinkonzo yoluntu.

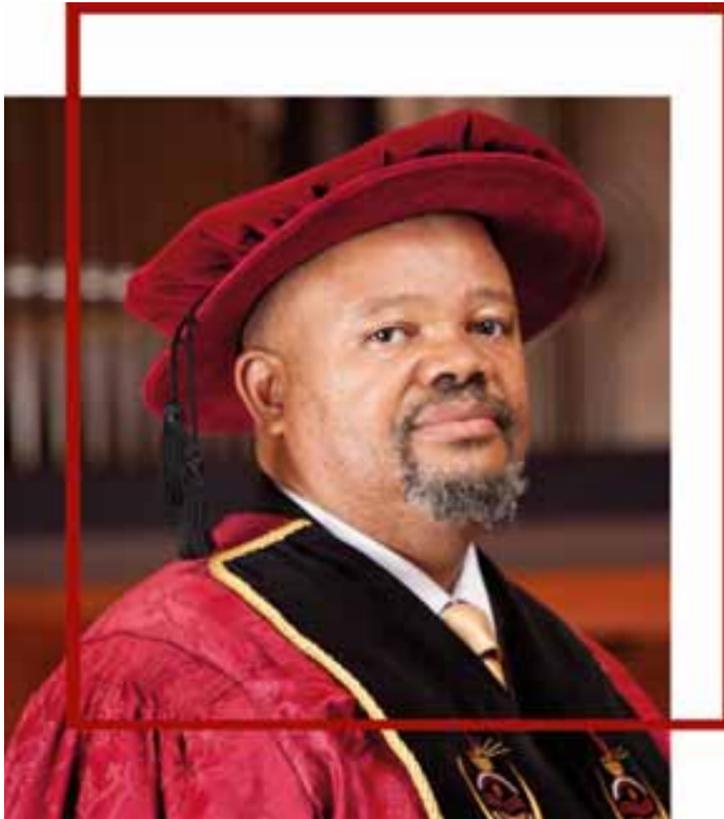


Mr AS Simelane

Chairperson: Unisa Council  
USihlalo: ISigqeba saseUnisa

# REPORT/PEGO

OF THE VICE-CHANCELLOR / YA MOTLATŠAMOKHANSELIRI



**Prof. M Makhanya**

Principal and Vice Chancellor  
Hlogo le Motlatšamokhanseliri

“2017 continued to experience the disruptive socio-political trend that began in 2015, and presented the University with a number of serious challenges, impacting our financial, transformational and institutional culture. To a large extent, the tensions emanating from the #FeesMustfall language and insourcing movements, found their echoes in 2017 and were at the forefront of our Administration’s efforts for much of the year.”

“2017 e tšweletše go itemogela diphetogo tše di hlolago ditšhitišo tša dipolotiki setšhabeng tše di thomilego ka 2015, gomme ya dira gore Yunibesithi e be le ditlhohlo tše dikgolo, tše di nago le khuetšo ye mpe tshepetšong ya tlwaelo ya rena ya ditšhelete, diphetogong le institušene. Karolong ye kgolo, dithulano tše di tšwago go polelo ya #FeesMustfall le mekgatlo ya go thwala bašomi bao ba bego ba šomela dikotraka, di ipoeleditše ka 2017 gomme di be di etile pele maitapišo a rena a Taolo nako ye ntši mo ngwageng.”

However, 2017 was not without its highlights and success, as well. No other institution can compare with Unisa internationally or nationally, in terms of the numbers of accredited graduates that this Institution produces, year after year, despite the challenges that the leadership continues to deal with in respect of service and systemic efficiencies and more recently, socio-economic and political upheavals. For the year under review, Unisa hosted more than 140 graduations and we hope to increase that number year-on-year, going forward.

With this in mind, we are cognizant of the fact that our success as a leading African Institution depends materially on us developing a culture and environment that attracts new students and staff and adequately supports their commitment, abilities and needs. Underpinning this is the vision of the university, which has transitioned from being the African university in the service of humanity to the African University shaping futures in the service of humanity.

The new vision presents to the world a university that has broadened its narrower national scope towards becoming a fully African institution that is committed to advancing its educational agenda and to making its voice heard in the global arena, as a confident leader in Distance Education that is distinctly African, and not merely an imitation of business models which currently characterise global Open Distance and e-Learning (“ODEL”).

Simply put, Unisa embraces the concept of “shaping futures”. Our goal, as the leadership of this Institution, is to ensure that we continue to serve as the guardians of our students, because we are hoping that our students will become the drivers of the economy, influencers of social consciousness, and the greatest generators of ideas yet for a sustainable future of this continent.

## THE LEARNING LANDSCAPE

As leadership, my executive team and the University’s Council have been spending much time trying to understand the evolving context within which our university functions. We are measuring our readiness for change by closely observing the socio-economic and political environment, our university culture and the voices of our students – and how all of these imperatives collectively lend themselves to a call for potential change

Le ge go le bjalo, 2017 ga ya palelwa ke go ba le diti-ragalokgolo le dikatlego, godimo ga seo. Ga go na institušene efe goba efe yeo e ka bapetšwago le Unisa ditšhabatšhabeng goba nageng ka bophara, go ya ka dipalo tša dialoga tše di dumeletšwego tše Institušene ye e di tšweletšago, ngwaga le ngwaga, le ge go na le ditlhohlo tše boetapele bo tšwelago pele go šogana le tšona go lebeletšwe mabokgoni ka kakaretšo le tirelo gomme moragonyana, phetogo ye kgolo ye e hlotšego mathata a ekonomi le dipolotiki setšhabeng. Mo ngwageng wa tshekatsheko, Unisa e swere meletlo ya dialoga ya go feta 140 gomme re holofela go oketša palo yeo ngwaga ka ngwaga, ge re dutše re tšwela pele.

Go lebeletšwe se, re lemoga gore katlego ya rena bjalo ka Institušene ya Afrika ya ketapele e holofetše rena kudu go godiša tlwaelo le tikologo yeo e goketšago baithuti le badirišani ba baswa le go thekga boikgafo, mabokgoni le dinyakwa tša bona. Go gatelela se ke pono ya yunibesithi, yeo e fetotšwego go tšwa go go ba yunibesithi ya Afrika go direla botho go ya go Yunibesithi ya Afrika yeo e bopago bokamoso go direla botho.

Ponelopele ye mpsha e bontšha lefase yunibesithi yeo e godišago tebelelo ye e patišaneng ya setšhabeng go ya go go ba institušene ka botlalo ya Afrika yeo e ikgafetšego go godiša lenaneo la yona la thuto le go dira lentšu la yona gore le kwagale mo lefaseng ka bophara, bjalo ka ketapele ya boitshepo mo institušeneng ya go lthuta o le Kgole yeo e lego ya Seafrika ka nnete, e sego fela kekišo ya mmotlolo wa kgwebo yeo e ipontšhago go ba ya nkgokolofaseng ya Go ithuta o le kgole ye e Buletšwego bohle gape ya Go ithuta ka elektroniki (ODEL).

Go e nolofatša, Unisa e thekga kgopolo ya “go betla bokamoso”. Nepo ya rena, bjalo ka boetapele bja Institušene ye, ke go kgonthiša gore re tšwela pele go šoma bjalo ka bahlokomedi ba baithuti ba rena, ka gore re kgolwa gore baithuti ba rena e tla ba basepetšaekonomi, bahuetsi ba temogo ya leago, le bahlodi ba bagolo ba dikgopolo le go bokamoso bja go swarelela bja kontinente ye.

## MAEMO A GO ITHUTA

Bjale ka boetapele, sehlopha sa ka sa bolaodiphethiši le Khansela ya Yunibesithi ba dutše ba tšea nako ye telele ba leka go kwešiša kemo yeo e golago yeo yunibesithi ya

in our institution's structure and model. However, we are an open distance e-learning university – and any departure from this will be contrary to our model and detrimental to the student community we service. The University is held in very high esteem as the leader in formal ODeL and we are determined not to lose that traction.

This said, a key part of Unisa's preparedness and ability to adapt with agility to changing circumstances, is the ongoing identification and analysis of higher education trends at both global and national levels, to ensure their appropriate consideration and evaluation, in the best interests of the University.

### THE CURRENT NATIONAL LANDSCAPE AND EXTERNAL CHALLENGES

The South African Higher Education sector has always had the additional responsibility of overcoming our own set of unique challenges. Unisa continues to be the major pillar of South Africa's higher education sector, making by far the largest contribution to our national pool of graduates. Unisa is also the alma mater of the bulk of South Africa's neediest students, which means that challenges around fees and sustainability are particularly relevant and deserving of innovative and pragmatic attention and solutions. This remains a priority for both my executive management and the Council.

### OUR STUDENTS

Unisa is a major pillar of South Africa's higher education sector, making by far the largest contribution to our national pool of students and graduates. Despite a number of complex challenges in both the global and national higher education environments, Unisa has managed to ensure stability in respect of our student intake, and even to a significant extent, meet the graduate outputs that it set for itself at the commencement of the 2016–2020 planning cycle.

Despite the challenge with regard to our LLB accreditation, I am pleased with the way that the university responded. And, this has resulted in full accreditation of the qualification.

Serious challenges remain, however, especially around enrolment management, ICT infrastructure provision and optimal operations, responsiveness to growing student demands, and managing our resources in the light of the serious funding constraints that we face in the next two to three years.

rena e šomago ka gona. Re ela boikemišetšo bja rena bja go fetoga ka go lebelela gabotse khuetšo ya dipolotiki le ekonomi setšhabeng, tlwaelo ya yunibesithi ya rena le mantšu a baithuti ba rena – le ka moo ditaello tše ka moka mmogo di hlalago boipiletšo bja phetogo ye e kgonalago mo popegong le mmotlolong tša institušene ya rena. Le ge go le bjalo, re yunibesithi ya go ithuta o le kgole ya go ithuta ka elektroniki – gomme go tloga mokgweng wo go tla thulana le mmotlolo wa rena le go lahla baithuti ba rena bao re ba direlago. Yunibesithi e fiwa tlhompho ya godimo kudu bjalo ka ketapele ya ODeL ya semmušo gomme ga se ra ikemišetša go lahlegelwa ke maatla ao.

Go hlalošitšwe bjalo, karolo ya motheo ya boikemišetšo le bokgoni tša Unisa tša go itlwaetša ka mafolofolo go dikemo tše di fetogago, ke kutollo ye e tšwelago pele le tshekatsheko ya ditaetšo tša thuto ya godimo bobedi magatong a nkgokololefaseng le setšhabeng, go kgonthiša tlhokomelo le tekolo tša tšona tša maleba, tše di lego bohlokwa go Yunibesithi.

### MAEMO A BOSETŠHABA A GONABJALE LE DITLHOHLO TŠA KA NTLE

Lekala la Thuto ya Godingwana ya Afrika Borwa nako le nako le bile le maikarabelo a go tlaleletša a go laetša katlego twantšhong ya bontši bja ditlhothlo tša rena tša moswananoši. Unisa e tšwela pele go ba ketapele ye kgole ya lekala la thuto ya godingwana ya Afrika Borwa, go ba yona e tšweletšago palo ya godimo go fetišiša ya dialoga setšhabeng sa rena. Unisa gape ke yunibesithi ye baithuti ka bontši ba go hloka ba Afrika Borwa ba ithutilego go yona, seo se ra gore ditlhothlo tša go lebana le ditefo le go swarelela ke tša maleba kudu gomme di swanelwa go fiwa šedi le ditharollo tše mpsha gape tše di kwagalago. Se se dula se le bohlokwa go bobedi bolaodiphethiši le Khansele ya ka.

### BAITHUTI BA RENA

Unisa ke ketapele ye kgole ya lekala la thuto ya godingwana ya Afrika Borwa, go ba yona e tšweletšago palo ya godimo go fetišiša ya baithuti le dialoga. Le ge go na le ditlhothlo tše dikgole go bobedi ditikologong tša nkgokololefaseng le tša thuto ya godingwana ya bošetšhaba, Unisa e atlegile go kgonthiša go boemotia mo go amogeleng baithuti ba rena, le go fihlelela tšweletšo ya dialoga ka bogolo bjo bo bonagalago, yeo e ipeetšego yona mathomong

Additional opportunities exist to improve our students' experience at Unisa, including

- Making social media more positive by improving administrative efficiency and providing study material
- Focusing on the first-year experience
- Transformation of curricula and university culture to create a more positive academic and social environment at Unisa

### OUR ASSESSMENT AGAINST PERFORMANCE TARGETS

During the 2017 academic year, the University experienced numerous challenges, as was the case with the rest of the Higher Education (HE) sector. These included growth and increased demand for access to HE. Furthermore, increasing student expectations and frustrations with respect to access and financial aid have resulted in increasing tensions.

These tensions and challenges should be seen as a reflection of the sectorial pressures, which have had an impact on the University's commitments, allocation of responsibilities and ultimately the ability of the University to achieve its set objectives.

In the midst of these challenges, the University continued to pursue its commitments stated in the Council approved Annual Performance Plan (APP) and in so doing, realise its vision to become the African university shaping futures in the service of humanity. Unisa continued to focus its efforts on the total learning experience by attending to the diverse needs of students and their expectations. This was encouraged even under persisting financial pressure and system challenges.

Key focus areas have demonstrated exceptional performance and among these are the improved throughput and quality assurance arrangements, improved teaching and learning processes that give expression to Unisa's uniqueness as an ODeL university and increased research capacity. This is buttressed by the myUnisa platform that contributes to the learning experience and contribution to the fiscus through third stream income.

Quality and service excellence continue to be a priority and will require our concerted attention. The most profound enabler to promote improved quality and service

a saekele ya peakanyo ya 2016 – 2020.

Le ge go na le ditlhothlo malebana le tumelelo ya LLB, ke thabela mokgwa woo yunibesithi e rarollotšego bothata bjoo ka gona. Gomme, se se hlotše tumelelo yeo e tletšego ya thuto yeo.

Ditlhothlo tše dikgole di sa le gona, le ge go le bjalo, kudu taolong ya ngwadišo, dinyakwa tša kagoseswa ya wa ICT le ditshepedišo ka botlalo, dikarabo go dinyakwa tše di golago tša baithuti, le go laola dithuši tša rena go lebeletšwe mathata a tlhokego ya ditšhelete ao re lebanego le ona mo mengwageng ye mebedi go ya go ye meraro ye e latelago.

Dibaka tša tlaleletšo di a tšwela go kaonafatša maitemogelo a baithuti ba rena mo Unisa, go akaretšwa

- Go dira mediya wa setšhaba go ba wo thušago kudu ka go kaonafatša bokgoni bja taolo le go aba ditlakelo tša go ithuta
- Go nepiša maitemogelo a ngwaga wa mathomo
- Phetogo ya mananeothuto le tlwaelo ya yunibesithi go hlola tikologo ye kaonekaone kudu ya thuto le setšhaba mo Unisa

### KELO YA RENA KGAHLANONG LE DINEPIŠO TŠA PHETHAGATŠO

Nakong ya ngwaga wa dithuto wa 2017, Yunibesithi e itemogetše ditlhothlo tše dintši, go no swana le ge go bile bjalo go makala ka moka a Thuto ya Godingwana (HE). Tše di akareditše kgole le nyako ye e oketšegilego ya go tsena HE. Se sengwe gape, go godiša ditetelo tša baithuti le dikgakanego malebana le go tsena le thušo ya ditšhelete go hlotše kgodišo ya dingangišano.

Dingangišano tše le ditlhothlo di swanetše go bonwa bjalo ka pontšho ya dikgatelelo tša makala, tše di bilego le khuetšo go boikgafo bja Yunibesithi, kabelano ya maikarabelo tše di hlotšego bokgoni bja Yunibesithi go fihlelela dinepo tša yona tšeo e di beilego.

Gare ga ditlhothlo tše, Yunibesithi e tšwetše pele go latela maikgafo a yona ao a boletšwego ka Leanong la Phethagatšo la Ngwaga le Ngwaga (APP) la Khansele gomme ka go dira bjalo, ya lemoga pono ya yona ya go ba yunibesithi ya Afrika ya go bopa bokamoso mo go direleng

excellence is technology as it constitutes the fabric of nearly everything associated with teaching and learning. However, keeping up with technology-enhanced teaching and learning practices will put pressure on the available financial resources.

An analysis of the progress made towards the achievement of the 2017 APP, furthermore, points to areas of improvement which, amongst others, include the need for a concerted focus on transformation. The latter relates to the following: what is being taught, challenges of access with success, the relevance of education and cognitive justice. These have been identified and attended to in the 2018 Annual Performance Plan (APP).

Please refer to our Performance Assessment Report for detailed analyses in this regard.

#### OUR RESOURCES AND EFFECTIVE PLANNING

A core function of the planning regime at Unisa is the annual crafting of an implementation plan and change management strategy, aligned to the activities that the institution has committed to for the year, as part of a stepwise implementation of the specific strategic phase.

Two extended management Makgotla were held during 2017, during which Unisa's relevance and performance were evaluated within the current higher education context (national, continental and global) and our planning objectives aligned accordingly. These in turn provided the basis for performance management and impact assessments at Unisa, as well as our compacts with our key stakeholders, including the Department of Higher Education and Training (DHET).

Planning in 2017 took place with the context of the volatile and uncertain environment sketched above, necessitating a fine balance between the pragmatic handling of the emerging issues and financial probity and acumen that would ensure the sustainability of the institution.

Given the stringent austerity measures in place at Unisa and the unstable and unpredictable operating environment, compliance was again a key means of ensuring ethical and transparent institutional governance. Due process came under increasing scrutiny, resulting in the identification of compliance "gaps", especially in due process relating

botho. Unisa e tšwetše pele go nepiša maitapišo a yona mo maitemogelong a go ithuta ka botlalo ka go nepiša dinyakwa tša go fapana tša baithuti le ditetelo tša bona. Se se hlohleleditšwe le ka fase ga kgatelelo ya ditšhelete yeo e tšwelago pele le ditlhohlo tša peakanyo.

Dikarolo tša nepišo tša motheo di bontšhitše phethagatšo ye botse kudu gomme gare ga tše ke tšweletšo ye e kaonafaditšwego le dipeakanyo tša kgonthišo ya boleng, diitshapedišo tše di kaonafaditšwego tša go ruta le go ithuta tše di fago taetšo ya boswananoši bja Unisa bjalo ka yunibesithi ya ODel le bokgoni bja dinyakišišo bjoo bo oketšegilego. Se se thekgwa ke sefala sa myUnisa seo se kgathago tema maitemogelong a go ithuta le go kgatha tema matlotlong ka letseno la go tšwa go bathekgi ba ka ntle.

Boleng le bokgoni bja tirelo bo tšwela pele go ba selo sa mathomo gomme di tla nyaka šedi ya rena yeo e kopanetšwego. Sekgontšhi se segolo go godiša boleng bjoo bo kaonafaditšwego le bokgoni bja tirelo ke theknolotši ka ge e hlola senyakwa sa se sengwe le se sengwe seo se amanago le go ruta le go ithuta. Le ge go le bjalo, go ba le tsebo ka ga ditlwaelo tše di sepelelanago le theknolotši tša go ruta le go ithuta go dira gore go be le kgatelelo go dithuši tša ditšhelete tše di bego gona.

Tshekatsheko ya tšwelopele yeo e dirilwego malebana le katlego ya 2017 APP, gape, e lebiša go dikarolo tša kaonafatšo tše, gare ga tše dingwe, di akaretšago tlhokego ya nepišo yeo e kopanetšwego ya phetogo. Ya mafelelo e amana le tše di latelago: seo se rutwago, ditlhohlo tša phihlelelo ka katlego, bohlokwa bja thuto le toka ye e lemogwago. Tše di utollotšwe le go nepišwa ka go Leano la Phethagatšo la Ngwaga ka Ngwaga (APP) la 2018.

O kgopelwa go lebelela Pego ya rena ya Kelo ya Phethagatšo go hwetša tshekatsheko ka botlalo maleba le se.

#### DITHUŠI TŠA RENA LE PEAKANYO YE E KGONTŠHAGO

Mošomo wa motheo wa taolo ya peakanyo mo Unisa ke tšweletšo ya leano la phethagatšo le mokgwa wa taolo ya phetogo, wo o sepelelanago le mešongwana yeo institušene e ikgafetšego yona ya ngwaga, bjalo ka karolo ya phethagatšo ya kgato ka kgato ya karolo yeo e beakantšwego ye e itšego.

to financial management. These received concerted attention for resolution during the year under review.

The performance objectives in the 2017 pre-determined Objectives Compact with the Minister, were identified in light of the material impact that they would have on Unisa's service, quality and sustainability (including financial sustainability). Council approved the Compact, and emphasized that the achievement of institutional targets was a priority. However, given the contextual dynamics that arose towards the end of 2017, DHET granted all institutions an extension for the submissions of their Compacts so that these could be adjusted to accommodate the changed circumstance. The final APP was therefore not available at the end of 2017, and it is envisaged that implementation will only commence in the second term of 2018.

#### MANAGEMENT & ADMINISTRATION

The University continued with a project to realign professional and support structures to the institutional business model and strategy. Due to the impact that the alignment process might have had on the numbers of and nature of positions it was decided in the second half of 2017 that only mission critical positions as approved by the Human Resources Committee of Council would be filled. This did, however, not affect the continued appointment of executive and academic employees as these structures were not affected by the realignment process.

The Vice Principal: Strategy, Risk and Advisory Services position became vacant at the end of January 2017. This position was however filled again as from 1 December 2017. The positions of Vice Principal: Institutional Development and Transformation, Vice Principal: Research, Postgraduate Studies, Innovation and Commercialization and Vice Principal: Information Communication and Technology/Chief Information Officer position remained vacant during 2017 but were finalised and filled in June 2018. The position of the Registrar has also been finalised.

Understandably, the longevity of the vacancies and the ongoing acting periods, which were filled with alternating incumbents, had an unsettling effect on the University and its operations, especially given that the acting positions cascaded down reporting lines in these portfolios. The same scenario was for example, evidenced at the

Makgotla a mabedi a taolo ao a katološitšwego a swerwe ka 2017, moo dilo tše bohlokwa tša Unisa le phethagatšo di lekotšwego go lebeletšwe maemo a gonabjale a thuto ya godingwana (setšhabeng, kontinenteng le nkgokolo-faseng) gomme dinepo tša rena tša go beakanya di amantšwe gabotse. Tše ka tatelano di file motheo wa taolo ya phethagatšo le go hwetša dikelo ka Unisa, gammogo le ditumelelano le bakgahlegi ba rena, go akaretša Kgoro ya Thuto ya Godingwana le Tlhahlo (DHET).

Peakanyo ka 2017 e diragetše ka maemo a go fetogafetoga le tikologo ye e ka se laolelwego pele yeo e boletšwego ka godimo, yeo e hlotšego tekano ye botse gare ga tshwaro ka tlhokomedišišo ya ditaba tše di tšwelelago le ditšhelete tša maleba le bokgoni bjoo bo tla kgonthišago go swarelela ga institušene.

Go lebeletšwe ditekanyo tše thata tša go se fetogefetoga tše di lego gona mo Unisa le tikologo ye e ka fetogago gape ye e ka se laolelwego pele, phethagatšo e bile gape mokgwa wa motheo wa go kgonthiša taolo ya institušene ya boitshwaro bjo swanetšego gape e sa utego selo. Ditshepetšo tša go kwagala di sekasekilwe kudu, tša utolla tšhupo ya "mabofokodi" a go se obamele melao, kudu mo ditshepetšong tša go kwagala tše di amago taolo ya ditšhelete. Tše di filwe šedi ye e kopanetšwego go rarollwa mo ngwageng wa tshekatsheko.

Dinepo tša phethagatšo ka Tumelelanong ya Dinepo tša pele ga nako tša 2017 le Tona, di utollotšwe go lebeletšwe khuetšo ya dimateriale tše di tla bago le tšona tirelong, go boleng le go tšwelelo tša Unisa (go akaretša go swarelela ga ditšhelete). Khansele e dumeletše Tumelelano, gomme ya gatelela gore katlego ya dilebanywa tša institušene e be e le nepišo yeo e kopanetšwego ya phetogo. Ya mafelelo e amana le tše di latelago: seo se rutwago, ditlhohlo tša phihlelelo ka katlego, bohlokwa bja thuto le toka ya go kwagala. Se se utollotšwe le go nepišwa ka go Leano la Phethagatšo ya Ngwaga ka Ngwaga (APP) la 2018.

#### KELO YA RENA KGAHLANONG LE DINEPIŠO TŠA PHETHAGATŠO

Nakong ya ngwaga wa dithuto wa 2017, Yunibesithi e itemogetše ditlhohlo tše dintši, go no swana le karolo ka moka ya Thuto ya Godingwana (HE). Tše di akareditše kgolo le nyako ye e oketšegilego ya phihlelelo ya HE. Se

Executive Dean and Executive Director levels. It was, however, felt that these mission critical positions had to be filled with the right incumbents who would be appropriately equipped and experienced in managing complex portfolios in the current higher education environment.

It is hoped that a full executive staff complement and the sense of stability that this now brings to executive and extended management, will also provide a far greater sense of teamwork and urgency which will contribute in a meaningful way to the university's long-term sustainability.

### INSTITUTIONAL INFORMATION

The Directorate Information and Analysis (DIA) is responsible for providing relevant and reliable institutional information and analysis in support of strategic and operational management and in support of the University's statutory reporting requirements. We are confident that the quality of information provided is satisfactory. Controls have been instituted to ensure the integrity of the data. DIA provides a valuable service to Unisa and is appropriately resourced.

Finally, formal institutional information and data from Unisa are provided to DHET at regular intervals, in the prescribed manner.

### THE TRANSFORMATION IMPERATIVES AND OUR EE PLAN

Transformation is accepted as a cross-cutting strategic imperative at Unisa and we therefore choose to provide an overview of the transformation initiatives on the part of Council and Unisa Management, to drive the transformation agenda. The two cannot be seen in isolation for the reason that Unisa is obliged in terms of its regulatory reporting requirements (which include this report) and concomitant auditing accountability, to report to DHET and to the statutory institutional committees including Council, on its strategic and operational transformation commitments and progress concerning its core business. While Council is a legitimate institutional structure with mandated responsibilities, it is not an operational entity, and as such, the entire university community and every level of management are obliged to implement transformation in terms of our strategy and APP. This was a watershed year where Council and Senate held a Workshop on Transformation where all stakeholder voices on institutional transformation were represented, and as such, this workshop filled a very important gap and lack in Unisa's transformation initiatives.

sengwe gape, go godiša ditetelo tša baithuti le dikhuduego malebana le phihlelelo le thušo ya ditšhelete go feleleditše ka go godiša dingangišano.

Dingangišano tše le ditlhohlo di swanetše go bonwa bjalo ka seswantšho sa dikgatelelo tša makala, tšeo di bilego le khuetsō go boikgafo bja Yunibesithi, kabelano ya mai-karabelo le bokgoni bja Yunibesithi go fihlelela dinepo tša yona tšeo e di beilego.

Gare ga ditlhohlo tše, Yunibesithi e tšwela pele go latela boikgafo bja yona bjo bo boletšwego ka go Leano la Phethagatšo la Ngwaga le Ngwaga (APP) la Khansele gomme ka go dira bjalo, ya lemoga pono ya yona ya go ba Yunibesithi ya Afrika ya go bopa bokamoso mo go direleng botho. Unisa e tšwela pele go nepiša maitapišo a yona mo maitemogelong a go ithuta ka botlalo ka go nepiša dinyakwa tša go fapana tša baithuti le ditetelo tša bona. Se se hlohleleditšwe le ge go bile ke dikgatelelo tša ditšhelete le ditlhohlo tša peakanyo tšeo di tšwelago pele.

Dikarolo tša nepišo tša motheo di bontšhitše phethagatšo ye botse kudu gomme gare ga tše ke tšweletšo ye e kaonafaditšwego le dipeakanyo tša kgonthišo ya boleng, go ruta moo go kaonafaditšwego le ditshepedišo tša go ithuta tšeo di fago taetšo ya boswananoši ya Unisa bjalo ka Yunibesithi ya ODeL le bokgoni bja dinyakišišo bjoo bo oketšegilego. Se se thekgwa ke sefala sa myUnisa seo se kgathago tema maitemogelong a go ithuta le go kgatha tema matlotlong ka letseno la go tšwa go bathekgi ba ka ntle.

Boleng le bokgoni bja tirelo bo tšwela pele goba selo se bohlokwa gomme di tla nyaka šedi ya rena yeo e kopanetšwego. Sekgontšhi se segolo go godiša boleng bjoo bo kaonafaditšwego le bokgoni bja tirelo ke theknolotši ka ge e hlola mothopo wa se sengwe le se sengwe seo se amanago le go ruta le go ithuta. Le ge go le bjalo, ditlwaelo tša go ruta le go ithuta ka thušo ya theknolotši go tla dira gore go be le kgatelelo go dithuši tša ditšhelete tšeo di bego gona.

Tshekatsheko ya tšwelopele yeo e dirilwego malebana le katlego ya 2017 APP, gape, e šupa dikarolo tša kaonafatšo tšeo, gare ga tše dingwe, di akaretšago tlhokego ya nepišo yeo e kopanetšwego ya phetogo. Ya mafelelo e amana le

Cognizant of the groundswell of opinions and contestation around fundamental and qualitative transformation in our Universities occasioned by the release of the South African Human Rights Commission Report (SAHRC), Unisa used the report as a case study to assess progress on its transformation agenda. The University organised various platforms to interrogate further the report in an attempt to deepen institutional understanding of transformation, while at the same time engaging stakeholders. Some of the initiatives include:

- Institutional engagement with the SAHRC report with respondents from various departments and stakeholders
- Pre – Senex presentations by Colleges on curriculum transformation.
- Roundtable discussions with identified respondents such as: Regions, labour unions, National Student Representatives and Colleges.
- Seminars dealing with various pertinent topics such as, Disability in the Academy, Gender, Sexuality and Transformation, Social Inclusion, Ant-racism and Rehumanising Higher Education, Leadership in Higher Education and the Idea of an African University and Decolonisation / Africanisation etc.
- Conference on dynamics in Higher Education
- Senate Workshop on Transformation and
- Council Workshop on Transformation

Information gathered from the transformation initiatives mentioned above assisted the university to refine a transformation Barometer as a tool to measure progress. The Barometer is underpinned by eight dimensions which express Unisa's elaboration of transformation:

- Staff equity, development and work experience
- Student equity, development and achievement
- Students' living and learning experience, including their socialisation in the ODeL context
- Knowledge, epistemology and language
- Governance, leadership and management
- Institutional culture and social inclusion
- Funding and resource allocation, including transforming Supply Chain Management (procurement)
- Infrastructure, including facilities, buildings and ICTs

In closing I wish to thank the Council, my executive team, management and all other staff members for their incred-

tše di latelago: seo se rutwago, ditlhohlo tša phihlelelo ka katlego, bohlokwa bja thuto le toka ye e lemogwago. Se se utollotšwe le go nepišwa ka go Leano la Phethagatšo ya Ngwaga ka Ngwaga (APP) la 2018.

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### DITHUŠI TŠA RENA LE PEAKANYO YE E KGONTŠHAGO

Mošomo wa motheo wa taolo ya peakanyo mo Unisa ke tšweletšo ya leano la phethagatšo le mokgwa wa taolo ya phetogo, wo o sepelelanago le mešongwana yeo institušene e ikgafetšego yona ya ngwaga, bjalo ka karolo ya phethagatšo ya kgato ka kgato ya karolo yeo e beakantšwego ye e itšego.

Makgotla a mabedi a taolo ao a katolotšwego a swerwe ka 2017, moo dilo tše bohlokwa tša Unisa le phethagatšo di lekotšwego go lebeletšwe maemo a gonabjale a thuto ya godingwana (setšhabeng, kontinenteng le nkgokolofaseng) le dinepo tša rena tša go beakanya tšeo di amantšhitšwego gabotse. Tše ka tatelano di file motheo wa taolo ya phethagatšo le go hwetša dikelo ka Unisa, gammogo le ditumelelano le bakgahlegi ba rena, go akaretša Kgoro ya Thuto ya Godingwana le Tlhahlo (DHET).

Peakanyo ka 2017 e diragetše dikemong tša tikologo ya go fetogafetoga gape ye e ka se laolelwego pele yeo e boletšwego ka godimo, yeo e hlotšego tekano ye botse gare ga tshwaro ka tlhokomedišišo ga ditaba tše di tšwelelago le ditšhelete tša maleba le bokgoni bjoo bo tla kgonthišago go swarelela ga institušene.

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Dinepo tša phethagatšo ka Tumelelanong ya Dinepo tša pele ga nako tša 2017 le Tona, di utollotšwe go lebeletšwe

ible work during these turbulent times for the University. I continue to have confidence that Unisa will pull through these difficult times, primarily because of the quality of our students, educators and employees across the spectrum. I would like also to extend my appreciation to my fellow Council members for their guidance and stewardship in seeking to ensure that Unisa continues to remain one of the leading universities on the continent.

In addition, Unisa has developed the five pillars of change to drive transformation, namely:

- Transforming Scholarship
- Transforming Institutional Culture
- Rethinking Systems and Policies
- Rethinking leadership in Higher Education
- Promoting Discourse for Change

In 2018, the university will develop the 'Transformation Implementation Matrix' consisting of the five pillars and eight transformation dimensions to monitor and report on transformation.

A challenge for Unisa remains to address transformation that is ideological in nature through confronting the complex issues of institutional culture and work environments, whether these are perceived by staff members to be either inclusive or exclusive. This impacts directly on the attraction and retention of a transformed and diverse workforce, and whether or not they 'feel at home' or included in Unisa rather than excluded or marginalized. Ultimately this also impacts on the perceived success or failure to achieve employment equity targets as set out in the Institutional EE Plan 2016 – 2020. More details on the extent to which our equity targets in the workplace have been realized is materially explained in our Transformation Report and Employment Equity Status Statement, contained within this report.

Overall Unisa is making deliberate and incremental progress towards national and institutional targets and it can be said with some satisfaction that Unisa is way ahead of most other universities in regard to ensuring a transformed equity profile. The full equity report is included in this Annual Report. Overall Unisa is making deliberate and incremental progress towards national and institutional targets and it can be said with some satisfaction that Unisa is way ahead of most other universities in regard to ensuring a transformed equity profile.

khuetšo ya dimateriale tšeo di tla bago le tšona tirelong, go boleng le go tšwelelo tša Unisa (go akaretša go swarelela ga ditšhelete). Khansela e dumeletše Tumelelano, gomme ya gatelela gore katlego ya dilebanywa tša institušene e be e le nepišo yeo e kopanetšwego ya phetogo. Ya mafelelo e amana le tše di latelago: seo se rutwago, ditlhohlo tša phihlelelo ka katlego, bohlokwa bja thuto le toka ye e lemogwago. Se se utollotšwe le go nepišwa ka go Leano la Phethagatšo ya Ngwaga ka Ngwaga (APP) la 2018.

### BOLAODI LE TAOLO

Yunibesithi e tšwetše pele ka protšeke ya go beakanya lefa dibopego tša profešene go ya go mokgwa wa mmotlolo wa kgwebo wa institušene. Ka lebaka la khuetšo yeo tshepetšo ya peakanyo e ka bago e bile le yona go dipalo tša le mehuta ya dikemo go tšerwe sephetho mo seripeng sa bobedi sa 2017 gore ke fela dikgoba tše bohlokwa tša nepo bjalo ka ge di dumeletšwe ke Komiti ya Dithuši tša Batho ya Khansela di tla tlatšwago. Le ge go le bjalo, se se ama go thwalwa moo go tšwelago pele ga bašomi ba bolaodiphethiši le ba thuto ka ge dibopego tše di sa angwe ke tshepetšo ya peakanyoleswa.

Sekgoba sa Motlatšahlogo: Ditirelo tša Peakanyo, Kotsi le Keletšo se dutše se bulegile mafelelong a Janaware 2017. Sekgoba se le ge go le bjalo se tladitšwe gape go tloga ka la 1 Disemere 2017. Sekgoba sa Motlatšahlogo: Tlhabollo ya Institušene le Phetogo, Motlatšahlogo: Dinyakišišo, Dithuto tša Dialogadigolwane, Mpshafatšo le Kgwebo le Motlatšahlogo: Dikgokagano tša Tshedimošo le sekgoba sa Mohlankedimogolo wa Tshedimošo/Theknolotši se dutše se se na motho ka 2017 eupša se phethilwe gomme sa tlatšwa ka June 2018. Sekgoba sa Morejistara le sona se phethilwe.

Ka mo go kwešišegago, botelele bja dikgoba le nako ye telele ya motšwaoswere, tšeo di tladitšwego ka bahlankedi ba go šielana, di bile le khuetšo ya go se iketle go Yunibesithi le ditirišo tša yona, kudu ka gore maemo a go ba motšwaoswere a iša fase ditsela tša go bega mo dipotfoliong tše. Maemo a go swana e bile go fa mohlala, bohlatse ka magato a Hlogophethiši ya Lefapha le Molaodimogolophethiši. Le ge go le bjalo, go ile gwa phethwa ka gore maemo a bohlokwa a pono a swanetše go tlatšwa ka bahlankedi ba maleba bao ba tla fiwago ditlakelo tša maleba le go ba le maitemogelo a go laola

The full equity report is included in this Annual Report.

### ENGAGING COMMUNITIES

In terms of the Institution's relationship with the community, both academic and service, we are proud to recognise the significant strides made in this area. The Community Engagement Directorate had 113 community engagement projects registered on its database in 2017. Of the total, 101 were funded projects and 12 were non-funded. It must be noted that the major guiding principle for community engagement initiatives remains integration with teaching and learning and/or research. Further detailed information, including the distinction between the distribution of community engagement projects per college and distinction between funded and non-funded projects, is contained in our Senate Report.

### THE YEAR AHEAD

Unisa continues to be faced with a number of very real challenges, most of which are not of our making, but are the outcome of a sector that is undergoing very fundamental socio-economic and political transformation. Prescient, proactive (and not reactive) risk evaluation, sound and transparent governance and compliance, and integrated planning will go a long way to mitigating the impacts of those dynamics.

However, there is a path we must follow to build on the current success of Unisa and how this will bring a better future for our nation, and this will take collaboration between all relevant stakeholders. It will not come if we cannot work out what is worth preserving, what is a foundation for excellence, and what big goals are within our reach. It is our mission to seek to define the future, not just for our universities but for that better future to which university education and research is committed.

In closing, I wish to thank the Council, my executive team, management at all levels and all other staff members for their incredible work during these turbulent times for the University. I continue to have confidence that Unisa will pull through these difficult times, primarily because of the quality of our students, educators and employees across the spectrum. I would like also to extend my appreciation to my fellow Council members for their guidance and stewardship in seeking to ensure that Unisa continues to remain one of the leading universities on the continent.

dipotfolio tše thata tikologong ya gonabjale ya thuto ya godingwana.

Go holofelwa gore sehlopha sa bašomi ba taolo seo se feletšego le moya wa go se fetogefetoge woo gonabjale o tlišago balaodiphethiši le balaodi ba tlaletšo, le wona o tla tliša moya wa go šoma ka sehlopha le bohlokwa bjoo bo tla kgathago tema ka mokgwa wo kwešišegago mo nakong ye telele ya yunibesithi.

### TSHEDIMOŠO YA INSTITUŠENE

Ofisi ya Molaodimogolo wa Tshedimošo le Tshakatsheko (DIA) e na le maikarabelo a go fa tshedimošo ya institušene ya maleba gape ya nnete le tshakatsheko go thekga taolo ya tirišo yeo e beakantšwego ya dinyakwa tša pego tša molao wa Yunibesithi. Re na le boitshepo bja gore boleng bja tshedimošo ye e filwego bo a kgotsofatša. Ditaolo di dirilwe go kgonthiša bonnete bja datha. DIA e aba tirelo ya mohola go Unisa gomme e na le dithuši tša maleba. Sa mafelelo, tshedimošo ya institušene ya semmušo le datha go tšwa Unisa e abja ke DHET nako le nako, ka mokgwa wo o beakantšwego

### DINYAKWA TŠA PHETOGO LE LEANO LA RENA LA EE

Phetogo e amogelwa bjalo ka senyakwa se se beakantšwego go boledišanwa le ba bangwe ka gona re kgetha go fa kakaretšo ya mananeo a phetogo mo karolong ya Khansela ya Bolaodi bja Unisa, go etela pele lenaneo la phetogo. Dilo tše tše pedi di ka se kgaogantšhwe ka lebaka la gore Unisa e a gapeletšega go ya ka taolo ya dinyakwa tša yona tša go bega (tšeo di akaretšago pego ye) le maikarabelo a tlhakišo ye e amanago, go bega go DHET le go dikomiti tša institušene tša molao go akaretša le khansela, go maikarabelo a yona a phetogo ya tirišo ye e beakantšwego le tšwelopele ye e amago kgwebo ya yona ya motheo. Le ge khansela e le sebopego sa institušene sa maleba le maikarabelo a taolelo, ga se lekala la tirišo, ka gona, setšhaba ka moka sa yunibesithi le legato le lengwe le le lengwe la bolaodi ba na le maikarabelo a go phethagatša phetogo go ya ka peakanyo ya rena le AAP. Ngwaga wo e bile ngwaga wa dikhuduego moo Khansela le Senate ba bile go tla hloka ka ga Phetogo moo bagkahlegi bao ba bolelago ka phetogo ya institušene ba emetšwe, gomme ka tsela yeo, tlhahlo ye e tladitše sekgoba se bohlokwa kudu go hlaelela mananeo a phetogo a Unisa.

Go tseba koketšego ya dikgopolo le ngangišano go akaretša phetogo ye bohlokwa gape ya boleng mo Di-yunibesithing tša rena yeo e hlotšwego ke go lokollwa ga Pego ya Khomišene ya Ditokelo tša Batho ya Afrika Borwa (SAHRC), Unisa e šomišitše pego bjalo ka tshekatsheko ye e tseletšego go ela tšwelopele mo lenaneong la yona la phetogo. Yunibesithi e beakantše difala tša go fapana go botšišiša go ya pele pego ka maitekelo a go godiša kwešišo ya institušene ya phetogo, mola ka lehlakoreng le lengwe ba boledišana le bakgahlegi. A mangwe a mananeo a akaretša:

- Go boledišana le institušene ka pego ya SAHRC le baarabi go tšwa dikgorong tša go fapana le bakgahlegi
- Kabo ya pele ga Senex ka Dikholetšhe ka ga phetogo ya lenaneothuti.
- Kopano ya dipoledišano ka baarabi bao ba utollotšwego go swana le: Dilete, mekgatlo ya mešomo, Baamedi ba Baithuti ba Setšhaba le Dikholetšhe.
- Seminare yeo e šomanago le direrwa tša go fapana tšeo di amanago go swana le, Bogolofadi Thutong, Bong, Maikutlo a thobalano le Phetogo, Kakaretšo ya Leago, Kgahlano le Semorafe le Go dira botho mo Thutong ya Godingwana, Boetapele Thutong ya Godingwana, le Kgopolo ya Yunibesithi ya Afrika le Go tloša bokoloni / Go dira Seafrika bjalobjalo.
- Khonferense ka diphetogo Thutong ya Godingwana
- Tlhahlo ya Senate ka ga Phetogo le
- Tlhahlo ya Khansele ka ga Phetogo

Tshedimošo ye e kgobokeditšwego go tšwa mananeong a phetogo ao a boletšwego ka godimo e thušitše yunibesithi go kaonafatša Tlhahli ya phetogo bjalo ka sedirišwa sa tšwelopele. Tlhahli e thekgwa ke ditekanyo tše seswai tšeo di bontšhago katološo ya phetogo ya Unisa:

- Tekatekano ya bašomi, tlhabollo le maitemogelo a mošomo
- Tekatekano ya baithuti, tlhabollo le katlego
- Maitemogelo a baithuti a go phela le go ithuta go akaretša kamano le batho dikemong tša ODeL
- Tsebo, teori ya tsebo le polelo
- Pušo, bolaodi le taolo
- Setšo sa institušene le kakaretšo ya leago
- Thekgo le kabelo ya dithuši, go akaretša go fetola Taolo ya Go otara le Go reka (Go reka)
- Kagoseswa, go akaretša dinolofatši, meago le diICT

Ge ke tswalela ke rata go leboga Khansele, sehlopha sa ka sa balaodiphethiši, bolaodi le maloko a mangwe ka moka a bašomi ka mošomo wa bona wa go retega dinakong tše tša kgakanego ya Yunibesithi. Ke tšwela pele go holofela gore Unisa e tla tšwa dinakong tše tša mathata, kudu ka baka la boleng bja baithuti ba rena, bafahloši le bašomi dikarolong ka moka. Ke rata gape go leboga malokokanna a Khansele ka tlhahlo ya bona bohlokamedi bja bona go nyaka go kgonthiša gore Unisa e tšwela pele go ba ye nngwe ya diyunibesithi tša ketapele mo kontinenteng.

Go tlaleletša, Unisa e dirile dithekgo tše tlhano tša phetogo go sepetša phetogo, e lego:

- Go fetola Thekgo ya ditšhelete tša thuto
- Go fetola Setšo sa Institušene
- Go naganišiša ka Mekgwa le Dipholisi
- Go naganišiša ka Boetapele Thutong ya Godingwana
- Go godiša dipoledišano tša Phetogo

Ka 2018, yunibesithi e tla dira 'Motheo wa Phethagatšo wa Phetogo' woo o nago le dithekgo tše tlhano le ditekanyo tše seswai tša phetogo go lekola le go bega ka ga phetogo.

Tlhohlo ya Unisa e dula e le go šogana le phetogo ye e nago le dikgopolo ka tlhago ka go hlohla ditaba tša go raragana tša setšo sa yunibesithi le ditikologo tša mošomo, e ka ba tše di lemogwago ke maloko a bašomi go ka akaretšwa goba go se akaretšwe. Se se huetša thwii go goketšeng le go swareng bašomi ba go fapana gape bao ba fetogilego, le gore e ka ba ba 'ikwa ba lokologile' goba aowa goba ba akareditšwe ka Unisa go feta go se akaretšwe le go hlokomologwa. Mafelelong se se huetša thwii go lemogwa ga katlego goba go palelwa go fihlelela dilebanywa tša tekatekano mošomong bjale ka ge di boletšwe ka Leanong la EE ya Institušene la 2016-2020. Tshedimošo ka botlalo ka ga ka moo karolo yeo dilebanywa tša rena tša tekatekano mo mošomong di lemogilwego e hlalošitšwe kudu mo Pegong ya Phetogo le Setatamente sa Maemo a Tekatekano ya Go thwala, tšeo di lego ka pegong ye. Ka kakaretšo Unisa e tšwela pele ka tlhokomelo le koketšego go dilebanywa tša setšhaba le tša institušene gomme e ka bolelwa ka kgotsafalo gore Unisa e pele kudu go diyunibesithi tše dintši malebana le go kgonthiša profaele ya tekatekano yeo e fetogilego. Pego ka botlalo ya tekatekano e akareditšwe ka mo Pegong ye ya Ngwaga le Ngwaga.

## GO IKAMANYA LE DITŠHABA

Go ya ka kamano ya Institušene le setšhaba, bobedi thuto le tirelo, re ikgantšha go lemoga dikaonafatšo tše bohlokwa tšeo di dirilwego karolong ye. Ofisi ya Kamano le Setšhaba e na le diprotšeke tše 113 tša kamano ya setšhaba tšeo di ngwadišitšwego dathapeising ya yona ka 2017. Ka palomoka, 101 e be e le diprotšeke tše di thekgwago gomme tše 12 e le tšeo di sa thekgwego. Go swanetše go lemogwa gore motheo wa tlhahli wo mogolo wa mananeo a kamano ya setšhaba a dula a tselana le go ruta le/goba dinyakišišo. Tshedimošo ye nngwe ye e tletšego, go akaretša phapano gare ga kabelano ya diprotšeke tša kamano ya setšhaba mo kholetšheng ye nngwe le ye nngwe le phapano gare ga diprotšeke tšeo di thekgwago le tšeo di sa thekgwego, e gona ka Pegong ya rena ya Senate.

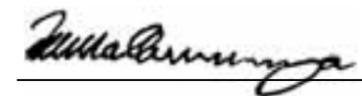
## NGWAGA WO O TLO LATELAGO

Unisa e tšwela pele go lebana le palo ya ditlhohlo tša nnete kudu, tše dintši tšeo e lego gore ga di dirwe ke rena, eupša ke dipelo tša karolo ye kgolo ye bohlokwa ya phetogo ya ekonomi ya leago le dipolotiki. Kakanyo, tekolo ya kotsi go laola maemo (e sego go arabela maemo), taolo ye botse ya pepeneneng le phethagatšo, le peakanyo ye e kopantšwego e tla ba ya nako ye telele go letefatša

dikhuetšo tša diphapano tše.

Le ge go le bjalo, go na le tsela yeo re swanetšego go e latela go aga katlego ya gonabjale ya Unisa le ka moo se se ka tlišago bokamoso bjo bokaone bja naga ya rena, gomme se se tla dira kamano gare ga bakgahlegi ka moka ba maleba. E ka se tle ge re ka se dire se sengwe se bohlokwa sa go nyaka go šireletšwa, naa motheo wa bokgoni ke ofe, gomme ke maikemišetšo afe a magolo ao re swanelago go a fihlelela. Ke nepo ya rena go nyaka go hlaloša bokamoso, e sego fela ka diyunibesithi tša rena eupša ka bokamoso bjo bokaone bjoo thuto ya yunibesithi le dinyakišišo di ikgafetšego.

Ge ke tswalela ke rata go leboga Khansele, sehlopha sa ka sa balaodiphethiši, bolaodi le maloko a mangwe ka moka a bašomi ka mošomo wa bona wa go retega dinakong tše tša kgakanego ya Yunibesithi. Ke tšwela pele go holofela gore Unisa e tla tšwa dinakong tše tša mathata, kudu ka lebaka la boleng bja baithuti ba rena, bafahloši le bašomi dikarolong ka moka. Ke rata gape go leboga malokokanna a Khansele ka tlhahlo ya bona bohlokamedi bja bona go nyaka go kgonthiša gore Unisa e tšwela pele go ba ye nngwe ya diyunibesithi tša ketapele mo kontinenteng.

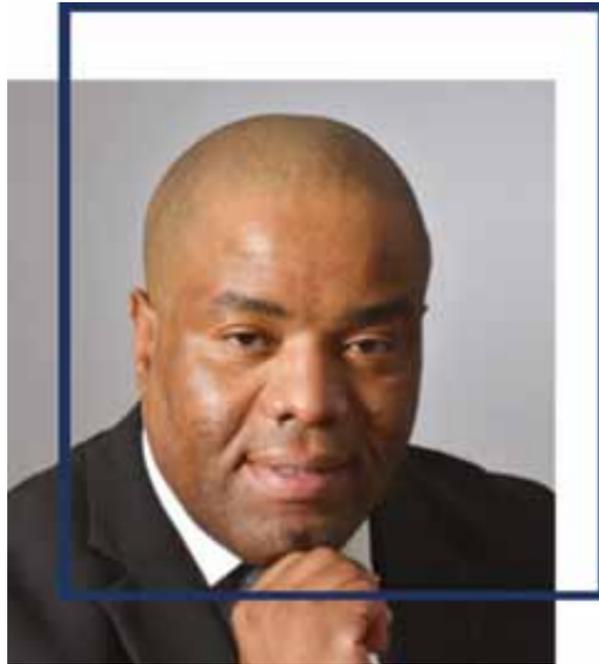


Prof. M Makhanya

Principal and Vice Chancellor  
Hlogo le Motlatšamokhanseliri

# REPORT

## OF THE CHIEF FINANCIAL OFFICER

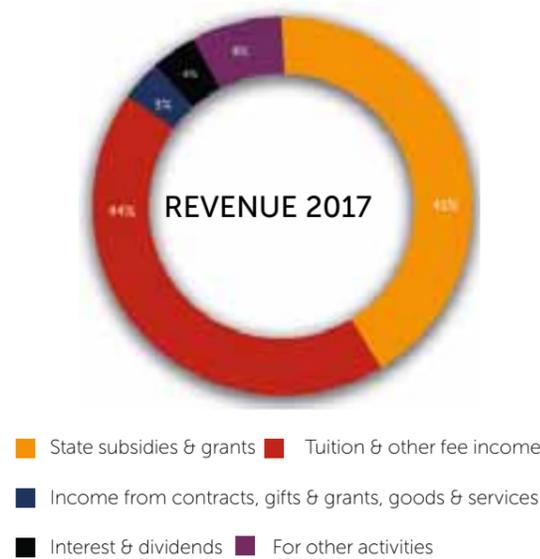


**Mr PZR Zwane**  
Vice-Principal: Finance / Chief Financial Officer

Financial performance for 2017 has been largely favourable, underpinned by higher revenue from a growing student base, good growth in investments and adequate cost control. For the financial year under review, Unisa recorded an operating surplus of R 798 million (2016: R 157 million). Improvement of controls in the areas of accounts payable, asset management and inventory management, supported by an improved investment climate, have further contributed to the institutions favourable position at year-end. Unisa continues to operate in a sector that faces many challenges, thus requiring the institution to look at new and innovative ways to optimise financial resource allocation.

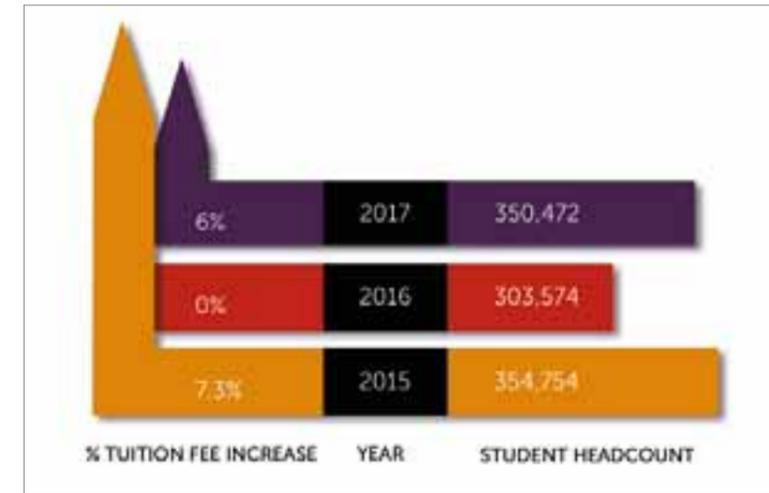
### REVENUE

Key sources of revenue for Unisa is comprised of tuition fees and government subsidy which equates to 85% of total revenue.



Revenue from student fees increased by 25% compared to 2016 due primarily to a 15% increase in student numbers, while tuition fees were contained at an average of 6% for the year. It should be noted that included in expenses is an amount of R162 million (2016: R142 million) that was for bursaries to Unisa students. Expenses also include an amount of R42 million (2016:

R55 million) written off as irrecoverable and doubtful. Net income from tuition fees for the year was therefore R3 billion. This trend in tuition fees is expected to remain constant in the coming years as the university enforces its admission and enrolment management policies, however this should be compensated by an increase in output subsidy.



The gross subsidy has increased by 7% to R3.3 billion in 2017 from R3.1 billion in 2016. However, R11 million (2016: R20 million) of the teaching and development grant was deferred. At the time of reporting, it is unclear what the effect of the revised subsidy formula of the Department of Higher Education and Training (DHET) would be in future years.

### EXPENDITURE

Expenditure comprises operating costs and HR costs, which represent 31% and 69% of total expenses, respectively.

Growth in investments reflects more positive investment market growth and contributed R889 million during the year under review, which represents a 4% increase over the prior year. Total investments have increased by 12%, while other non-current assets net of depreciation and amortisation and fair value adjustments, increased by 10% over the previous year.

Total expenditure for the year, including operational and personnel costs, amounted to R7.1 billion in 2017 (2016: R6.8 billion) - an increase of 4%. Tight budgetary controls have resulted in the year on year increase being well below the average inflation rate of 5.7%

During 2016 the Council of the university approved a cost containment plan. The objective of the plan was to ensure that expenditure was curbed without impacting the operations of the university negatively.

**Table 1: Analysis of expenditure**

|                     | % Increase | 2017 R'000 | % Increase | 2016 R'000 | 2015 R'000 |
|---------------------|------------|------------|------------|------------|------------|
| Total expenditure   | 4.44%      | 7 107 329  | 5.37%      | 6 805 090  | 6 458 296  |
| Total staffing cost | 9.13%      | 4 862 962  | 5.82%      | 4 455 763  | 4 210 539  |

Personnel expenditure (including expenditure from earmarked funding) rose by 9.13%. Personnel costs accounted for 69% (2016: 65%) of total expenditure. At 62% (2016: 64%) of Council controlled recurring income (CCRI), staff costs are within the DHET guidelines of 59% - 62% of CCRI as adopted by Unisa Council.

The increase in staffing costs can be attributed to above inflation salary increases; and increase in number of permanent employees in the academic division (11% increase over the prior year). Employees numbers are shown below:

**Table 2: Increase in number of employees**

|                                | 2017  | Increase | 2016  | Increase | 2015  |
|--------------------------------|-------|----------|-------|----------|-------|
| Number of permanent employees  | 5 762 | 10.74%   | 5 203 | 7.32%    | 4 848 |
| Number of fixed-term employees | 1 234 | 5.56%    | 1 126 | 22.39%   | 920   |

**BUDGETING AND BUDGETARY CONTROL PROCESSES**

The university allocates its financial resources in support of its strategic objectives.

In 2017, the allocation to colleges totalled R2,776 billion, allocation to primary academic support was R770 million, primary student support was allocated R1,264 billion and institutional support and management received R682 million.

Budget control and availability of funds is enforced electronically for all expenditure at requisition level, through the procurement system, to avoid expenses being incurred where there is insufficient budget. Portfolio based budget versus actual reports are presented to Management and Finance, Investment and Estates Committee on a regular basis.

The Finance department plays a pivotal role towards ensuring:

- that the objectives as set out in the Unisa 2030 strategic plan and its' concomitant strategic targets are taken into account during the completion of the Annual Performance Plan and compact with Council;
- that Finances' own objectives are aligned with the overall strategy of Unisa;
- and, that compliance with DHET Regulations, with specific reference to clear guidelines around budgeting, resource allocation, cash-flow planning, investments in capital, and reporting requirements are adhered to.

In this regard and at the heart of optimal cost management lies the allocation of resources, underpinned by the general principle that resources drive behaviour. Resources in this sense refers to financial, human, physical as well as ICT resources and these principles drive the annual budget process.

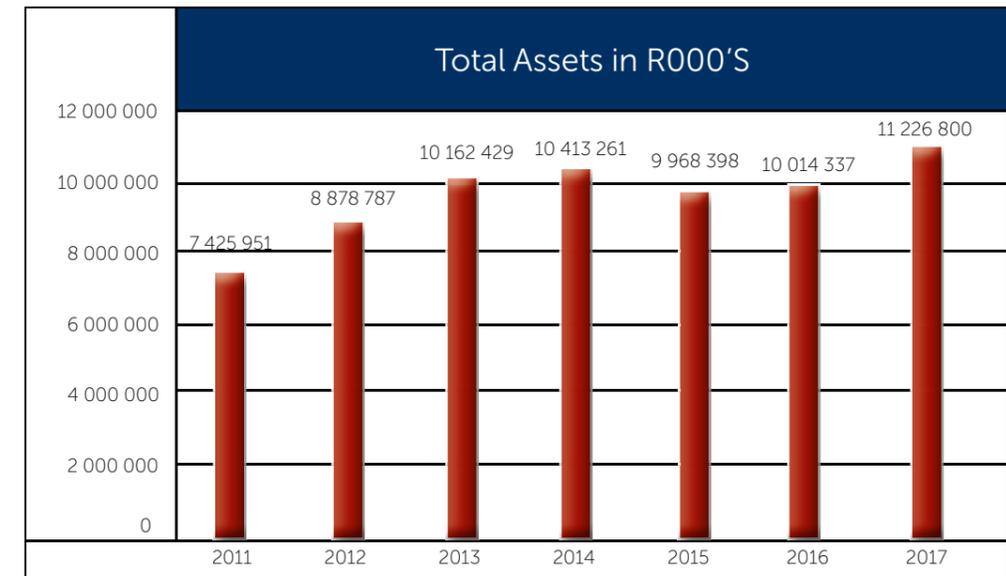
Unisa has refined its annual budget process resulting in significant improvements and include the following:

- Introduction of a clear and well-communicated budget process consultation matrix, which precedes the annual budgeting process. This also includes a risk register,
- improvement in the HR budget preparation, analysis and accountability, in respect of including all cash and non-cash items.
- A focus on optimising revenue generating opportunities
- incorporation of operational and HR budget cost containment measures into the budget.
- more strategic focus on ICT and University Estates projects incorporating more transparent monitoring tools and alignment to the Unisa master plans for ICT and University Estates.
- Additional refinement on CAPEX budgeting, and introduction of portfolio-related budgets and refinement of system control on budget spending.

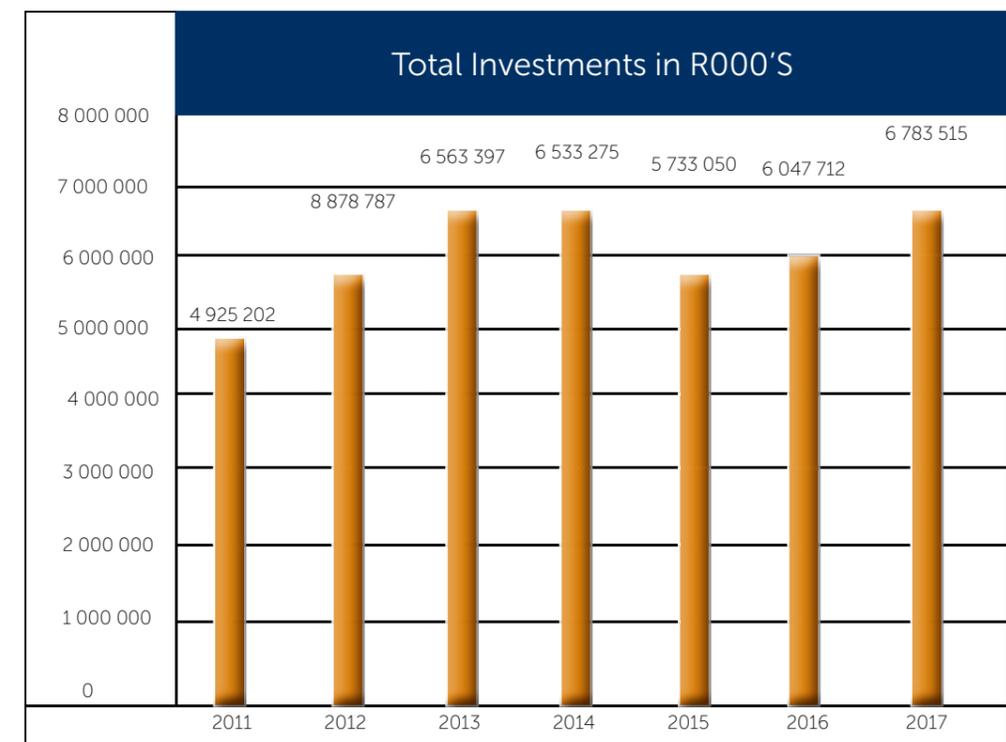
**PRODUCTIVITY AND FINANCIAL POSITION OF UNISA**

Tables 3 to 6 provide a trend analysis with respect to Unisa's financial position.

**Table 3: Growth in Total Assets**



**Table 4: Growth in Investments**



**Table 5: Consolidated statement of financial position**

|                                       | 2017<br>R'000 | 2016<br>R'000 | 2015<br>R'000 | 2014<br>R'000 | 2013<br>R'000 |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Total assets                          | 11 226 800    | 10 014 383    | 9 985 558     | 10 432 193    | 10 129 904    |
| Total liabilities                     | 2 683 666     | 2 269 263     | 2 379 953     | 2 481 596     | 2 355 544     |
| Total net assets                      | 8 543 134     | 7 745 120     | 7 605 605     | 7 950 597     | 7 774 360     |
| Investments:                          |               |               |               |               |               |
| • Total investments                   | 6 783 515     | 5 819 833     | 5 733 050     | 6 533 050     | 6 563 397     |
| • Fair value adjustments              | 591 352       | 581 457       | (58 978)      | 337 230       | 776 733       |
| • Return on investments               | 297 339       | 272 577       | 292 216       | 311 898       | 311 087       |
| Facilities                            |               |               |               |               |               |
| • PPE net of accumulated depreciation | 2 876 396     | 3 004 633     | 2 882 816     | 2 751 473     | 2 381 762     |

The decline PPE is predominantly as a result of accelerated depreciation on assets that resulted from Unisa expensing all assets under R5000.

Future planned infrastructure spending includes the following:

- Theo Van Wyk, SBL and RR Maluleka upgrades (approved budget R18 million)
- Refurbishment of the houses and block of flats at Sunnyside (approved budget R41 million)

Unisa assets have grown from 2016, as a result of growth in investments, offset by the decline in PPE to the value of R128 million.

**Table 6: Consolidated statement of comprehensive income**

|                             | 2017<br>R'000 | 2016<br>R'000 | 2015<br>R'000 | 2014<br>R'000 | 2013<br>R'000 |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| Total revenue               | 7 858 319     | 6 986 871     | 6 099 720     | 5 926 270     | 6 285 390     |
| State subsidies & grants    | 3 349 706     | 3 121 598     | 2 529 334     | 2 234 016     | 2 036 518     |
| Tuition fee & other revenue | 3 370 481     | 2 690 832     | 2 994 139     | 2 784 394     | 2 888 449     |
| Total expenditure           | 7 107 329     | 6 805 090     | 6 441 137     | 5 837 100     | 5 226 923     |
| Personnel costs             | 4 862 962     | 4 455 763     | 4 210 539     | 3 661 693     | 3 318 830     |
| Other Operating expenses    | 1 923 236     | 2 067 925     | 1 947 371     | 2 930 811     | 1 695 707     |

During the year under review there were no transfers made to reserves. The balances of reserve accounts at the end of 2017 were as follows:

|  |                |
|--|----------------|
| Business continuity reserve                | R1 107 million |
| New buildings reserve                      | R839 million   |
| Renewal & replacement of buildings reserve | R474 million   |
| Maintenance reserve                        | R80 million    |
| ICT renewal reserve                        | R60 million    |

Council resolved that the business continuity reserve should be topped up to R5 billion and that an amount to that value be held in investments. These reserves are matched with investments.

**Table 7: Important financial ratios**

|  | 2017   | 2016   | 2015    | 2014   | 2013   |
|--|--------|--------|---------|--------|--------|
| Current ratio  | 5.17:1 | 5.92:1 | 5.23:1  | 5.02:1 | 5.44:1 |
| Quick ratio  | 5.05:1 | 5.81:1 | 5.14:1  | 4.95:1 | 5.36:1 |
| Cash ratio   | 4.49:1 | 5.33:1 | 4.70:1  | 4.48:1 | 4.90:1 |
| Surplus margin (deficit) as a percentage of total revenue      | 10.14% | 2.24%  | (5.35%) | 1.78%  | 18.15% |
| Subsidies and grants as a percentage of total revenue          | 41.78% | 43.71% | 40.38%  | 36.91% | 32.12% |
| Tuition fee and other revenue as a percentage of total revenue | 42.89% | 38.51% | 49.09%  | 46.98% | 45.95% |
| Personnel costs as a percentage of total expenditure           | 68.51% | 65.23% | 64.51%  | 62.17% | 62%    |
| Operating expenses as a percentage of total expenditure        | 26.12% | 29.39% | 29.20%  | 34.09% | 32.1%  |

All the ratios reported are within the guidelines, however the effect of the cost containment measures has resulted in the ratio of operational expenses to total expenditure decreasing. This highlights the fact that personnel costs have grown.

internal funds. Over the last three years NSFAS has been a major contributor of funding in the form of bursaries and students loans.

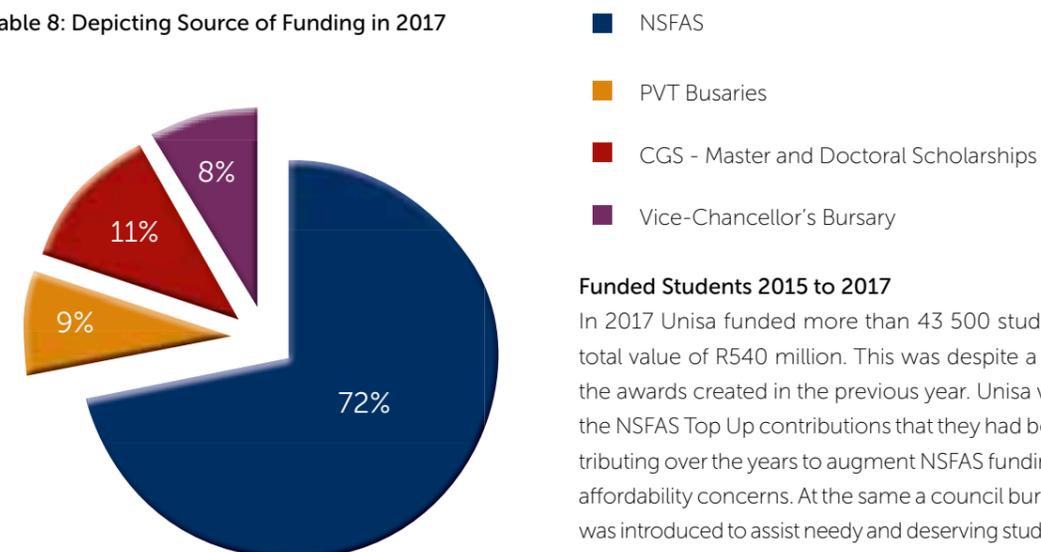
**Source of Funding in 2017**

The chart below depicts number of awards generated in this academic year depicting NSFAS as a contributor of 72%, and the least contributor Unisa through Council bursary and Merit fund bursary.

**STUDENT FUNDING**

Unisa is committed to ensure access with success to higher education to both needy and deserving undergraduate and postgraduate students and this is made possible through partnership with both private and public donors and

**Table 8: Depicting Source of Funding in 2017**



**Funded Students 2015 to 2017**

In 2017 Unisa funded more than 43 500 students to a total value of R540 million. This was despite a slump in the awards created in the previous year. Unisa withdrew the NSFAS Top Up contributions that they had been contributing over the years to augment NSFAS funding due to affordability concerns. At the same a council bursary fund was introduced to assist needy and deserving students who could not apply for NSFAS funding, and those rejected by NSFAS due to depletion of funds but performing above 55% average mark in their last academic year.

**Table 9: Awards generated in the last three years per fund classification**

| Fund Classification                     | 2017 Awards | 2016 Awards | 2015 Awards |
|---|-------------|-------------|-------------|
| NSFAS                                   | 33 342      | 13 784      | 14 384      |
| Unisa NSFAS Top Up                      | 0           | 4 708       | 7 221       |
| PVT Bursaries                           | 3 566       | 3 348       | 5 386       |
| CGS - Masters and Doctoral Scholarships | 1 705       | 1 481       | 1 449       |
| Unisa - Council and Merit funds         | 4 945       | 1           |             |
| Totals                                  | 43 548      | 23 323      | 28 440      |

R-value of awards generated in the last three years. During 2017 academic year the total value of awards was R540 million. NSFAS was responsible for R389 million and the least contributor was Unisa Councils Bursary contributing R45 million. The Unisa contribution for the last three years has been consistent around R60 million per annum.

**Table 10: Awards generated in the last three years per fund classification**

| Funds                                   | 2017 R'000 | 2016 R'000 | 2015 R'000 |
|---|------------|------------|------------|
| NSFAS                                   | 389 064    | 186 507    | 183 585    |
| Unisa NSFAS Top Up                      |            | 55 333     | 87 186     |
| PVT Bursaries                           | 45 387     | 42 091     | 67 174     |
| CGS - Masters and Doctoral Scholarships | 61 414     | 63 664     | 61 309     |
| Unisa - Council and Merit funds         | 45 053     | 7 250      |            |
| Totals                                  | 540 919    | 347 604    | 399 255    |

**SUPPLY CHAIN MANAGEMENT<sup>1</sup>**

**Supply Chain Management (SCM) compliance**

In the 2017 financial year, there were 28 incidents of SCM policy deviation, whereby a requesting department procured goods or services without following the SCM processes, to the value of R3.2 million or 0.19% of the total procurement spend of R1, 693 billion.

**Enterprise and Supplier Development (ESD) Programme**

The Enterprise and Supplier Development (ESD) Programme will be launched on 31 May 2018 as part of the

implementation of the SCM strategy developed in 2017. This event, the first of its kind at Unisa, is expected to attract some 500 suppliers who are SMMEs, and with a specific focus on suppliers owned by youth and people living with disabilities.

**Broad-Based Black Economic Empowerment (B-BBEE) spend**

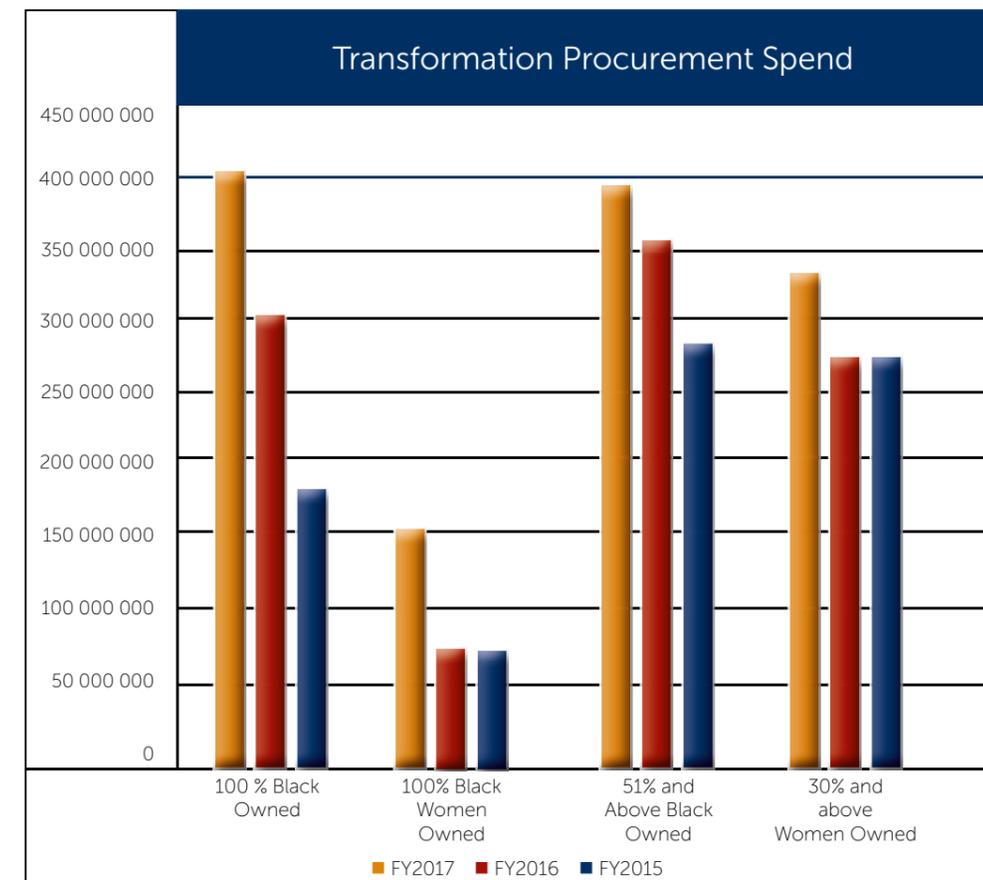
The university spent R1, 336 billion or 79% of the R1, 693 billion procurement spends in 2017 on suppliers that were B-BBEE compliant.

**Table 11: B-BBEE historical spend information**

| Description                  | 2017 FY     | % of spend | 2016 FY     | % of spend | 2015 FY     | % of spend |
|------------------------------|-------------|------------|-------------|------------|-------------|------------|
| 100% Black owned             | 406,555,790 | 24%        | 304,321,874 | 16%        | 186,206,744 | 10%        |
| 100% Black women owned       | 153,313,856 | 9%         | 79,609,145  | 4%         | 30,948,738  | 2%         |
| 51% to 99% Black owned       | 393,142,507 | 23%        | 357,220,119 | 19%        | 287,143,579 | 15%        |
| 30% to 99% Black women owned | 332,975,492 | 20%        | 277,187,918 | 15%        | 133,908,034 | 7%         |

<sup>1</sup> Supply chain management and Future focus were added to the Report of the Chief Financial Officer after submission of the 2017 Unisa Annual Report to the DHET.

In the current year, R799 million was spent on businesses with a black ownership of 51% or more. The graph below illustrates the change in procurement spend over the past three years in support of the university's transformation agenda.



**FUTURE FOCUS**

In 2018 the focus will be on three designated groups, namely youth, women and persons living with disabilities. A public process soliciting an expression of interest was concluded towards the end of 2017, inviting suppliers from these groups to apply to be included into the Unisa database.

**UNISA ENTITIES**

Unisa Enterprise (Pty) Ltd was registered in October 2016. The business strategy that comprises of the strategic pillars namely Product leadership, Customer Intimacy,

Operational Excellence and stakeholder management was approved by the board of directors in April 2018.

The 2018 budget that supports the strategy informing the income and expenditure for year 2018 - 2020 was presented and approved by the Board.

**CONCLUSION**

On the back of sound financial performance for the 2017 financial year, the balance sheet remains positive and Unisa is therefore regarded as a going concern.

Mr PZR Zwane CA (SA)  
Vice-Principal Finance/  
Chief Financial Officer

Mr TG Ramasike  
Chairperson: Finance Investment  
and University Estates Committee  
1 August 2017 – 31 December 2017

Mr B Ngcaweni  
Chairman: Finance Investment  
and University Estates Committee  
1 January 2017 – 31 July 2017

## THE COUNCIL'S GOVERNANCE PROCLAMATION

“Unisa is committed to the principles of discipline, transparency, independence, accountability, responsibility, fairness and social responsibility, as advocated in the King IV Report on Corporate Governance (“King IV”).

Accordingly, the Council endorses and has applied, for the period under review, the Codes of Practices & Conduct and the Code of Ethical Behaviour & Practice, as set out in King IV

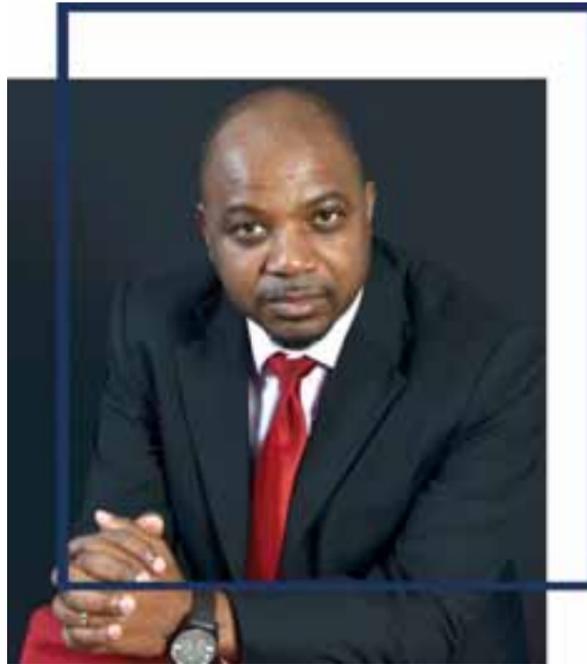
In reporting on governance, the Council recognizes the need to conduct the business of a public higher education institution with integrity and in accordance with generally accepted practices.

This statement was approved at a fully quorate Council Meeting held on 21<sup>st</sup> June 2018. The requisite documentation for approval by the Unisa Council was circulated with the meeting agenda in advance of the meeting and with due notice.”



# COUNCIL

STATEMENT ON GOVERNANCE



Mr AS Simelane  
Chairperson: Unisa Council

**OUR GOVERNANCE JOURNEY**

The leadership structures at Unisa ensure the promotion of the strong principles of integrity within the university but the Council remains the overall custodian of good corporate governance and the implementation thereof. Council’s primary responsibility remains playing a key role in setting and guiding the strategic direction of the university but Council also provides continuous oversight on material matters, acting as an independent check and balance to the executive management team, whose principle responsibility remains to manage the university.

The responsibilities of the Chairman of Council and the Vice-Chancellor are clearly defined and separated, as set out in the Council Charter. The Chairman remains responsible for leading the Council and for ensuring the integrity and effectiveness of it and its committees. In contrast, the Vice-Chancellor is responsible for the effective management and running of the university’s business in terms of the strategies and objectives approved by Council and its Committees.

**A DIVERSE AND EFFECTIVE COUNCIL**

Matters reserved for decision-making at Council level are set out in the statutes of public higher education institutions by custom and in terms of the Higher Education Act (101 of 1997). The Council remains responsible for the ongoing strategic direction of Unisa, reviews approval of major developments and receives regular reports from management on the day-to-day operation of the university. The Council meets at least 4 (four) times a year and has constituted various sub-committees to assist it in the execution of its fiduciary duties.

Council members are diverse in their academic qualifications, industry knowledge, experience, race and gender and this diversity enables them, as individuals but more importantly, as a collective, to provide Unisa with the relevant judgement and guidance to ensure the long-term success and sustainability of the university.

**COUNCIL MEMBERSHIP**

A diverse and experienced council



- Members who are independent with a diverse range of skills
- Members who are employees of Unisa-both academic and non-academic including vice chancellor
- Members appointed by the minister
- Members representing other critical stakeholders of Unisa

**KING IV**

Our Council is fully committed to providing effective leadership to the university and fully embraces the principle of ethical leadership in setting and implementing strategy guided by the principles of King IV and all other applicable laws, standards and codes applicable to a public higher education institution.

For the period under review, Management conducted a full gap analysis against Unisa’s compliance with the principles of King IV. The King IV Principles were reviewed on an apply-and-explain basis and a remaining King IV Readiness Assessment is underway to address areas in which the university falls short in terms of alignment with the principles entrenched therein.

**COUNCIL AND COMMITTEE EVALUATIONS**

The Audit & Enterprise Risk Management Committee of Council underwent a full evaluation during the year under review, under the stewardship of an independent third party. This evaluation cycle will continue into 2018, with the next cycle of evaluations scheduled to be conducted during the course of 2018.

**COUNCIL MEMBERSHIP, STATUS AND ATTENDANCE**

Our council comprises academic and non-academic individuals, appointed in terms of the Statutes of a public higher education institution, and of whom the majority (at least 60%) are independent of the university – being neither employees nor students.



## Appointed by council with broad spectrum of competencies

|    | Name  | Term Of Office   |
|----|---|--|
| 1. | MR S SIMELANE: Chairperson of Council           | 10.2012 to 30.09.2016<br>re-elected 10.2016 – 30.09.2020 |
| 2. | DR B MEHLOMAKULU: Deputy Chairperson of Council | 15.09.2014 to 14.09.2018                                 |
| 3. | MS FE LETLAPE                                   | 24.04.2015 – 23.04.2019                                  |
| 4. | MR MJ MABOA                                     | 25.02.2016 – 24.02.2020                                  |
| 5. | PROF GM NKONDO                                  | 24.11.2015 – 23.11.2019                                  |
| 6. | MR TG RAMASIKE                                  | 24.11.2015 – 23.11.2019                                  |
| 7. | MR L TLHABANELO                                 | 15.09.2014 to 14.09.2018                                 |
| 8. | ADV EK TSATSI                                   | 25.02.2016 – 24.02.2020                                  |
| 9. | MS TIM WENTZEL                                  | 24.04.2015 – 23.04.2019                                  |



## EX Officio

|     | Name   | Term Of Office                            |
|-----|--|---|
| 10. | PROF MS MAKHANYA: Principal and vice Chancellor ("VC") | Mandated by the VC's contract of employee |



## Appointed By The Minister Of Higher Education and Training

|     | Name             | Term Of Office          |
|-----|------------------|-------------------------|
| 11. | MS BS KHUMALO    | 01.08.2015 – 31.07.2019 |
| 12. | MS NV MOKOKA     | 01.08.2015 – 31.07.2019 |
| 13. | MR B NGCAWENI    | 01.08.2015 – 31.07.2019 |
| 14. | PROF ASV MAGWAZA | 22.03.2018 – 21.03.2022 |



## Academic Staff (Non-Senate)

|     | Name            | Term Of Office          |
|-----|-----------------|-------------------------|
| 15. | DR BB SENOKOANE | 14.09.2017 – 13.09.2019 |
| 16. | PROF LI ZUNGU   | 14.09.2017 – 13.09.2019 |



## Senate Representative

|     | Name            | Term Of Office          |
|-----|-----------------|-------------------------|
| 17. | PROF N ECCLES   | 26.08.2015 – 25.08.2017 |
| 18. | PROF OE MASHILE | 30.03.2016 - 30.06.2017 |
| 19. | PROF RS TSHAKA  | 12.09.2017 – 11.09.2019 |
| 20. | PROF PH HAVENGA | 12.09.2017 – 11.09.2019 |



## Non-Academic Staff

|     | Name           | Term Of Office  |
|-----|----------------|---|
| 21. | MR OM GALANE   | 6.10.2015 – 5.10.2017<br>Re-appointed<br>05.10.2017 -04.10.2019 |
| 22. | MS SP MALEMA   | 6.10.2015 – 5.10.2017   |
| 23. | MS PJ SWKWAILA | 05.10.2017 – 04.10.2019   |



## SRC Representative

|     | Name  | Term Of Office          |
|-----|---|-------------------------|
| 24. | Ms Z SODLADLA: President of the SRC         | 01.10.2016 – 01.09.2018 |
| 25. | MR T KGASWANE: Secretary General of the SRC | 01.10.2016 – 01.09.2018 |



## Convocation

|     | Name   | Term Of Office           |
|-----|--|--------------------------|
| 26. | MR S MHLUNGU: President of the Convocation     | 07.11.2015 – 08.11.2019  |
| 27. | MR M MODIBA: Representative of the Convocation | 11.11.2016 – 10.11. 2020 |



## Chairperson of the SBL Board

|     | Name           | Term Of Office  |
|-----|----------------|---|
| 28. | MS DD MOKGATLE | 01.10.2012 – 30.9.2016<br>Re-appointed 30.09.2016 –29.09.2020 |



## Local Government Representative

|     | Name          | Term Of Office  |
|-----|---------------|---|
| 29. | MR OSN LEBESE | 1.05.2014 – 30.05.2018<br>Re-appointed 25.04.2018 –24.04.2022 |

## Resignations during the year under review and prior to the publication of this Annual Report

|  | Name            | Status/Term Of Office   |
|--|-----------------|---|
|  | DR I TUFVESSON  | Appointed by the Minister of Higher Education and Training 01.11.2014 – 31.10.2018<br>Resigned with effect from 13 April 2018 |
|  | DR PJA MPHAFUDI | Representative of the Unisa Foundation Trust<br>24.04.2015 – 30.06.2017<br>Ceased to be a member on 30 June 2017              |

**Attendance for year under review**

| Membership                                | 26 Apr | 06 May | 10 Jun | 22 Jun | 12 Sep | 13 Sep | 14 Sep | 23 Nov | 07 Dec |     |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----|
| Prof EO Mashile (term expired 30/06/2017) | √      | √      | √      | √      | -      | -      | -      | -      | -      | 4/4 |
| Ms DD Mokgatle                            | √      | √      | √      | √      | √      | √      | √      | √      | √      | 9/9 |
| Mr MJ Maboaa                              | √      | √      | √      | √      | √      | √      | √      | x      | √      | 8/9 |
| Adv EK Tsatsi                             | x      | √      | √      | x      | x      | x      | x      | x      | x      | 2/9 |
| Dr I Tufvesson                            | √      | √      | √      | x      | √      | √      | √      | x      | x      | 6/9 |
| Ms TYM Wentzel                            | x      | √      | √      | x      | √      | √      | √      | √      | √      | 7/9 |
| Mr S Simelane                             | √      | √      | √      | √      | √      | √      | √      | √      | √      | 9/9 |
| Dr B Mehlomakulu                          | √      | √      | √      | √      | x      | √      | √      | √      | x      | 7/9 |
| Prof MS Makhanya                          | √      | √      | √      | √      | √      | √      | √      | √      | √      | 9/9 |
| Prof N Eccles (term expired 25/08/17)     | √      | √      | √      | √      | -      | -      | -      | -      | -      | 4/4 |
| Prof RS Tshaka (appointed 12/09/17)       | -      | -      | -      | -      | √      | √      | √      | √      | √      | 5/5 |
| Prof PH Havenga (appointed 12/09/17)      | -      | -      | -      | -      | √      | √      | √      | x      | √      | 4/5 |
| Mr OM Galane                              | √      | √      | √      | √      | √      | √      | √      | √      | √      | 9/9 |
| Ms B Khumalo                              | x      | √      | x      | x      | x      | x      | x      | x      | √      | 2/9 |
| Dr PJA Mphafudi (term expired 30/06/17)   | √      | √      | √      | √      | -      | -      | -      | -      | -      | 4/4 |
| Mr OSN Lebese                             | √      | √      | √      | √      | √      | √      | √      | √      | √      | 9/9 |
| Ms FE Letlape                             | √      | √      | √      | √      | √      | √      | √      | √      | √      | 9/9 |
| Ms SP Malema                              | √      | √      | x      | √      | √      | √      | √      | √      | x      | 7/9 |
| Mr S Mhlungu                              | √      | √      | √      | √      | √      | √      | √      | √      | √      | 9/9 |
| Ms NV Mokoka                              | √      | √      | √      | x      | √      | √      | √      | √      | √      | 8/9 |
| Mr B Ngcaweni                             | √      | √      | x      | x      | √      | x      | √      | √      | x      | 5/9 |
| Ms z Sodladla                             | √      | √      | √      | √      | √      | √      | √      | √      | √      | 9/9 |
| Mr T Kgaswane                             | √      | √      | √      | √      | √      | √      | √      | √      | √      | 9/9 |
| Prof GM Nkondo                            | √      | √      | √      | √      | √      | √      | √      | √      | √      | 9/9 |
| Mr TG Ramasike                            | √      | √      | x      | √      | x      | √      | √      | √      | √      | 7/9 |
| Mr L Tlhabanelo                           | √      | √      | √      | √      | √      | √      | √      | √      | √      | 9/9 |
| Mr M Modiba                               | √      | √      | √      | √      | √      | √      | √      | √      | √      | 9/9 |
| Dr BB Senokoane (appointed 14/09/17)      | -      | -      | -      | -      | -      | -      | -      | √      | √      | 2/2 |
| Prof LI Zungu (appointed 14/09/17)        | -      | -      | -      | -      | -      | -      | -      | √      | √      | 2/2 |

**Number of meetings held for the period under review**

|                    |                                 |                  |                      |
|--------------------|---------------------------------|------------------|----------------------|
| 9 Council meetings | 15 Executive Committee meetings | 6 HRCoC meetings | 7 Fincom meetings    |
| 5 AERMcoC meetings | 6 ICTCoC meetings               | 6 NGCoC meetings | 5 SBL Board meetings |
| 3 Remco meetings   | 5 BCCoC meetings                | 4 SECoC meetings | ASACoC 8 meetings    |

Council is also represented on Senate (4 meetings), the honorary Degrees Committee, which is a joint Committee of Council and Senate (1 meeting), the Institutional Forum (4 meetings), the Thabo Mbeki Foundation Unisa Board (1 meeting) and Convocation (1 meeting)

**COUNCIL COMMITTEES AND THEIR RELATED ROLE AND MANDATE**

The Council's various sub-committees are formally constituted with approved Terms of Reference, setting out each Committee's full mandate, role and responsibilities. The Committees are constituted with independent members of Council, who are neither employees nor students of the institution.

**Nomination and Governance Committee of Council (NGCoC)**



**MANDATE OF THE COMMITTEE**

The NGCoC has a specific mandate of ensuring that Council is constituted according to the regulatory provisions, and has the required diversity, skills and capacity to carry out its role effectively. The NGCoC recommends the composition of committees of Council to the Council (including the appointment of chairpersons and deputy chairpersons of committees); reviews the performance of members; establishes and maintains succession plans for members of Council, the chairperson of Council and the Principal and Vice-Chancellor; and deals with specific matters of governance including but not limited to annual declarations of interest by members of Council and committees of Council, conflicts of interest of members of Council and

Committees of Council, assessment of individual members of Council and committees of Council, and annual evaluation of the effectiveness of Council and committees of Council.

**KEY OUTPUTS FOR THE YEAR UNDER REVIEW**

During the year under review, the committee was seized with a number of governance matters, notable among them being (i) amendments to the Institutional Statute; (ii) the allocation and re-allocation of members of Council to various committees of Council based on a skills matrix; (iii) the review of the terms of reference for the various committees of Council following this allocation and re-allocation of members; (iv) revision of the Unisa Framework for Delegation of Powers and Duties and (v) the reconstitution of the chairmanship of certain key committees.

The amendments to the Institutional Statute, which were approved by Council at its meeting of 26 April 2017 for recommendation for approval by the Minister, were concerned with ensuring that the representation of internal Council members vis-à-vis external Council members is consistent with the requirements of the Higher Education Act. The process of allocation and re-allocation of members of Council to various committees of Council was aimed at ensuring that all committees of Council are adequately resourced based on their skills needs.

This was underpinned by the development of a Skills Matrix that took into account considerations of transparency and employed a scientific methodology to ensure that all members of Council were allocated to a minimum of three and a maximum of five committees of Council. Care was taken to ensure that a balance was created in the allocation of members to the different committees, taking into account the skills set of the various members as well as considerations of age and ensuring a generational and gender mix.

**Attendance for year under review**

| Membership       | 23 Mar | 19 Apr | 26 May | 17 Aug | 13 Sep | 05 Dec |     |
|------------------|--------|--------|--------|--------|--------|--------|-----|
| Mr S Simelane    | √      | √      | √      | √      | √      | √      | 6/6 |
| Prof MS Makhanya | √      | √      | √      | √      | √      | √      | 6/6 |
| Dr B Mehlomakulu | √      | √      | √      | √      | x      | x      | 4/6 |
| Mr OSN Lebese    | X      | √      | √      | √      | √      | √      | 5/6 |
| Ms B Khumalo     | X      | X      | √      | √      | x      | √      | 3/6 |
| Dr PJA Mphafudi  | √      | x      | √      | -      | -      | -      | 2/3 |
| Mr TG Ramasike   | √      | √      | √      | √      | √      | √      | 6/6 |
| Mr B Ngcaweni    | √      | X      | √      | x      | -      | -      | 2/6 |
| Ms DD Mokgatle   | -      | -      | -      | -      | √      | √      | 2/2 |

**Remuneration Committee of Council (Remco)**

Chairperson Mr AS Simelane



**MANDATE OF THE COMMITTEE**

The Committee’s role extends to the determination, development and administration of the university’s general policy on remuneration, which encompasses such matters as the philosophy and intent behind remuneration assessment, and the criteria for remuneration setting and remuneration components.

It is responsible for the remuneration of members of Senior and Extended Management on Peromnes grades P1-P3 and Directors on grade P4 (“affected staff”), including the payment of allowances to indicated members. The remuneration philosophy at Unisa is underpinned by the values of transparency, fairness, defensibility and consistency and aims to position remuneration relative to the national and higher education market in terms of a six-month lead-lag strategy, affordability and differentiation per level.

The Committee is also responsible for setting the remuneration percentile for newly appointed affected staff, within the relevant salary range, as well approving the conditions

precedent as well as value of performance bonuses to affected staff against the annual performance agreements. The formula in respect of performance bonuses is as follows: (total guaranteed package x 70%) x (IPMS rating / 5) x proportion percentage unique to post level.

The Committee also ensures that the determination of the remuneration of senior management and employees is aligned to the promotion of the achievement of the strategic objectives and interests of the University and is linked to the senior manager’s contribution to the performance of the University. The Committee is also responsible for recommending the remuneration of Council & Committee members to the Council for approval.

Finally, the Committee pays close attention to the determination of the criteria necessary to measure the performance of members of the Management Committee in discharging their functions and responsibilities taking into consideration, to a limited extent, factors affecting the university’s performance outside the control of senior management. Performance-related elements of remuneration therefore constitute a substantial portion of the total remuneration package of members of the Management Committee.

**KEY OUTPUTS FOR THE YEAR UNDER REVIEW**

- For the year under review, Council ensured that management performance assessments were conducted in February 2017 to ensure an evaluation of the full 12-month period, for the prior year (2016)
- .Bonuses were also only finalized after the approval of the 2017 external audit and on condition that Unisa achieved an unqualified audit.

- In the spirit of good governance and the interests of transparency, the Committee provided a summary report to Council on a quarterly basis in respect of all matters with which it had dealt.

**Attendance for year under review**

| Membership       | 28-Jun | 30-Aug | 05-Oct |     |
|------------------|--------|--------|--------|-----|
| Mr S Simelane    | √      | √      | √      | 3/3 |
| Dr B Mehlomakulu | √      | √      | x      | 2/3 |
| Ms NV Mokoka     | √      | √      | √      | 3/3 |
| Mr TG Ramasike   | √      | √      | √      | 3/3 |
| Mr B Ngcaweni    | X      | -      | -      | 0/3 |
| Mr MJ Maboja     | x      | √      | √      | 2/3 |
| Mr S Mhlungu     | -      | √      | -      | 1/1 |
| Ms DD Mokgatle   | -      | -      | x      | 1/1 |

**Finance Investment and University Estates Committee of Council (Fincom)**

Chairperson Mr B Ngcaweni



**MANDATE OF THE COMMITTEE**

The Fincom is responsible for ensuring the long-term financial sustainability and stability of the university; proper identification, mitigation and monitoring of financial risks; assessment of appropriate physical infrastructure needs; ensuring that the three-year budget projections are prepared as required by the DHET Reporting Regulations; and that all financial reporting regulations are met. The Committee monitors compliance with the relevant policy, regulatory and legislative requirements. The Fincom, among other matters, recommends Unisa’s annual operating and capital budgets, and monitors performance in relation to the approved budgets.

**KEY OUTPUTS FOR THE YEAR UNDER REVIEW**

- During the year under review, the Committee recommended a revised budget for 2017 to Council, which was approved and ensured a break-even financial plan for Unisa.

**Attendance for year under review**

| Membership       | 30-Jan | 24-Mar | 05-Jun | 11-Aug | 31-Aug | 26-Sep | 20-Oct | 08-Nov | 20-Nov |     |
|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----|
| Mr B Ngcaweni    | √      | √      | √      | -      | -      | -      | -      | -      | -      | 3/3 |
| Prof MS Makhanya | √      | √      | √      | √      | x      | √      | x      | √      | √      | 7/9 |
| Ms SP Malema     | x      | √      | √      | √      | √      | √      | -      | -      | -      | 5/6 |
| Mr MJ Maboja     | -      | √      | √      | √      | √      | √      | √      | √      | √      | 8/8 |
| Mr L Tlhabanelo  | √      | √      | √      | √      | √      | √      | √      | √      | √      | 9/9 |
| Ms BS Khumalo    | X      | x      | x      | -      | -      | -      | -      | -      | -      | 0/3 |
| Ms FE Letlape    | √      | √      | √      | -      | -      | -      | -      | -      | -      | 3/3 |
| Mr TG Ramasike   | -      | -      | -      | √      | √      | √      | √      | √      | √      | 6/6 |
| Mr O Galane      | -      | -      | -      | √      | √      | x      | -      | -      | -      | 2/3 |
| Mr MJ Modiba     | -      | -      | -      | √      | x      | √      | x      | √      | √      | 4/6 |
| Ms DD Mokgatle   | √      | x      | √      | √      | √      | -      | -      | -      | -      | 4/5 |

**Audit and Enterprise Risk Management Committee of Council (AERMCoC)**

Chairperson Ms DD Mokgatle



**MANDATE OF THE COMMITTEE**

The AERMCoC is appointed by Council and comprises seven independent members, five of whom are members of Council, and all of whom are specialists in the field of internal audit and enterprise risk management. Since the inception of the new merged institution in 2004, the Council has always been supported by an Audit and Risk Management Committee. However, Unisa does not have a separate "Risk Committee" and Council has delegated full functional responsibility for risk monitoring and oversight to this Committee.

To this end, the Committee establishes materiality levels and determines Unisa's risk appetite. It considers all possible risks, their likelihood and where applicable, establishes risk mitigation procedures. The Committee also ensures that there is a risk management system and a risk register is maintained. The register is constantly monitored and updated.

In terms of its "audit-related" mandate, the Committee provides assistance to Council by ensuring the continued independence of the external auditors; overseeing the external audit process; overseeing integrated reporting; applying the combined assurance model to ensure a co-ordinated approach to all assurance activities; reviewing the expertise, resources and experience of the finance function; considering the appropriateness of the expertise and experience of the financial portfolio manager; overseeing the internal audit function; monitoring ethical progress and culture at the university; and overseeing risk management and compliance at the university.

Both the internal and external auditors and the internal Executive Director: Risk Management have unrestricted access to the AERMCoC, which ensures that their independence is in no way impaired. Meetings are held at least four times a year and are attended by the external and internal auditors and the appropriate members of the executive management. In the year under review there were four meetings.

**KEY OUTPUTS FOR THE YEAR UNDER REVIEW**

- The Committee approved the revised risk-reporting framework and recommended the top 10 strategic risks for 2018 to Council for approval. It further considered and approved the Combined Assurance Plan for 2018. The top 10 strategic risks and Combined Assurance Plan were both approved by Council.
- The AERMCoC approved the investigations charter and protocol of the Department: Internal Audit and recommended it to Council for noting. The Committee monitored the scope, adequacy and effectiveness of the internal audit function and audit plans and further resolved that the reporting lines for the Chief Audit Executive be functionally to the AERMCoC represented by the Chairperson, and administratively to the Principal and Vice-Chancellor.
- The AERMCoC also approved the external audit plans, findings, annual audit management letter, reports and fees, and finalised the assessment of the external auditors, recommending to Council the renewal of the contract with Deloitte & Touche for 2018. The Committee has been actively monitoring progress on the implementation of the enterprise risk-management framework and has been noting quarterly audit reports of the year under review, as well as managing the progress reports to Council regarding the 2017 Annual Performance Plan.
- After due deliberation and discussion with the external auditors, the AERMCoC recommended the 2017 Annual Financial Statements to Council for approval.

Members of the AERMCoC have the following combined qualifications and/or experience in business:

| AERMCoC Member  | Highest Qualification   | Years of Experience | Years of service on the Unisa AERMCoC |
|-----------------|---|---------------------|---------------------------------------|
| Mr TG Ramasike  | <ul style="list-style-type: none"> <li>• International executive Development Programme (BANKSETA)</li> <li>• Senior Executive Leadership Certified Associate (CAIB(SA))</li> <li>• BComm</li> </ul>   | 22 years            | 7 years                               |
| Ms DD Mokgatle  | <ul style="list-style-type: none"> <li>• B.Proc</li> <li>• LLB (law) – University of Witwatersrand</li> <li>• Higher Diploma in Tax Law – University of Witwatersrand</li> <li>• Attorney of the High Court of SA ( non-practicing)</li> </ul>  | 25 years            | 4 months                              |
| Dr PJA Mphafudi | <ul style="list-style-type: none"> <li>• MBChB</li> </ul>   |                     | 1 year, 2 months                      |
| Ms FE Letape    | <ul style="list-style-type: none"> <li>• BA (Hons) Industrial Psychology</li> <li>• BAdmin</li> </ul>   | 23 years            | 9 months                              |
| Ms NV Mokoka    | <ul style="list-style-type: none"> <li>• Certificate Programme in Finance and Accounting (cum laude)</li> <li>• Master of Management (Public and Development Management)</li> <li>• Postgraduate Diploma: Human Resources Management</li> <li>• Diploma: Nursing Education</li> <li>• BA (Cur)</li> <li>• Diploma: Midwifery</li> <li>• Diploma: General Nursing</li> </ul> | 39 years            | 2 year, 2 months                      |
| Mr PM Ntsimane  | <ul style="list-style-type: none"> <li>• Leading Executive Programme (Strategic Leadership Development Programme)</li> <li>• Certificate of Business Leadership</li> <li>• MBA</li> <li>• Postgraduate Diploma: Advanced Taxation</li> <li>• BComm (Hons) Business Management</li> <li>• BComm (Accounting)</li> </ul>  | 13 years            | 1 year 8 months                       |
| Ms TYM Wentzel  | <ul style="list-style-type: none"> <li>• BSocSc</li> <li>• MSocSc</li> <li>• (Clinical Social Work) (cum laude)</li> </ul>  | 32 years            | 2 year, 2 months                      |

**Attendance for year under review**

| MEMBER           | 31-Mar | 15-Jun | 18-Aug | 27-Oct | 06-Nov |     |
|------------------|--------|--------|--------|--------|--------|-----|
| Mr TG Ramasike*  | √      | √      | –      | –      | –      | 2/2 |
| Ms FE Letlape    | √      | √      | √      | x      | √      | 4/5 |
| Ms NV Mokoka     | √      | √      | √      | √      | √      | 5/5 |
| Dr PJA Mphafudi  | x      | X      | –      | –      | –      | 0/2 |
| Ms TYM Wentzel   | X      | √      | √      | √      | √      | 4/5 |
| Ms DD Mokgatle** | –      | –      | –      | √      | √      | 2/2 |

\*resigned as Chairman with effect from 28 June 2017

\*\* appointed as Chairman with effect from 13 September 2017

**Human Resources Committee of Council (HRCoC)**



and Duties: Appointments and Related Aspects. It is also entrusted with the responsibility of advising Management and recommending to Council human resources policies and other related business operations of the university that have an impact on human resources.

**KEY OUTPUTS FOR THE YEAR UNDER REVIEW**

- In the year under review, the Committee assessed the transformation trajectory, employment equity targets and the institutional cultural statement, and reviewed policies related to human resources for Council's approval.
- The Committee approved the employment equity plan for 2016 to 2020, and the development of a high-performance philosophy, approach and framework for Unisa.
- The Committee also played a monitoring role with regard to Project Mvusuludzo.

**MANDATE OF THE COMMITTEE**

The HRCoC's responsibilities include overseeing and monitoring plans on matters related to human resources of the university and performing the delegated duties as outlined in the Human Resources Delegation of Powers

**Attendance for year under review**

| Membership       | 06-Mar | 12-May | 11-Jul | 04-Aug | 19-Oct | 24-Oct | 13-Nov |     |
|------------------|--------|--------|--------|--------|--------|--------|--------|-----|
| Ms NV Mokoka     | √      | √      | √      | √      | √      | √      | √      | 7/7 |
| Ms FE Letlape    | √      | X      | √      | x      | x      | x      | √      | 3/7 |
| Mr OSN Lebese    | √      | √      | √      | √      | √      | √      | √      | 7/7 |
| Mr L Tlhabanelo  | √      | √      | √      | √      | √      | √      | √      | 7/7 |
| Prof MS Makhanya | √      | √      | √      | √      | x      | x      | √      | 5/7 |
| Prof IOG Moche   | √      | √      | √      | √      | √      | x      | √      | 6/7 |
| Mr MJ Maboja     | √      | √      | x      | √      | –      | –      | –      | 3/4 |
| Ms TYM Wentzel   | –      | –      | –      | √      | √      | √      | √      | 4/4 |
| Mr T Kgaswane    | –      | –      | –      | –      | x      | x      | –      | 0/2 |
| Ms SP Malema     | –      | –      | –      | √      | –      | –      | –      | 1/1 |

**Information and Communication Technology Committee of Council (ICTCoC)**

Chairperson Dr B Mehlomakulu

**MANDATE OF THE COMMITTEE**

The Council is responsible for information and communication technology (ICT) governance and management is responsible for the implementation of an ICT governance framework. The ICTCoC met six times during the year to fulfil its role, ensuring the good governance of ICT operations, performing the duties delegated or assigned by Council, submitting regular reports to Council regarding ICT matters and operations, making recommendations to Council on ICT policy issues, and monitoring and steering the overall enterprise architecture which supports and drives ICT in the institution.

**FOCUS FOR THE YEAR UNDER REVIEW**

- The ICTCoC dealt with the non-performance of the new Student Information and Technology System (SITS), and the concomitant expenditure on and financial implications associated with this project.

The Committee resolved to place a moratorium on the projects and further requested Internal Audit finalise its investigation into the business case and procurement, contract and payment process associated with the Student System Replacement Project (SSRP).

- The ICT budgets and projects were a standing item on the agenda of the ICTCoC. The committee monitored the annual ICT budget and the performance against approved budget using a project matrix reporting tool that covers inter alia all approved projects progress/status, spend to date, and performance against timelines.
- ICT risks identified in the Unisa Strategic Risk Register as well as the Department's Operational Risk Register were reported on and monitored on a quarterly basis at all meetings of the ICTCoC. Cognisant of the critical role of ICT in Unisa's business operations, ICT also forms a critical component of the Combined Assurance Framework, which is reported on at all meetings of the AERMCoC. In addition, the report to the ICTCoC on the ICT risks, management of audits, and compliance is also forwarded to the AERMCoC. The report highlights the ICT strategic risks, controls and the management actions to mitigate identified risks. Given the significant spend on ICT assets, the ICTCoC specifically monitors the effective management of ICT assets through four phases of the life of the asset namely, from planning and acquisition, to operation, maintenance and disposal. The committee is also responsible for the approval of all ICT and Finance Asset Policies.

**Attendance for year under review**

| Membership       | 06-Apr | 24-May | 17-Aug | 27-Oct | 17-Nov | 22-Nov |     |
|------------------|--------|--------|--------|--------|--------|--------|-----|
| Dr B Mehlomakulu | √      | √      | √      | √      | √      | √      | 6/6 |
| Mr L Tlhabanelo  | √      | √      | √      | √      | √      | √      | 6/6 |
| Mr B Ngcaweni    | x      | √      | √      | √      | √      | x      | 4/6 |
| Dr I Tufvesson   | √      | x      | x      | x      | x      | x      | 1/6 |
| Prof N Eccles    | √      | X      | √      | –      | –      | –      | 2/3 |
| Prof MS Makhanya | √      | √      | √      | x      | √      | √      | 5/6 |
| Ms Z Sodladla    | –      | –      | √      | x      | x      | √      | 2/4 |
| Mr S Mhlungu     | –      | –      | √      | √      | √      | √      | 4/4 |

**Brand and Communication Committee of Council (BCCom)**

Chairperson Mr OSN Lebeso



and Council approved that the committee be henceforward referred to as the Brand and Communication Committee of Council, thereby reflecting its total function. The Committee was further constituted as a full committee of Council with the specific role of advising Council on corporate branding, including the policy and legal regulatory environment; marketing and communication strategies, and new developments and optimisation of various media platforms; considering reports pertaining to the institutional reputation; and naming and renaming Unisa buildings and other properties.

**KEY OUTPUTS FOR THE YEAR UNDER REVIEW**

- The Policy on Advertising at Unisa, the Policy on the Use of the Unisa Coat of Arms and Other Brand Images, and the Digital Communication and Web Management Policy were all recommended to and approved by Council. The Committee dealt with the structural positioning of marketing efforts in the university, and the principles underpinning communication and marketing for 2017.

**MANDATE OF THE COMMITTEE**

Council identified the strategic importance of a sound communications strategy at corporate level and allocated the oversight responsibility to the Brand Committee of Council. The added focus necessitated a name change,

**Attendance for year under review**

| Membership    | 10-Feb | 22-May | 06-Jun | 25-Aug | 23-Oct |     |
|---------------|--------|--------|--------|--------|--------|-----|
| Mr OSN Lebeso | √      | √      | √      | √      | √      | 5/5 |
| Ms FE Letlape | √      | √      |        | √      | x      | 3/5 |

**Academic and Student Affairs Committee of Council (ASACoC)**

Chairperson Prof GM Nkondo



**MANDATE OF THE COMMITTEE**

The ASACoC was established in 2016. Its primary responsibility is to advise Council on governance issues related to academic and student affairs, without infringing the role of the Senate. It provides strategic leadership on academic matters and promotes decision-making, and provides and enhances remedial actions, where so identified. It further fulfils an advisory role on how institutional system(s) may be enhanced to support the academic project and specifically students' needs.

**KEY OUTPUTS FOR THE YEAR UNDER REVIEW**

- During the year under review, the Committee recommended the implementation of the over-the-counter delivery of the study material to students at all the Unisa regional offices.

- The Academic and Student Affairs Committee of Council (ASACoC) approved the following:
  - The constitution of the Student Representative Council
  - The Electoral Policy for the Student Representative Council
  - The Electoral Code of Conduct for the Student Representative Council
  - The ASACoC also approved the mid-term enrolment planning review for 2018/19 to 2020/21 that was recommended to Council for endorsement.
- The Committee also focused on the following:
  - Inadequate student study facilities
  - Challenges around the dispatch of study material to students using the courier services
  - Dysfunctional registration system
  - Problems of the WIFI connectivity for students
  - NSFAS delays in the processing of applications and the funding of students

**Attendance for year under review**

| Membership       | 06-Apr | 13-Apr | 25-Apr | 09-May | 17-May-17 | 01-Sep-17 | 12-Sep-17 | 11-Oct-17 |     |
|------------------|--------|--------|--------|--------|-----------|-----------|-----------|-----------|-----|
| Prof GM Nkondo   | √      | √      | √      | √      | √         | √         | √         | √         | 8/8 |
| Prof MS Makhanya | x      | √      | √      | √      | √         | √         | √         | x         | 6/8 |
| Prof N Eccles    | √      | x      | x      | √      | √         | -         | -         | -         | 3/5 |
| Mr S Mhlungu     | √      | √      | √      | √      | √         | √         | √         | √         | 8/8 |
| Mr OM Galane     | √      | x      | x      | √      | √         | -         | -         | -         | 3/5 |
| Ms SP Malema     | x      | x      | √      | √      | √         | -         | -         | -         | 3/5 |
| Ms FE Letlape    | √      | √      | √      | x      | √         | x         | √         | √         | 6/8 |
| Prof EO Mashile  | √      | √      | x      | √      | √         | -         | -         | -         | 4/5 |
| Prof IOG Moche   | x      | √      | x      | √      | x         | x         | √         | √         | 4/8 |
| Ms Z Sodladla    | x      | x      | x      | x      | √         | x         | √         | √         | 3/8 |
| Mr T Kgaswane    | √      | √      | x      | x      | x         | √         | √         | -         | 4/8 |
| Mr B Ngcaweni    | -      | -      | -      | -      | -         | √         | √         | x         | 2/3 |
| Prof PH Havenga  | -      | -      | -      | -      | -         | -         | √         | x         | 1/2 |

**Social Ethics Committee of Council (SECoC)**

Chairperson Dr I Tufvesson



**MANDATE OF THE COMMITTEE**

The SECoC serves as an advisory, oversight and monitoring committee taking a holistic approach to the conduct and activities of the university, as well as institutional culture. The functions of the SECoC include monitoring the university's activities in terms of social and economic development (which includes the principles outlined in the United Nations Global Compact; the principles outlined in the King IV Code related to the governance of social and ethics performance; national legislation relating to social and economic development; and good corporate citizenship.)

The SECoC also monitors Unisa's reporting on its UNGC commitments and its various initiatives to promote greater environmental responsibility. In 2017 the committee

continued its drive to progress Unisa's ambition towards becoming a leader in environmental sustainability. This policy will materially enhance the implementation of Unisa's Environmental Sustainability Policy, approved by Council.

**KEY OUTPUTS FOR THE YEAR UNDER REVIEW**

- The Committee concentrated on the following:
- transformation and redress policies and practices and the promotion of equality and prevention of unfair discrimination;
- contribution to the development of communities;

- the university's sustainability report on the environment, health and public safety;
- stakeholder satisfaction with service delivery;
- The Committee also focused on Unisa's compliance with consumer protection laws and other legislative frameworks, including protection of personal information given the high volume of personal data that passes through the university.
- The committee monitored the Unisa ethics programme, the reputational risks confronting the university, and evidence of ethical standards in the Code of Ethics and supporting policies.

**Attendance for year under review**

| Date             | 12-Apr | 13-Mar | 01-Jun | 28-Aug |     |
|------------------|--------|--------|--------|--------|-----|
| Dr I Tufvesson   | √      | √      | x      | √      | 3/4 |
| Prof MS Makhanya | x      | x      | √      | √      | 2/4 |
| Dr PJA Mphafudi  | x      | x      | √      | -      | 1/3 |
| Mr L Tlhabanelo  | √      | √      | √      | √      | 4/4 |
| Adv EK Tsatsi    | x      | √      | X      | x      | 1/4 |
| Mr T Kgaswane    | x      | √      | √      | √      | 3/4 |
| Mr S Mhlungu     | √      | √      | √      | √      | 4/4 |

**STATEMENT ON CONFLICT MANAGEMENT**

**Student unrest**

A group of individuals have been identified by Unisa, who are professionally qualified and experienced in mediation, arbitration and dispute resolution and are available to the Council to assist in the resolution of any disputes between parties within the institution with the objective of avoiding conflict. During the current year it has not been necessary to call upon their services.

independent Chairperson. Unisa has signed recognition agreements with both labour organisations. The Recognition and Procedural Agreement (RPA) with Nehawu was signed on 19 September 1996 and reviewed on 27 August 2015 by the Council; the RPA with Apsa was signed on 1 March 2010.

**STATEMENT ON CODE OF CONDUCT AND ETHICS**

The Code of Conduct and Ethics underpinned by the five institutional values commits Unisa staff members to the highest standards of integrity, behaviour and ethics in dealing with all its stakeholders. Staff members are expected to observe Unisa's ethical obligations in order to conduct its business through the use of fair commercial competitive practices. The Code of Conduct and Ethics was not reviewed by Council in 2017 and will be a priority during 2018.

The Council has a separate Code of Ethics and Conduct for Council members which is signed by all members upon appointment and annually thereafter. Like the Code for staff members, it emphasises the values of integrity, dignity, fairness and responsible leadership.

**STATEMENT ON WORKER AND STUDENT PARTICIPATION (CO-OPERATIVE GOVERNANCE)**

Unisa utilises a variety of participating structures on issues which affect employees and students directly and materially, and which are designed to achieve good employer/employee and student relations through effective sharing of relevant information, consultation and the identification and resolution of conflicts. These structures embrace goals relating to productivity, career security, legitimacy and identity with Unisa. Unisa has a formal bargaining structure – the Unisa Bargaining Forum – at which matters of mutual interest are engaged under the leadership of an



**ON RISK EXPOSURE ASSESSMENT AND RISK MANAGEMENT**

**BACKGROUND AND INTRODUCTION**

Enterprise risk management ("ERM") is an integral component of our strategic planning process that culminates in deliberations at both executive management and Council level, before submission to the Department of Higher Education and Training ("DHET"). Fully cognizant and embracing of best practice, both executive management and Council assume ownership of the institutional strategy; but necessarily, the risks pertinent to such strategy remain a Council matter.

Our Council is constituted by a sufficiently diverse group of experts with appropriate skills and experience, and is chaired by an external member. One of its sub-committees, viz. the Audit and Enterprise Risk Management Committee (AERMCOC) is also chaired by an external member who stimulates and coordinates vibrancy in risk-orientated deliberations. This Chairperson reports to Council, on a quarterly basis, on matters pertaining to ERM. Both governance platforms are supplemented by the two internal working structures, viz. the Risk Management Committee (RMC) and the Management Committee (Mancom).

Consistent with the Higher Education Act (Act No. 101 of 1997) prescripts, which also refer at length to the King Report, our institution's ERM philosophy recognises that risks are increasing in terms of both volume and velocity, in response to an unstable external environment. In this regard, Unisa promotes a responsible risk culture that is premised on agility, fully cognizant of the fact that our environment is subject to not only emerging risks but black swans as well.

The ERM Framework continues to serve as our foundational guiding document, informing the institutional risk appetite and the frequency and extent of our regular reporting.

**RISK IDENTIFICATION, MONITORING AND REPORTING**

Fully comprehending the nature of strategic risks becomes critical when leading an institution as complex and dynamic as Unisa. Risks are rated on an inherent ranking basis as being **High** or **Very High** with specific mention of mitigating actions in response to such risks. Our risk landscape is largely driven by external factors such as changes in technology or the regulatory landscape, and is directly linked to organisational performance and/or sustainability, amongst other factors. During the period under review, the higher education sector has continued grappling with a unique set of challenges which, though somehow varying in complexion from one institution to the other, still depict a common thread. Such a thread has been in the form of:

- Financial sustainability that will be compounded by the fee-free era that has now engulfed us;
- The regressive gravitation towards in-sourcing that continues complicating institutional cost structures;
- The mushrooming of private sector competitor institutions that threaten our market share, and are on the rise globally;
- The declining quality of students who thus compounded the risk of student dropout rates, which is a risk that also features across the higher education sector – in both emerging and

In an effort to continually monitor the changing complexion of our strategic risk profile, the institution constantly maintains a strategic risk register around which deliberations continually occur. Some of the critical strategic risks, which are in no specific order, entail the following:

| Name of Key Risk (Strategic Focus Area)  | Brief Description of the Risk  | Risk owner                                     |
|--|--|--|
| 1. Financial Sustainability              | <p>Failure to maintain the financial sustainability of the institution.</p> <p><b>Opportunity:</b> To increase the proportion of international students, particularly those further afield, beyond the SADC borders. In this regard, our BRICS membership could be tapped on, given the population size of China and India. Such students could enhance our revenue, through countering the fee-free education orientation that our country leans towards.</p>   | VP: Finance and Business Enterprises           |
| 2. Strategic Projects                    | <p>Inability to deliver the strategic projects, as defined by industry standards, on schedule and within budget.</p> <p><b>Opportunity:</b> To strengthen the Project Management Office expertise within the institution. In this regard, insights of our academic experts need to be tapped on – and thus also strengthening the collaboration with support functions.</p>  | VP: Operations and Facilities                  |
| 3. Integrity of Academic Offerings.      | <p>Inability to implement systems and processes to protect the security and integrity of examination-related information (including papers, marks and results).</p> <p><b>Opportunity:</b> To embrace biometric technology, incorporating it into the broader initiative of advancing out ICT infrastructure and the broader institutional drive towards an ODeL environment.</p>  | Registrar                                      |
| 4. Non-compliance with OHS Requirements. | <p>Failure to comply with and maintain safety standards in laboratories, resulting in harm to employees, contractors, students and communities near the Science Campus.</p> <p><b>Opportunity:</b> To explore platforms for collaborating with regulatory bodies, with a view more to influence changes in the regulatory landscape – and thus being more proactive.</p>   | VP: Strategy, Risk, and Advisory Services      |
| 5. Talent Management.                    | <p>Skills shortages in critical areas as a result of the attrition and loss of key staff, limited/no succession planning, as well as the inability to attract appropriately skilled staff generally and particularly in the ICT field.</p> <p><b>Opportunity:</b> Place more emphasis on specific strata of our population. For instance, our component of people with disabilities is currently at 1.8%, which is well below the country's 7.7%. Similarly, candidates with some of the neurological conditions have been found to have latent talents that make them more suitable within ICT – and this a critical area within Unisa where we continue to have vacancies.</p> | VP: Institutional Development & Transformation |

| Name of Key Risk (Strategic Focus Area)                  | Brief Description of the Risk  | Risk owner   |
|--|--|--|
| 6. ICT Infrastructure.                                   | <p>Poor ICT infrastructure that could result in loss of critical data, a rise in cyber security threats and misalignment with the Unisa business strategy.</p> <p><b>Opportunity:</b> To explore the feasibility of an integrated enterprise resource planning system. This could be undertaken as part of the digitization journey that our ICT Portfolio has embarked on across the institution.</p>   | VP: ICT  |
| 7. Student Drop-out Rate..                               | <p>Failure to achieve and sustain the proxy graduation rate, bring it in line with the exam-sitting rate.</p> <p><b>Opportunity:</b> To undertake a study aimed at distilling the candidacy profile of a student that has a higher propensity to dropout. Outcomes of this research could inform interventions by the institution, making them more target-focused.</p>  | VP: Teaching, Learning, Community Engagement and Student Support     |
| 8. Academic Quality Assurance.                           | <p>Failure to proactively expand the academic quality assurance measurements.</p> <p><b>Opportunity:</b> To leverage on the country's transformation agenda, exploring optimal ways in which to implement recommendations of the SAHRC report.</p>   | VP: Teaching, Learning, Community Engagement and Student Support     |
| 9. Transformation into a fully-fledged ODeL Institution. | <p>Inability to transform into a fully-fledged ODeL institution as a result of institutional inability and/or unwillingness to optimise the utilisation of ICT.</p> <p><b>Opportunity:</b> Broader global geographic footprint in terms of international students. Could serve as a pave-way towards an Artificial Intelligence era, and thus also re-skilling of our staff so they are better prepared for such era.</p>  | VP: Teaching, Learning, Community Engagement and Student Support     |
| 10. Optimal research outputs                             | <p>Failure to achieve optimal research outputs with the effect of compromising Unisa's long-term sustainability.</p> <p><b>Opportunity:</b> Broadening the pool of PhD graduates delivered in such a way that there is an increasing proportion those targeted for non-academic jobs. This also entails instilling 'transferable skills such as funding-proposal crafting, project management, etc. Further, increasing the pool of full-time from the current 40% to about 60%, partly through increasing the pool of (fulltime) pre-doctoral students.</p> | VP: Research, Postgraduate Studies, Innovation and Commercialisation |

| Name of Key Risk (Strategic Focus Area) | Brief Description of the Risk   | Risk owner                                     |
|---|---|--|
| 11. Stakeholder Management.             | <p>Failure to close the stakeholder expectation gap due to an inability to adequately define Unisa stakeholders and/or their expectations.</p> <p><b>Opportunity:</b> To explore avenues aimed at strengthening collaboration between the institution and industry. The idea being to leverage such collaboration towards deepening relations with the Alumni, and tapping on their insights whilst searching for a lasting solution to the various facets of this risk.</p>  | VP: Institutional Development & Transformation |
| 12. Institutional Culture               | <p>Failure to coordinate interdependencies, and optimally rallying all stakeholders, given the size and complexity of our institution.</p> <p><b>Opportunity:</b> To leverage on the Change Management Unit's mandate, encouraging their collaboration with Human Resources team in an effort to unpack climate survey outcomes – and implementing lesson learned therefrom. Undertaking such an exercise, also in the context of (institutional) transformation, could ignite more energy behind the initiative.</p> | VP: Institutional Development & Transformation |
| 13. Legal and Regulatory Compliance.    | <p>Failure to keep up and comply with changes, resulting in damage to brand reputation as well as fines and penalties.</p> <p><b>Opportunity:</b> To explore platforms for collaborating with regulatory bodies, with a view more to influence changes in the regulatory landscape – and thus being more proactive – than simply understanding these so as to merely comply there with.</p>   | VP: Strategy, Risk and Advisory Services       |

**THE WAY FORWARD**

**Environmental scanning;**

Engaging on an environmental scanning journey, both at a Portfolio level as well as our annual Lekgotla that takes place around September each year. This process was implemented to ensure that our risk profile remains dynamic and keenly informed by emerging trends in the external environment.

**Business continuity management**

Higher prioritising business continuity management through, amongst other initiatives, further integrating with our institutional strategy. The testing phase of BCM will also be gaining higher a profile in the upcoming period, with pertinent lessons that have been learned, implemented accordingly.

**Opportunities**

Placing added emphasis on the identification and exploring of opportunities and thus paving the way for a more entrepreneurial approach to ERM. In this regard, our

socialisation of the risk appetite concept will be further invigorated – and institutional resilience hopefully deepened.

  
 .....  
 Mr TG Ramasike  
 Chairperson: AERMCoC  
 (1 January 2017 until 30 June 2017)

  
 .....  
 Ms DD Mokgatle  
 Chairperson: AERMCoC  
 (1 July 2017 until 31 December 2017)

  
 .....  
 Prof. Prof SK Ndlovu  
 Chairperson: Risk Management Committee  
 (11 August 2017 until 31 December 2017)



# I REPORT ON

## INTERNAL ADMINISTRATIVE OPERATIONAL STRUCTURE & CONTROLS

Unisa has a system of internal control for governance, administrative and operational activities. The objective of the system of internal control is to ensure that objectives are achieved whilst the risks are mitigated through adequate and effective controls, as well as that opportunities are explored. The controls support the following specific objectives:

- The university's objectives are achieved in an effective, efficient, economical, socially responsible and ethical manner;
- Financial and non-financial information is accurate and provided timely in accordance with the applicable standards;
- The university's assets and information are safeguarded;
- Fraud is minimised
- Quality is improved; and
- The university complies with legislation and regulations.

It is important to note that there are inherent limitations to a system of internal control. These limitations impact on its effectiveness, even though it may be adequate in terms of the design. Similarly, there is human intervention with varying degrees in controls. Therefore the design of the controls may sometimes be found to be inadequate, genuine errors occur, or there is an override of the controls. In this context, a system of internal control only provides reasonable assurance that risks are adequately and effectively mitigated. The university's management is responsible for the system of internal control. The university also has various second lines of defence such as the Risk and Compliance Department, Legal Services Office, Planning and Quality Assurance Departments.

**INTERNAL AUDIT DEPARTMENT**

The university has an established in-house Internal Audit

Department which reports functionally to the Audit and Enterprise Risk Management Committee of Council (AERMCoC) and administratively to the Principal and Vice Chancellor. The department constitutes the third line of defence. In order to supplement its resources, a co-sourced internal audit service provider is also used.

The Internal Audit Department operates according to the International Professional Practices Framework for Internal Auditors (Standards) as promulgated by the Institute of Internal Auditors (IIA). In line with these Standards, the university's Internal Audit Department is an independent, objective assurance and consulting activity which have been designed to provide value to the university and improve the university's operations. The department supports the university in achieving its objectives through applying a systematic, disciplined approach to assess and provide recommendations for improving the effectiveness of governance, risk management and control processes.

Best practice is applied by the department and the internal audit engagements cover a wide range of assurance and consulting activities. The internal audit engagements are appropriately planned and the observations are discussed with management who prepares action plans with implementation dates to address root causes. The department follows up on the management agreed actions within a specified time. The internal audit reports are also made available to the Risk and Compliance Department to ensure that the risks and non-compliance identified or assessment outcomes are taken forward through discussions

and workshops with Management.

#### COMBINED ASSURANCE

The combined assurance model was introduced in 2015 and has since evolved. There is still work to be done in this regard, for example ensuring that the process is supported through effective risk management practices, up-to-date process maps, improved assurance reporting to governance structures and operationalisation at functional and process levels. The Integrated Assurance Forum (IAF) has developed a strategy and framework, implementation plan, communication and awareness plans and tools to assist the different levels of defence in terms of control self-assessment and assurance providers' quality assessments. All relevant levels of defence are represented in the forum. The AERMCoC serves as the fifth level of defence and is ultimately responsible to Council to ensure that the process is optimised.

At functional level, there is also co-ordination between the internal and external auditors. In 2017, the Internal Audit Department continued to provide support through performing a "soft-close" audit in preparation for the statutory audit. The department covered high risk areas such as assets, inventory, reconciliations and follow-up of items previously reported through the external auditors' management letter. These engagements were planned for and approved in the risk-based internal audit coverage plan, which also covered other risk areas and consulting engagements as identified by the department through a consultative process.

The responsibility for the performance of the statutory audit remains that of the external auditors and the preparation of the financial statements is the responsibility of management. The external auditors place reliance on the work done by the internal auditors in respect of the assessment on the adequacy and effectiveness of controls, governance and risk management processes which are done on a risk-based internal audit approach and in support of the strategic objectives.

The systems that the university had anticipated will assist in improving the student experience, did not materialise as planned and are thus not effective or only partially effective. This affects the internal resources and processes

for both academic and administrative support functions. The pace of the university's mission to become an ODeL university is slower than expected. The university is aware of these challenges and the plans, risks and controls to augment the challenges are on the university's radar.

From a control perspective, the protection of personal information and the integrity of systems are also noted as risks for the university and are receiving urgent attention. Other operational challenges as observed through audit observations are the effectiveness of business continuity, systems integration, project management processes, skills and competencies, consequence management, segregation of governance and operational functions, internal and external influences and continued employee and student dissatisfaction. The university has received acknowledgement for its research progress. An unqualified audit opinion and costs were effectively contained in 2016. The impetus to maintain the status was continued in 2017.

#### WORK PERFORMED BY INTERNAL AUDIT DURING 2017

The 2017 approved internal audit coverage plan included seventy (70) engagements. Additional engagement requests were approved and as at 31 December 2017, the plan had ninety-two (92) engagements that were either assurance, consulting, routine or follow up engagements. The engagements included operational, financial, information systems, regional visits, governance and compliance reviews.

The comparative number of engagements performed in 2016 is ninety-three (93). Seven (7) of the 2017 planned engagements were deferred to 2018 or could not be executed as a result of delays in the relevant functional area.

The Internal Audit Department conducted awareness sessions in 2017 on controls, audit readiness, combined assurance and fraud prevention and detection.

The Internal Audit Department assessed the controls of the university for 2017 as partially effective, which means that some of the controls do not appear to be correctly designed and do not address the root causes, whilst those that were observed as correctly designed, were observed as operating as intended. It was observed in 2017 that for

some functional areas, there was progress towards more effective controls. The effectiveness assessment is based on the approved Enterprise Risk Management Framework. Similarly, follow-up engagements that were performed in 2017, indicated that management has mainly implemented and partially implemented agreed management actions. Internal audit and external audit activities as well as management's response to audit observations and recommendations fall within the oversight scope of the AERMCoC. The AERMCoC receive quarterly reports of audit observations, recommendations and agreed management actions.

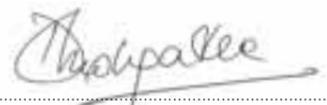
The system of internal control in relation to the criteria for effective control over financial reporting as described in the policies and procedures was assessed by the university for the period ended 31 December 2017. The internal audit and external audit observations form the basis of this assessment, as control self-assessments by management still need to be done and the plan is to raise awareness of this process in 2018 and where possible commence implementation in key areas such as ICT, procurement, human resources and finance.

The university acknowledges that, as at 31 December 2017, its systems of internal control over its operational environment, information reporting and safeguarding of assets against the unauthorised misappropriation, use or disposal of assets still require attention and improvement in order to meet the set criteria and be optimised and functional.

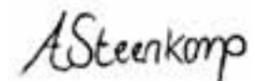
The AERMCoC reviewed the report on internal administrative and operational structures and controls in the year under review at its meeting of 12 June 2018. The AERMCoC monitors the significant and repeat findings that are reported by the auditors on a quarterly basis and emphasized the need to move towards more effective risk management, governance and control processes. The meeting was quorate and the documentation for approval by the Committee was circulated with the meeting agenda in advance with due notice.



Mr TG Ramasike  
Chairperson: AERMCoC  
(1 January 2017 until 30 June 2017)



Ms DD Mokgatle  
Chairperson: AERMCoC  
(1 July 2017 until 31 December 2017)



Ms A Steenkamp  
Chief Audit Executive

# I COUNCIL

## STATEMENT ON SUSTAINABILITY

The primary emphasis of this report is on environmental aspects. Social, financial and governance matters are dealt with extensively in the VC's statement, the CFO's statement and the transformation report. Policy formulation and review and the implementation of the Master Plans remain the way in which environmental stewardship is spear-headed.

Policy formulation focused on the development of the Waste Management Policy while policy review included review input on:

- the Policy on Management and Accounting for Inventory;
- Policy on Movable Assets;
- Policy on Travel and Accommodation; and
- the Supply Chain Management Policy.

### Environmental sustainability initiatives

Unisa has continued its commitment to working towards environmental sustainability.

During 2017 Unisa explored various scenarios for the implementation of energy efficiency initiatives, including the option to outsource. The dictates of the Master Plans played a significant role in informing the university's refurbishment projects, and we are proud to announce that we have managed to take one of our buildings "off the national electricity grid".

Unisa continued to play a pivotal role in the establishment of a national environmental sustainability Community of Practice under the auspices of Universities South Africa (USAf), and co-hosted a climate change event with the German Embassy as part of the German Climate Support Programme (CSP). This initiative places a strong emphasis on mitigating climate change, adapting to the impacts of climate change and protecting biological diversity. A number of papers were delivered in furtherance of

South Africa's climate policy, and South Africa's national objectives that were pledged through its Nationally Determined Contribution (NDC) within the framework of the Paris Agreement. The event included the opportunity for Unisa students to enrol for a free online course in climate change risks and challenges.

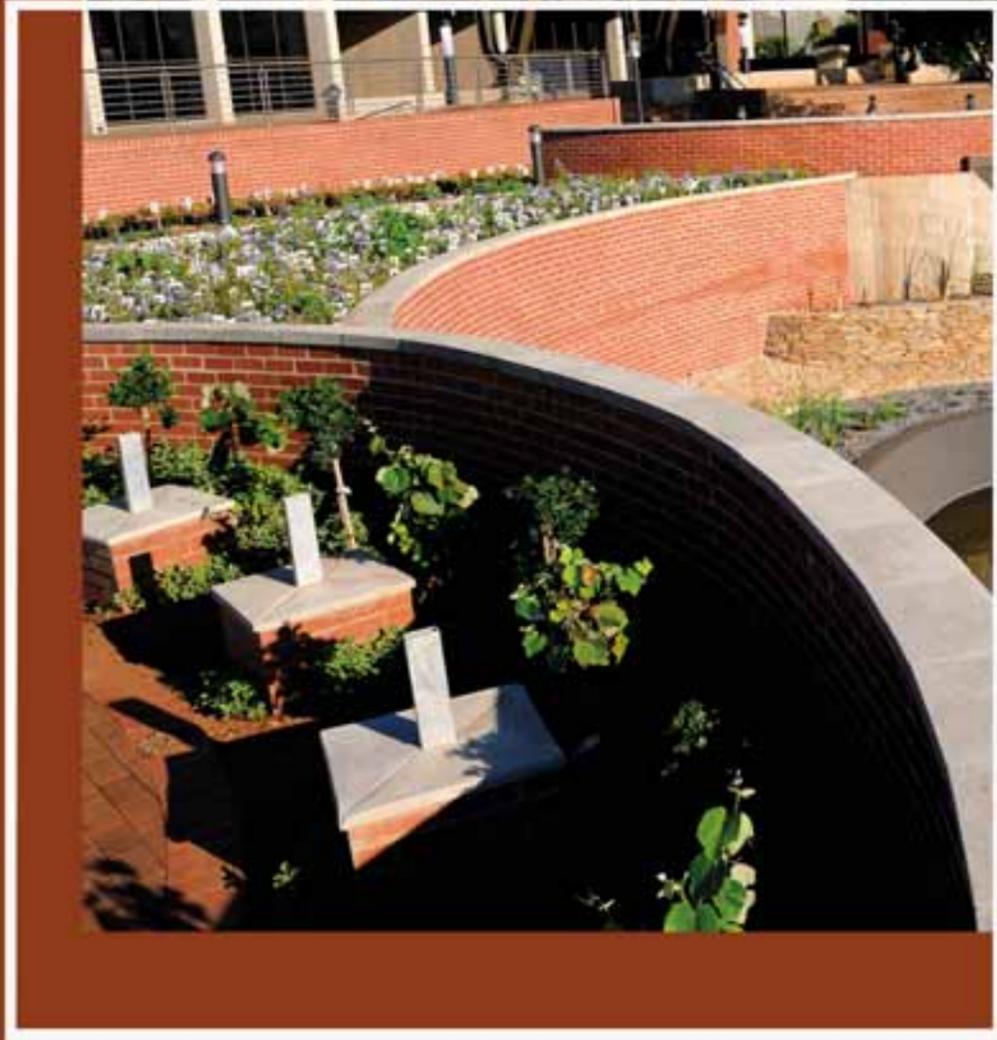
Staff awareness was enhanced by means of three events in the annual sustainability lecture series, the customary earth hour music concert, Arbor week activities, as well as King IV awareness sessions in the Western Cape regional office and the Sunnyside campus.

The ground work was done for an employee travel demand management project with the WWF which will be rolled out from 2018. This project will investigate the travel patterns of Unisa staff members on and between the main campus and the Science campus and relevant HR and parking policies. It will result in concrete recommendations to reduce travel times, traffic congestion on the campuses and our carbon footprint.

The Unisa Library contributed to environmentally friendly practices through donating and pulping of old books. Old books from the Unisa Library Collection were donated to different organisations to promote lifelong learning and knowledge generation. Books that are perceived to contain "outdated" information and are therefore not suitable for donation were sent for pulping, which is an eco-friendly practice of encouraging re-cycling and re-use of paper.

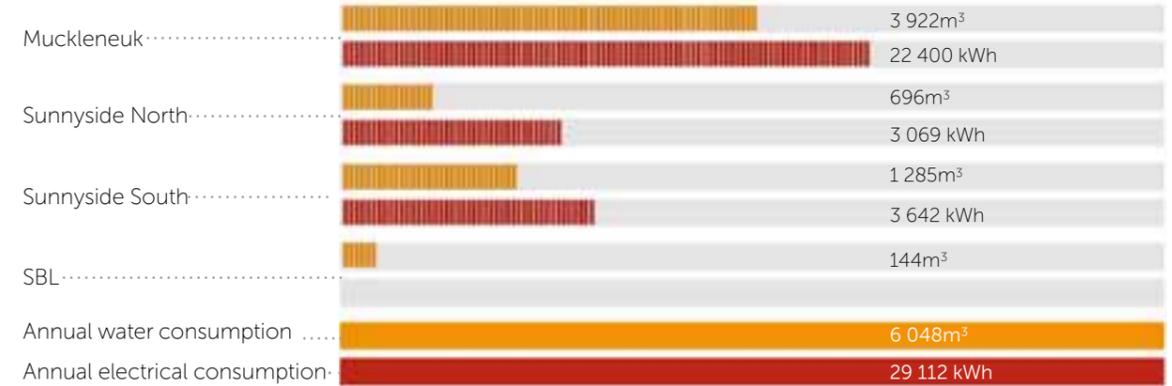
The Department Print Production continued to play an important role in ensuring environmental sustainability. Used chemicals of the Litho Section of the print shop, is poured into drums and disposed of at regular intervals as required by legislation by a qualified waste disposal company. All rags that have been used to clean ink and chemicals from printing machines are placed in a specific drum, to ensure that it does not contaminate the waste





### Total Water and Electricity Consumption

#### Campus



Significant challenges were still experienced with the collection of data on the carbon tool, and the lack of buy-in for and commitment to this by staff members is cause for concern. Managers at all levels will be engaged to ensure that the responsible staff members appreciate the importance of collecting data on our carbon footprint.

The finalisation of the Waste Management Policy, and its

approval by Council in the first quarter of 2017, is a key highlight for this reporting period. A contractor was appointed from July 2017 to dispose of the waste in Cluster 2 of the Unisa facilities. Cluster 2 consists of the Science Campus, Ghandi Square, Ormonde, Vaal, Lenasia and Laser Park. A number of classes of materials were recognised and recovered for recycling. The following waste types and volumes were handled for this Cluster:

paper. These drums of rags are similarly disposed of at regular intervals by the qualified waste disposal company. All off-cut paper, paper used to get the print quality correct and paper waste accumulated in offices are placed in special bins for re-cycling.

These continue to be supplemented by the recycling bins placed across campuses that contribute significantly to staff awareness of recycling and Unisa's broader recycling initiatives.

#### IMPLEMENTATION OF MASTER PLANS

The implementation of the master plans continued in 2017 and was monitored by means of quarterly feedback

meetings of all internal stakeholders.

The installation of water and electrical meters and a remote monitoring system that can be accessed online to monitor the consumption, and get records has improved the efficiency of identification of abnormalities and the ability to respond accordingly to the issue on the Muckleneuk and Sunnyside campuses. This will allow management of savings initiatives from 2018.



There is room for improvement in this cluster as waste is not sorted in the smaller centres, resulting in waste that could have been recycled ending up in landfills, also resulting in a loss of income from recycling.

Following an audit finding in 2016, a weigh bridge was installed on the Science Campus late in 2017 that will allow accurate record-keeping of waste destined for recycling that leaves the campus. A weigh bridge was also planned for the Muckleneuk campus and will be installed in 2018. Progress was made with rainwater harvesting initiatives on a number of campuses as part of the implementation of the waste and water management master plans which commenced in the reporting period.

### ACADEMIC ACTIVITIES

Environmental sustainability is a significant aspect of the tuition, research and community engagement activities of almost every college in the university. A total of 38 of the 113 community engagement (CE) projects undertaken by Unisa in 2017 focused on sustainability:

- 7 on economic sustainability (which is a new focus area);
- 14 on environmental sustainability; and
- 17 on social sustainability.

CE projects are now required to report on whether they contributed in any way to achieving Economic, Environmental and/or Social sustainability through their projects. The majority of projects report a contribution to social sustainability with environmental sustainability a close second. There are 10 active CE projects in the College of Science Engineering and Technology, which are aligned to the sustainable development and national development goals. In most projects, academics conduct research that addresses the needs of the communities such as water, converting waste into energy, renewable and sustainable energies, cyber security and technology for development.

In this regard, the contribution of Unisa's Institute for Social and Health Science's (ISHS) can be illustrated by the flagship Safe and Sustainable Energy Project (SSEP). This project aims to promote the health, safety and peace of energy-poor households, through improving their access to clean and safe energy. In partnership with the Unisa Material and Process Synthesis research unit (MaPS), this aim is achieved by demonstrating alternative and environmentally friendly renewable energy technologies to community participants, then piloting and implementing the promising technologies in community sites. The intervention basket is composed of micro-grid solar



home systems (SHS), biogas and cool coatings and has become an effective medium of knowledge exchange between academic researchers and the general community on matters relating to sustainable development and environmental integrity. Apart from environmental protection, the energy solution promotes sustainability by harnessing solar energy, converting bio-waste to energy and re-use of the sediment as organic fertiliser, and using passive cooling methods instead of electric fans.

### INVOLVEMENT DURING ARBOR WEEK

Arbor Week 2017 saw "Unisans" explore the Muckleneuk campus and the Science campus by means of a treasure hunt – or "Treasure Hunt" as it was called. Participants had to unravel the clues they were given and find the "treasures" at each spot on the map. The treasures were some of the numerous horticultural items that are on the campuses but which are rarely noticed by staff as they rush about their daily work. This presented the first opportunity for the long overdue tagging of the horticultural items on the campuses. The event was enjoyed enormously by participating staff and also received two MACE (Marketing, Advancement and Communication in Education) awards: a gold in the category "Skills: Other graphic design" and a platinum in the category "Campaigns: Community and

Social Responsibility Campaigns". This is the first platinum MACE award ever received by Unisa.

### THE UNISA E-GARDEN INITIATIVE

Building on the success of the opening of the e-Garden in 2016, the first ever Sunset Diversity Concert took place in January 2017 in collaboration with the National Council for Persons with Physical Disabilities (NCPPD). This was only possible because the garden is easily accessible for people in wheel-chairs and offers a solar powered loop hearing aid system (a device installed to amplify the sound from the stage for those with hearing impairments). This was a unique celebration of the diversity of persons with disabilities. In a further development of the e-Garden, an electric vehicle charging station was added to the power loop in the garden. This charging station allows two electric vehicles to be charged simultaneously using only the clean solar electricity generated by the power loop. Discussions are also under way with a prominent motor vehicle company for the installation of a branded solar powered charging station on the Muckleneuk campus to encourage the use of this clean mode of transport.





# I TRANSFORMATION

## REPORT AND EMPLOYMENT EQUITY STATUS STATEMENT

In pursuit of its commitment to Transformation as a cross-cutting strategic imperative, Unisa has developed the five pillars to drive the execution of transformation, namely:

- Transforming Epistemology, Knowledge and Scholarship
- Transforming Institutional Culture Change
- Rethinking Systems and Policies
- Rethinking Governance, Leadership and Management in Higher Education
- Promoting Discourse for Change.

In addition, Unisa's elaboration of transformation is expressed by the eight dimensions, which have been accepted by Council:

- Staff equity, development and work experience
- Student equity, development and achievement
- Students' living and learning experience, including their socialisation in the ODeL context
- Knowledge, epistemology and language
- Governance, leadership and management
- Institutional culture and social inclusion

- Funding and resource allocation, including transforming Supply Chain Management
- Infrastructure, including facilities, buildings and ICTs

The five pillars and eight transformation dimensions constitute the proposed Unisa 'Transformation Implementation Matrix' and the transformation barometer.

### POLICIES RELATED TO EMPLOYMENT EQUITY (EE) TRANSFORMATION

During 2017, three policies relating to employment equity transformation were reviewed, i.e. the Employment Equity Policy, the Diversity Management Policy and the Policy for Employees with Disabilities. All three policies were reviewed and updated by the Unisa Bargaining Forum. The Diversity Management Policy and the Policy for Employees with Disabilities were approved by Council in November 2017. The Employment Equity Policy was approved by Council in 2009 and revised in 2017.

As regards the abovementioned policies' implementation, the following is noteworthy:

|  |   |
|--|---|
| Diversity Management Policy            | Awareness workshops on Anti-Racism & Diversity Management were held during 2017. These initiatives (ad hoc) were directed to the EE Office and the Change Management Unit via HR Employee Relations. As the Policy guides, the objective was to create a culture of inclusion & respect through a human rights approach. Workshop reports that included findings and recommendations to achieve this culture were submitted to senior management for implementation.  |
| Policy for Employees with Disabilities | Policy has provided guidance on the application of reasonable accommodation. During 2017, there were cases brought forward from new and existing staff who declared their disability and submitted a formal request for reasonable accommodation. Providing adequate reasonable accommodation is critical in the retention of Persons with Disabilities at Unisa.<br>In Recruitment & Selection, the policy provides a guideline to line management and HR on how to source new staff members from this designated group.<br>As guided by the Policy, awareness workshops were held during 2017 for staff members in order to broaden their understanding of disability in the workplace. |
| Employment Equity Policy               | The reporting line of the EE Office was clearly outlined in the revised EE Policy – the EE Office was located in HR and subsequently was moved to the VCs Office. Also during 2017 (& following the DoL Review) the Institutional EE Plan 2016 - 2020 was reviewed in order to improve on its compliance status.  |

### REVIEW OF EE PLANS & EE COMMITTEES

The majority of Colleges' and Departments' EE Plans & targets were updated and reviewed during 2017. A register was developed during 2017 to provide an institutional perspective of all EE Plans and EE Committees that are required. There were Colleges and Departments who did not comply with this instruction. The EE Office has taken the necessary remedial action in this matter.

### DEVELOPMENT INITIATIVES DURING 2017 ALIGNED TO EE PLAN

Numerous staff capacity building programmes and interventions were in progress in 2017. The various Colleges and Departments implemented development programs, for instance - Grow Your Own Timber, AQIP,

Building Tomorrow's Leaders, and Research Assistance, mentoring and coaching. These initiatives are linked to each respective College / Department's EE Plan as an intervention to address barriers as part of the qualitative aspects of Affirmative Action.

### EMPLOYMENT EQUITY STATEMENT

The Unisa Institutional Employment Equity (EE) Plan 2016 - 2020 provides the objectives and framework for employment equity transformation, and has been aligned with the strategic goals laid out in the Unisa Strategic Plan 2016 - 2030. Unisa is required to comply with the Employment Equity Act, No. 55 of 1998 (EE Act) as regards the implementation of employment equity in the workplace.

This Employment Equity Statement highlights the progress made for 2017, specifically focusing on how Unisa progressed in achieving its targets as set in the current Plan 2016 – 2020. A specific focus on the combined Unisa profile, the Academic cohort as well as the Admin/Support provides the essential perspective need to gauge how Unisa is advancing the transformation agenda in terms of employment equity as an institution of high learning. The Institutional EE Plan 2016 – 2020 underpins the values of Unisa as well as the principals of social justice, inclusivity, institutional culture change, diversity management, affirmative action as well as ensuring the creation of an enabling and conducive environment for persons with disabilities.

**DEPARTMENT OF LABOUR (DoL) REVIEW**

On 8 May 2017, the Director General of the Department of Labour in terms of Section 43 of the Employment Equity Act issued Unisa with a Review Order. The purpose of such an order was to review and assess the extent to which Unisa is complying with the Act. Unisa was required to submit documentation by the 15 May and the Department of Labour provided feedback in the assessment report, including the Director-General’s recommendation of Unisa’s progress on Employment Equity implementation. Specifically, the outcomes of the Director-General’s review and recommendations focused on the following duties of Unisa as a Designated Employer:

- assigned Senior Manager (Section 24);
- consultation (Section 16 and 17);
- analysis (Section 19);
- employment Equity Plan (Section 20).

The Department of Labour then provided a comprehensive

report with outcomes and recommendations stemming from the review. Unisa duly responded timeously to findings and recommendations of the assessment as well as the re-assessment that followed.

**INSTITUTIONAL EMPLOYMENT EQUITY FORUM (IEEF)**

The IEEF was primarily involved in the DoL review together with Transformation Partners, an external service provider with expertise in assisting with compliance reviews for organisations. In a Section 43 Review for a Designated Employer, the DoL specifically requests to engage the Institutional Employment Equity Forum (IEEF) and the Accounting Officer. In order to come up with solutions to address the findings in the review order, a task team was established.

The IEEF also approved the Deviation Report documentation during 2017. Although highly discouraged, the Deviation Report places the onus of not complying with EE targets and Plans on the line manager as well as on the respective Portfolio Manager.

**REVIEW OF THE TARGETS**

The purpose of this Employment Equity Status Statement includes an assessment of the extent to which Unisa’s equity targets have been realised. For this purpose, the year-end profile for 2017 is juxtaposed with Unisa’s 2017 EE Targets as set out in the Unisa Institutional EE Plan 2016 – 2020, in order to assess the progress made towards the achievement of the targets.

The Department of Labour required in their re-assessment that Unisa set reasonable annual targets and that it makes reasonable progress towards the achievement of these targets.

The institutional targets set for the period ending 2020 are:

| NATIONAL ECONOMICALLY ACTIVE POPULATION (EAP) TARGETS |       |        |       |
|---|-------|--------|-------|
| Race  | Male  | Female | Total |
| African   | 42.1% | 35.3%  | 77.4% |
| Coloured  | 5.4%  | 4.6%   | 10.0% |
| Indian  | 1.7%  | 1.0%   | 2.7%  |
| White   | 5.6%  | 4.3%   | 9.9%  |
| Total   | 54.8% | 45.2%  | 100%  |

Source: Statistics South Africa, (QLFS 3 2015)

| OVERALL            |  |     |     |     |  |     |     |      | Foreign Nationals |     | Totals |
|--------------------|---|-----|-----|-----|---|-----|-----|------|-------------------|-----|--------|
|                    | A   | C   | I   | W   | A   | C   | I   | W    | FM                | FF  |        |
| HEADCOUNT DEC 2017 | 2215  | 88  | 74  | 546 | 2592  | 116 | 120 | 998  | 165               | 92  | 7006   |
| DEC 2017%          | 31.6  | 1.3 | 1.1 | 7.8 | 37.0  | 1.7 | 1.7 | 14.2 | 2.4               | 1.3 | 100.0  |
| TARGET FOR 2017    | 43.4  | 2.3 | 1.1 | 7.6 | 28.3  | 0.8 | 1.3 | 12.0 |                   |     |        |

Unisa’s overall perspective indicates that the only demographic group to achieve its 2017 was Indian Males. African Females are over-represented overall and in terms of the Admin/Support staff cohort profile.

This presents a contradiction in further scrutiny of the profiles, as African Females (see below), in terms of senior academic levels, are grossly under-represented. In order to address these contradictions in the different categories of staff at Unisa, their targets for 2017 vary in terms of EAP targets depending on the category of the staff cohort, in order to ensure that they meet their targets by the end

of the period of the Plan. It should be noted that even though over-represented groups such as White Females and White Males ‘meet the targets’, the current 2017 still exceeds the EAP targets as prescribed, and the process of achieving reasonable progress applies each year.

**OCCUPATIONAL-LEVEL OVERVIEW**

The table below gives a perspective from each occupational level in Unisa as to the extent of meeting the targets set for 2017. Note that the target for Top Management is fixed for the period as this coincides with the respective contract of the current incumbent.

**TARGETS FOR ACADEMIC STAFF**

The table below indicates the Academic staff cohort per position title:

| ACADEMIC POSITION TITLE       |  |     |     |      |  |     |     |      | Foreign Nationals |     | Totals |
|-------------------------------|---|-----|-----|------|---|-----|-----|------|-------------------|-----|--------|
|                               | A   | C   | I   | W    | A   | C   | I   | W    | FM                | FF  |        |
| <b>PROFESSOR LEVEL 5</b>      |   |     |     |      |   |     |     |      |                   |     |        |
| December 2017 Headcount       | 1   |     |     |      |   |     |     |      |                   |     |        |
| December 2017%                | 100%  |     |     |      |   |     |     |      |                   |     | 1      |
| Actual Target for 2017        | 100%  |     |     |      |   |     |     |      |                   |     | 100%   |
| <b>ASSOCIATE PROFESSOR L</b>  |   |     |     |      |   |     |     |      |                   |     |        |
| December 2017 Headcount       | 11  | 2   | 0   | 5    | 5   | 0   | 1   | 9    | 1                 |     | 34     |
| December 2017%                | 32.4  | 5.9 | -   | 14.7 | 14.7  | -   | 2.9 | 26.5 | 2.9               | -   | 100.0  |
| Actual Target for 2017        | 26.5  | 8.8 | 2.9 | 14.7 | 14.7  | -   | 2.9 | 26.5 | -                 | -   |        |
| <b>PROFESSIONALLY Q 4-6</b>   |   |     |     |      |   |     |     |      |                   |     |        |
| December 2017 Headcount       | 213   | 28  | 24  | 211  | 173   | 17  | 19  | 232  | 72                | 24  | 1013   |
| December 2017%                | 21.0  | 2.8 | 2.4 | 20.8 | 17.1  | 1.7 | 1.9 | 22.9 | 7.1               | 2.4 | 100.0  |
| Actual Target for 2017        | 21.1  | 3.0 | 2.4 | 21.3 | 16.7  | 1.6 | 2.0 | 22.9 | -                 | -   |        |
| <b>SKILLED TECHNICAL 7-12</b> |   |     |     |      |   |     |     |      |                   |     |        |
| December 2017 Headcount       | 1280  | 52  | 47  | 314  | 1526  | 88  | 94  | 722  | 81                | 52  | 4256   |
| December 2017%                | 30.1  | 1.2 | 1.1 | 7.4  | 35.9  | 2.1 | 2.2 | 17.0 | 1.9               | 1.2 | 100.0  |
| Actual Target for 2017        | 29.9  | 1.3 | 1.1 | 7.6  | 35.5  | 2.0 | 2.2 | 17.4 | -                 | -   |        |
| <b>SEMI-SKILLED 13-16</b>     |   |     |     |      |   |     |     |      |                   |     |        |
| December 2017 Headcount       | 320   | 5   | 3   | 16   | 432   | 8   | 6   | 35   | 10                | 16  | 851    |
| December 2017%                | 37.6  | 0.6 | 0.4 | 1.9  | 50.8  | 0.9 | 0.7 | 4.1  | 1.2               | 1.9 | 100.0  |
| Actual Target for 2017        | 36.9  | 0.7 | 0.4 | 2.1  | 49.6  | 0.7 | 0.6 | 4.7  | -                 | -   |        |
| <b>UNSKILLED 17-19</b>        |   |     |     |      |   |     |     |      |                   |     |        |
| December 2017 Headcount       | 390   | 1   | 0   | 0    | 456   | 3   | 0   | 0    | 1                 | 0   | 851    |
| December 2017%                | 45.8  | 0.1 | -   | -    | 53.6  | 0.4 | -   | -    | 0.1               | -   | 100.0  |
| Actual Target for 2017        | 46.2  | 0.1 | -   | -    | 53.3  | 0.2 | -   | -    | -                 | -   | -      |

On Senior Management Grades, African Females meet their target for 2017 while African Males exceed theirs. White Females meet their target, although the target is set on decreasing their over-representation on this senior level. This is a legacy inheritance, which is being impacted by large numbers of retirements annually, which shape numbers in these categories, by 2020.

On the Professionally Qualified levels, African Males almost meet their 2017 target, while African Females exceed theirs. White Females and White Males, in decreasing their representation in accordance with the EE Plan's

objective of equitable representation on all levels, either meet or almost meet their target for 2017.

On Skilled Technical levels, there is an interesting levelling out, i.e. African Males and Females almost achieve their targets for 2017 as do White Males and Females.

On the Semi-skilled and Unskilled levels, there is a considerable over-representation of African Males and African Females. Noteworthy, is that the Department of Labour has specifically recommended in their re-assessment was to ensure representation on these levels of other demographic groups.

The table below provides an overview on each occupational level for Academic & Admin/Support staff members:

| ACADEMIC POSITION TITLE            |  |     |     |      |  |     |     |      | Foreign Nationals |     | Totals |
|------------------------------------|---|-----|-----|------|---|-----|-----|------|-------------------|-----|--------|
|                                    | A   | C   | I   | W    | A   | C   | I   | W    | FM                | FF  |        |
| <b>PROFESSOR LEVEL 5</b>           |   |     |     |      |   |     |     |      |                   |     |        |
| December 2017 Headcount            | 48  | 7   | 5   | 110  | 18  | 2   | 6   | 76   | 36                | 11  | 319    |
| December 2017%                     | 15.0  | 2.2 | 1.6 | 34.5 | 5.6   | 0.6 | 1.9 | 23.8 | 11.3              | 3.4 | 100.0  |
| Actual Target for 2017 on level 5  | 21.1  | 3.0 | 2.4 | 21.3 | 16.7  | 1.6 | 2.0 | 22.9 | -                 | -   |        |
| <b>ASSOCIATE PROFESSOR LEVEL 6</b> |   |     |     |      |   |     |     |      |                   |     |        |
| December 2017 Headcount            | 46  | 4   | 8   | 35   | 39  | 4   | 4   | 72   | 30                | 8   | 250    |
| December 2017%                     | 18.4  | 1.6 | 3.2 | 14.0 | 15.6  | 1.6 | 1.6 | 28.8 | 12.0              | 3.2 | 100.0  |
| Actual Target for 2017 on level 6  | 21.1  | 3.0 | 2.4 | 21.3 | 16.7  | 1.6 | 2.0 | 22.9 | -                 | -   |        |
| <b>SENIOR LECTURER LEVEL 7</b>     |   |     |     |      |   |     |     |      |                   |     |        |
| December 2017 Headcount            | 104   | 3   | 7   | 44   | 138   | 6   | 26  | 130  | 11                | 14  | 543    |
| December 2017%                     | 30.2  | 0.6 | 1.3 | 8.1  | 25.4  | 1.1 | 4.8 | 23.9 | 2.0               | 2.6 | 100.0  |
| Actual Target for 2017 on level 7  | 29.9  | 1.3 | 1.1 | 7.6  | 35.5  | 2.0 | 2.2 | 17.4 | -                 | -   |        |
| <b>LECTURER LEVEL 8</b>            |   |     |     |      |   |     |     |      |                   |     |        |
| December 2017 Headcount            | 164   | 8   | 11  | 79   | 82  | 5   | 18  | 167  | 33                | 21  | 528    |
| December 2017%                     | 19.7  | 1.5 | 2.1 | 15.0 | 15.5  | 0.9 | 3.4 | 31.6 | 6.3               | 4.0 | 100.0  |
| Actual Target for 2017 on level 8  | 29.9  | 1.3 | 1.1 | 7.6  | 35.5  | 2.0 | 2.2 | 17.4 | -                 | -   |        |
| <b>JUNIOR LECTURER LEVEL 9</b>     |   |     |     |      |   |     |     |      |                   |     |        |
| December 2017 Headcount            | 33  | 1   | 1   | 7    | 29  | 1   | 4   | 9    | 0                 | 1   | 86     |
| December 2017%                     | 38.4  | 1.2 | 1.2 | 8.1  | 25.4  | 1.1 | 4.8 | 23.9 | 2.0               | 2.6 | 100.0  |
| Actual Target for 2017 on level 9  | 29.9  | 1.3 | 1.1 | 7.6  | 35.5  | 2.0 | 2.2 | 17.4 | -                 | -   |        |

White Males and White Females are the highest represented groups on the Professor and Associate levels by far exceeding their targets set for 2017.

African Males, although not meeting their targets are far better represented than African Females who remain poorly represented on these senior academic levels.

Coloured Females are under-represented on this senior academic level as are Coloured Males.

Indian Males and Indian Females indicate varying degrees of under- and over-representation.

On Senior Lecturer levels, White Males and White Females decrease their representation considerably although they are still considered over-represented in terms of their targets.

Lecturer and Junior Lecturer levels indicate African Males as exceeding their targets. African Females are better represented than on any other level.

The table below is an overview of Admin/Support staff cohort.

| OVERALL            | Male |     |     |     | Female |     |     |      | Foreign Nationals |     | Totals |
|--------------------|------|-----|-----|-----|--------|-----|-----|------|-------------------|-----|--------|
|                    | A    | C   | I   | W   | A      | C   | I   | W    | FM                | FF  |        |
| HEADCOUNT DEC 2017 | 2215 | 88  | 74  | 546 | 2592   | 116 | 120 | 998  | 165               | 92  | 7006   |
| DEC 2017%          | 31.6 | 1.3 | 1.1 | 7.8 | 37.0   | 1.7 | 1.7 | 14.2 | 2.4               | 1.3 | 100.0  |
| TARGET FOR 2017    | 43.4 | 2.3 | 1.1 | 7.6 | 28.3   | 0.8 | 1.3 | 12.0 |                   |     |        |

Most noteworthy is the fact that African Females far exceed their 2017 target as well as the EAP target for 2020. African Males need to improve in this category.

White Males almost meet their 2017 targets, as do White Females

Coloured Males are under-represented while Coloured Females exceed their target for 2017.

Indian Males meet their target, while Indian Females slightly exceed their target for 2017.

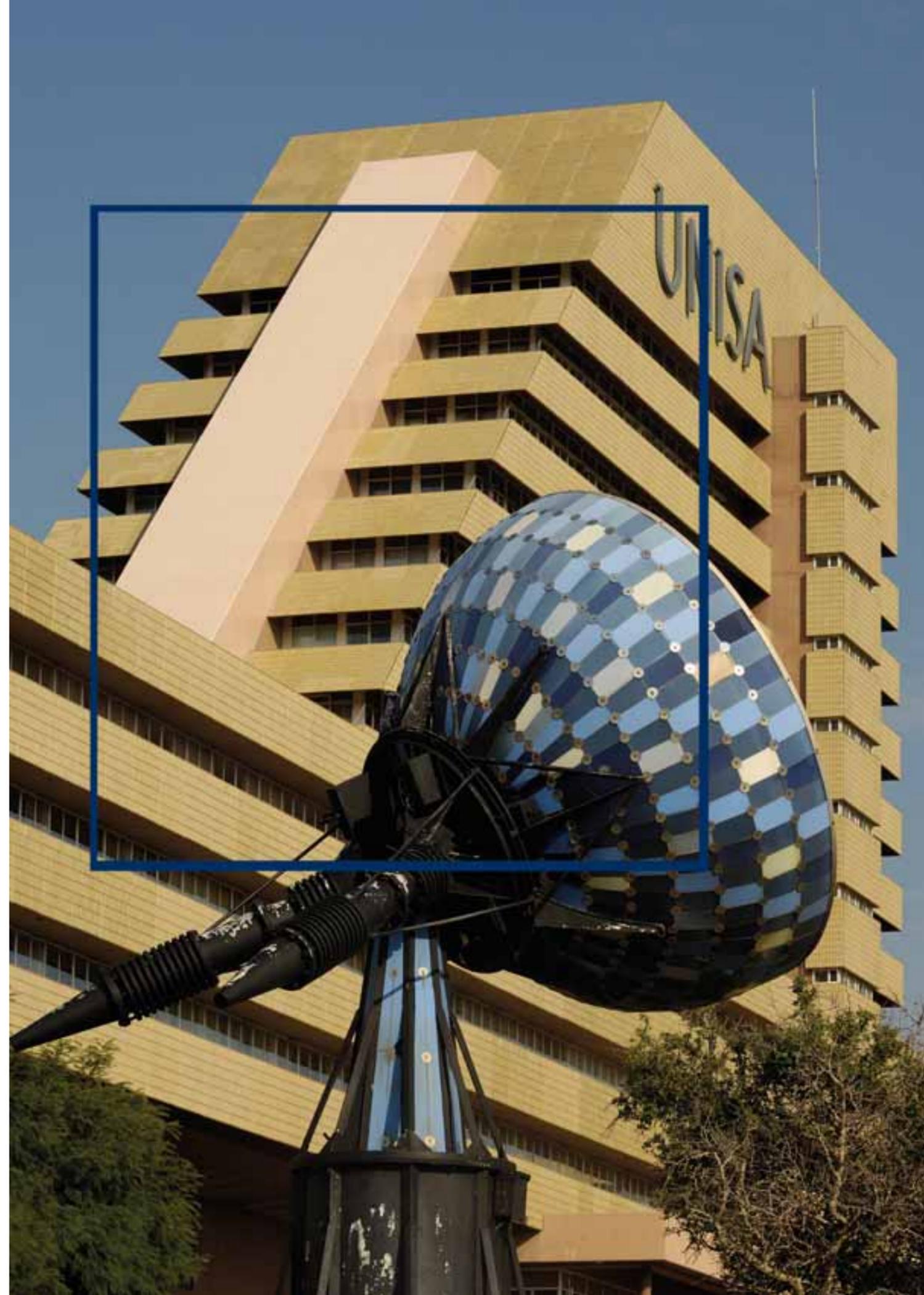
**Persons with Disabilities**

| Male   |   |   |    | Female |   |   |    | Foreign Nationals |    | Totals |
|--|---|---|----|--------|---|---|----|-------------------|----|--------|
| A  | C | I | W  | A      | C | I | W  | FM                | FF |        |
| 16   | 0 | 3 | 15 | 8      | 0 | 1 | 18 | 1                 | 1  | 63     |
| NATIONAL TARGET = 2%   Unisa in 2017 was below the national target of 2% at 0.9% |   |   |    |        |   |   |    |                   |    |        |

Unisa in 2017 was below the national target of 2% at 0.9%. The overall number has increased over the prior year largely due to an audit of employee biographical data, especially for Persons with Disabilities, which was conducted by the EE Office. Whilst we continue with raising awareness of disability in the workplace, this area remains a critical challenge and focus area.

**GOING FORWARD**

In Unisas efforts, to be and remain compliant with the Employment Equity Act, it continues to face new challenges and risks. A challenge for Unisa remains to address transformation that is ideological in nature through confronting the complex issues of institutional culture and work environments. This impact directly on the attraction and retention of a transformed and diverse workforce, and whether staff feel included or excluded at Unisa. Ultimately, this impacts on the success or failure to achieve employment equity targets as set out in the Institutional EE Plan 2016 – 2020.



# PERFORMANCE ASSESSMENT REPORT

This Performance Assessment Report is in response to Unisa's obligation to provide an annual account and analysis on progress made towards achieving the 2017 Annual Performance Plan targets.

In order to effectively monitor and report on the APP achievements, the following robot model is applied to reflect the level of achievement of the stated targets:

|                            |   |
|----------------------------|---|
| Not achieved               | The probability exists that the particular target will not be achieved, or have already not been achieved in line with the set timelines. In some cases, a request was put forward for a deferment but was not yet approved by Council. |
| Achieved                   | The target was achieved and evidences provided  |
| Council approved deferment | The target has been deferred and excluded from determining the overall achievement rate   |

## REPORTING GOVERNANCE AND AUDITING

The university is legally required, in line with the Guidelines for Annual Reporting by Public Higher Education Institutions (Act 101 of 1997), to submit a Council approved Annual Performance Plan (APP) which is aligned to the strategic plan and budget as well as key performance indicators.

In support of this, procedures have been developed in line with the guideline to assist the auditing process. The ultimate objective is to ensure effective reporting among all interdependencies so as to increase the effectiveness and quality of reporting.

In so doing each APP target has a concomitant SOP signed off by the responsible owner(s) of the target. The SOP has a twofold function namely, it complements the SMART criteria of each target and provides a framework for the review and monitoring new employees can use

an SOP to answer questions without having to interrupt supervisors to ask how an operation is performed.

- Ensuring that the task is carried out the operations correctly and always in the same manner.
- Reduction of learning and training time for new employees. It is also a time-saver and confidence booster for the new employee.
- Ensured business continuity: When a key staff member is on leave or not in the office for some reason, work does not have to stand still. By referring to the SOP someone else can take over the urgent tasks and do them correctly the first time.
- Standardized processes: The SOP makes it easier to find out what policies and procedures are in place to handle repetitive situations/tasks.
- It potentially simplifies delegation of responsibilities and tasks

The format that the SOP is in line with the prescripts of the Auditor General of South Africa (AGSA). Furthermore, the governance process followed to provide reasonable assurance of recorded APP achievements is presented below.

| #  | Activities   | Line of defence        | Responsibility         |
|----|--|------------------------|------------------------|
| 1. | Standard Operating Procedures developed and signed off by Portfolio Managers to make provision for the SMART principles  | First line of defence  | Portfolio Managers     |
| 2. | Populate the reporting portal with Council approved APP targets and request Portfolio Managers to report on progress   | First line of defence  | DPQA                   |
| 3. | Portfolio Managers facilitate the quarterly submissions of both progress as well as supporting evidence in line with SOP's   | First line of defence  | Portfolio Managers     |
| 4. | DPQA drafts quarterly narrative accounts of the achievements and submits to the Unisa Strategy, Planning and Resource Committee and Management Committee for approval                                    | First line of defence  | DPQA                   |
| 5. | Performance auditor quality assures and conducts quarterly audits based on the Management approved report and supporting evidence provided on the portal   | Second line of defence | Performance Auditor    |
| 6. | DPQA submits final quality assured report to the Unisa Strategy, Planning and Resource Committee and Management Committee for approval   |                        |                        |
| 7a | Internal Auditors conduct an audit on the summative account of the APP based on the sample drawn from the external auditors  | Third line of defence  | Internal Auditors      |
| 7b | External Auditors conduct an audit on the summative account of the APP based on the AG regulations   | Fourth line of defence | External Auditors      |
| 7  | VC submits audited reports as follows: November Council - Midyear (Q2) APP report. June Council - Summative audited (Q1-Q4) APP report   |                        | Vice Chancellor        |
| 8  | Chairperson of Council submits Council approved audited reports to Minister 30 November - Midyear (Q2) APP report. 30 June - Summative audited (Q1-Q4) APP report together with the financial statements |                        | Chairperson of Council |

## OVERALL SUMMARY ACCOUNT OF 2017 APP PROGRESS

It is appropriate at this juncture to take stock of Unisa's performance and to reflect on the achievements, challenges and remedial actions. Therefore, this summative report seeks to present an account of the progress towards achievement of the Annual Performance Plan set targets. Given that this is the end of year report; it provides auditable evidence to substantiate the achievements claimed in the report as well as a detailed account pertaining to the non-achievement of targets. Where targets have not been achieved, Council is presented with detailed plans on mitigation actions that provide reasonable assurance that the targets will be met in 2018. These plans are accompanied by clearly defined timelines, as well

as accountable and responsible staff members. These mitigation plans will be monitored on a monthly basis and regular reports submitted to both the Management Committee and the Audit and Enterprise Risk Management Committee of Council.

Furthermore, a narrative account is presented to give context to the status as at year end. In instances where Council approved amendments were made, these have been incorporated into this report. The following robot model is applied to reflect the probability of achieving the stated targets:

The table below presents a summary of the overall performance of the Annual Performance Plan.

TABLE 1: OVERALL PERFORMANCE AN ON 4 APRIL 2018

|                        |   |  |
|------------------------|---|--|
| Strategic focus Area 1 |  | 30.8% of the targets in this focus area were not achieved          |
|                        |  | 69.2% of the targets in this focus area were successfully achieved |
|                        |  | 0% of the targets in this focus area were deferred                 |
| Strategic focus Area 2 |  | 33.3% of the targets in this focus area were not achieved          |
|                        |  | 44.4% of the targets in this focus area were successfully achieved |
|                        |  | 22.2% of the targets in this focus area were deferred              |
| Strategic focus Area 3 |  | 0% of the targets in this focus area were not achieved             |
|                        |  | 100% of the targets in this focus area were successfully achieved  |
|                        |  | 0% of the targets in this focus area were deferred                 |

TABLE 2: DETAILED PROGRESS PER FOCUS AREA

| Strategic Focus Area   | Not achieved | Achieved | Total | %     |
|------------------------|--------------|----------|-------|-------|
| Strategic Focus Area 1 | 4            | 9        | 13    | 69.2% |
| Strategic Focus Area 2 | 3            | 4        | 7     | 57.1% |
| Strategic Focus Area 3 | 0            | 4        | 4     | 100%  |
| TOTAL                  | 7            | 17       | 24    | 70.8% |

As indicated in Table 2 above, **Strategic focus area 1** had a total of 13 targets. Nine of the targets were achieved, whilst four of the targets have not been achieved. It must be noted that the HEMIS data was only finalised at the end of June 2018. This constitutes 69.2% achievement in strategic focus area 1.

With regard to **Strategic focus area 2**, Council approved the deferment of two targets which leaves this focus are

with 7 targets. Four of the seven targets were achieved and three were not achieved. This translates in to 57.1% total achievement.

Furthermore, Table 2 indicates that in **Strategic focus area 3**, there were four Council amended targets in total. All targets were achieved. In total, the percentage achievement for the APP is 70.8%. The APP was subject to an external audit process.

DETAILED ANALYSIS PER STRATEGIC FOCUS AREA AND OBJECTIVE

**Strategic Focus Area 1**

Strategic Focus Area 1: Towards becoming a leading ODeL, comprehensive university in teaching and learning, re-search, innovation and community engagement based on scholarship.

**Objective 1**

Success rates including graduate output and throughput rates

| # | 2017 Targets  | Actual targets achieved | Progress  |
|---|---|-------------------------|---|
| 1 | 11% Proxy graduation rate (as defined by DHET) calculated for the 2017 academic year from the Unisa HEDA system | 12.2%                   | After the 2nd HEMIS submission on 30 April 2018, the 2017 Provisional Graduates stood at 41,888 against a provisional enrolment of 343,930. This gives a proxy graduation rate of 12.2%.  |
| 2 | 71% Exam sitting pass rate calculated for the 2017 academic year from the Unisa HEDA system                     | 71%                     | After the 2nd HEMIS submission on 30 April 2018, the exam sitting, taking into consideration the Periods of (2017 May/ June, 2017 October/November, 2018 January/February), the the Total Admitted was 1,490,082.<br>The Total Pass was 1,033,528.<br>The Total Wrote was 1,456,415.<br>Thus, the Total Exam Sitting Pass is 71%.   |
| 3 | 72% Degree success rate (as defined by DHET) calculated for the 2017 academic year from the Unisa HEDA system   | 58%                     | The Degree-credit success rate (DCSR) is based on an academic year view and is also a weighted success rate based on FTE successes (FTE degree credits) / FTE enrolments.<br><br>After the second HEMIS student submission (end of April 2018) the preliminary DCSR for 2017 are as follows:<br><br>Provisional FTE's for 2017 are 200,230.<br>Provisional Module Pass count is 1134,038.<br><br>The Degree Credit Success Rate is 58.3%. |

**Objective 2**

Achievement of the approved Ministerial enrolment targets

| # | 2017 Targets   | Actual targets achieved | Progress  |
|---|--|-------------------------|---|
| 4 | Maximum 2% deviation from the Ministerial approved 2017 headcount enrolments calculated for the 2017 academic year from the Unisa HEDA system                    | -3%                     | After the second HEMIS student submission (end of April 2018), the Headcount stood at 343,930.<br><br>The DHET agreed target is 356,321 Headcounts enrolments. This represents a 3.5% Headcount achievement, which is a marginal 1.5% movement from the 2% deviation.   |
| 5 | Maximum 2% deviation from the Ministerial approved First Time Entering (FTE) students headcount calculated for the 2017 academic year from the Unisa HEDA system | 13%                     | After the second HEMIS student submission (end of April 2018), the FTE Undergraduate Headcount stood at 55,006.<br><br>The DHET agreed FTE Undergraduate target is 48,678 enrolments.<br><br>This represents a 13% FTE Undergraduate over achievement against the DHET target, which is thus an 11% above deviation.<br><br>This is an indication that the uptake in enrolments has picked up from the low levels of 2016, where the FTE undergraduates were 16% below the target. The increase is thus a correction of the low 2016 achievement. |

**Objective 3**

Enhance training and development for teaching and professional staff by institutionalizing the Framework for Professional Development

| # | 2017 Targets   | Actual targets achieved   | Progress   |
|---|--|---|--|
| 6 | An additional 12% of permanent academic staff completing a qualification, SLP or approved workshop in ODeL teaching and learner support, calculated as at 31 December 2017 | 13%   | In total to 254 (15%) of permanent academic staff (1720) trained in 2017. Detailed attendance registers were provided and tested in accordance with the 2017 staff list. |
| 7 | 10 new Master's and Doctoral degrees on Unisa staff members conferred in ODL teaching and learning for the 2017 academic year  | 11 Unisa staff members obtained ODeL: masters or doctoral degrees | 11 M and D conferred in ODeL.  |

**Objective 4**

Introduce ODeL business model for teaching and learning into undergraduate modules

| # | 2017 Targets  | Actual targets achieved | Progress  |
|---|---|-------------------------|---|
| 8 | STLCEC approved list of modules to be redeveloped in year n+1, successfully applying the ODeL business model, calculated as at 31 December 2017 | Achieved                | All modules specified in the STLCEC list have been redeveloped to comply with active and collaborative learning as well as continuous assessment, and comply with ODeL business model |

**Objective 5**

Revitalise student assessment through continuous assessment and assessment for learning practices

| # | 2017 Targets  | Actual targets achieved | Progress  |
|---|---|-------------------------|---|
| 9 | STLCEC approved list of modules applying continuous assessment, calculated as at 31 December 2017 | Achieved                | All modules specified in the STLCEC list have been redeveloped to comply with active and collaborative learning as well as continuous assessment, and comply with ODeL business model |

**Objective 6**

Advance ODL research on the African continent and internationally

| #  | 2017 Targets  | Actual targets achieved | Progress  |
|----|---|-------------------------|---|
| 10 | 120 recorded ODL research output units in journals listed on the DHET accredited international indices (ISI/IBSS/Scopus/Norwegian list) calculated for the 2017 academic year | 34.26                   | The capturing of research outputs, and verification, commenced in August 2017. Looking at the verified outputs captured on RIMS, the article outputs as per RIMS report were 34.26 units. |

**Objective 7**

Increase number and quality of research outputs

| #  | 2017 Targets   | Actual targets achieved | Progress   |
|----|--|-------------------------|--|
| 11 | 460 recorded research output units in journals listed on the DHET accredited international indices (ISI/ IBSS/Scopus/Norwegian list) calculated for the 2017 academic year | 832.21                  | The capturing of research outputs, and verification, commenced in August 2017. 895.29 research output units in the specified Journals were published in 2017.  |
| 12 | 175 NRF-rated researchers associated with Unisa (permanent staff and contract staff / academic associates) calculated as at 31 December 2017                               | 226                     | The overall number of NRF-rated researchers associated with Unisa (including associates/contractors) is 226.   |
| 13 | Per capita weighted research output to reach 1.40 aligned with the research output norm as in the Ministerial Statement 2015 calculated as at 31 December 2017             | 1.44                    | In 2017, 235 Doctoral and 423.4 Research Masters graduates were realised. Total publication outputs were 1385.14 units. In total 2513.563 over 1744 permanent instructional and research, staff were achieved. This achievement gives a per capita output of 1.44 units. |

**Strategic Focus Area 2**

Strategic Focus Area 2: To craft and embed an agile, innovative, sustainable and efficient operational environment

**Objective 8**

Implement contextually relevant management and governance practices that will ensure institutional stability and success

| #  | 2017 Targets  | Actual targets achieved | Progress  |
|----|---|-------------------------|---|
| 14 | Successful achievement of an unqualified audit from the 2017 external audit process | Unqualified audit       | This target can only be fully evaluated in 2018 after the external audit is complete. The process of gathering information for 2017 external audit process commenced in September together with the letter of engagement. However, there is daily work in process in terms of expenditure/revenue management and assets control to ensure efficient utilization of resources. |

**Objective 9**

Align systems to improve and ensure high levels of performance and service delivery

| #  | 2017 Targets   | Actual targets achieved | Progress  |
|----|--|-------------------------|---|
| 15 | Successful implementation of the automation of new asset management system Phase 1 by October 2017               | Not achieved            | Although significant progress has been made with regard to the development of the specifications and the determination of the functionality, it became evident during implementation that this target will not be achieved. In this regard, relevant remedial action will have to be effected.  |
| 16 | Banking functions successfully transferred from the current student system to the new student system by November | Deferment as per 14.1   | The New Student System was put on hold in 2016. It must be noted that the banking function was part of the new student system. The university is busy working on the New business requirements for a new system. Targets on the Banking functions and Finance Module both relate to the implementation of Finance functions on the new Student System (SITS).<br><br>The Student System Replacement Project (SSRP) was suspended by the Unisa Management Committee in May 2016. As a result, the finance modules which relate to the targets had to be stalled or stopped.<br><br>As a result of the discontinuation of Student System, the banking function and finance modules will not be moved from the current Student System. They will remain in their current location. This means that there cannot be new target dates for them because, at this stage, it is not clear if or when the current Student System will be replaced. |
| 17 | Successful implementation of the finance module on the new student system by November                            | Deferment as per 14.1   |   |

**Objective 10**

Supplement formal income and promote increased financial sustainability

| #  | 2017 Targets   | Actual targets achieved | Progress   |
|----|--|-------------------------|--|
| 18 | Third stream income of R121m credited to Unisa calculated as at 31 December 2017 | R285 million            | The third stream income as at end of 2017 was R285,463,071.19. This has far exceeded the R121million target. |

**Objective 11**

Enhance the student experience by optimally utilizing and applying the functionalities of technology

| #  | 2017 Targets   | Actual targets achieved | Progress   |
|----|--|-------------------------|--|
| 19 | Increase efficiency and feedback response time to all student enquiries as determined by the student satisfaction index by December 2017   | Not achieved            | <p>The SRM solution phase 3 (telephone system) implementation was achieved. Departments such as Library, Information Services (ISD), Student Accounts, Student Funding, Despatch, MyUnisa-MyLife, DSAR and colleges benefitted from the above-mentioned solution. The telephone system is operational.</p> <p>Phase 1 components namely, email, knowledge base and SMS have passed user acceptance test (UAT). Soft pilot is spearheaded with the library and ISD.</p> <p>It is envisaged that the next phase which includes the integration of the Student Relationship Management (SRM) technologies will be achieved in early 2018.</p> |
| 20 | <ul style="list-style-type: none"> <li>2017 Student Satisfaction Survey implemented and findings submitted to the Council Workshop in September 2017</li> <li>Council approved improvement plans by December 2017</li> </ul> | Survey implemented      | <p>Although substantial progress was made, because of operational challenges, this target was not achieved.</p> <p>The redesign of the survey instrument was consulted widely within the university. The survey was conducted over a period of three weeks, with more than 7 200 responses were received. The report was completed and presented to Extended Management, Senate Teaching and Learning and Community Engagement Committee (STLCEC), Senate Research Innovation Postgraduate degrees and Commercialisation Committee (SRIPCC), Student Teaching and learning Support Committee (STLSC).</p>                                  |

**Objective 12**

Implement contextually relevant management and governance practices that will ensure institutional stability and success

| #  | 2017 Targets   | Actual targets achieved | Progress  |
|----|--|-------------------------|---|
| 21 | <ul style="list-style-type: none"> <li>Unisa application of King IV submitted to Council by September 2017</li> <li>Unisa Good Governance Performance Assessment submitted to the Council Workshop in September 2017</li> <li>Council approved improvement plans by December 2017</li> </ul> | Achieved                | <p>The assessment of Principle 1, 13, and 15 was completed. Improvement plans for the various Principles will be developed for Council submission.</p> <p>King IV principle applications are in place. The compliance framework has been approved and compliance policy has been referred back for more information. The Coverage plan approved for 2018. Improvement plan submitted for the SOP and approved by Council.</p> |

**Objective 13**

Promote staff satisfaction and engagement to ensure a transformed workforce

| #  | 2017 Targets  | Actual targets achieved | Progress  |
|----|---|-------------------------|---|
| 22 | <ul style="list-style-type: none"> <li>HRCoC and SECoC approved survey outcomes of staff job satisfaction, perceptions of institutional performance, commitment and engagement by October 2017</li> <li>Council approved improvement plans by October 2017</li> </ul> | Achieved                | <p>The survey closed officially on 3 October 2017. The attached report on the outcomes of the Institutional Health Survey (IHS) report served at the Human Resource Committee of Council (HRCoC) meeting of 19 October 2018. Furthermore, the IHS improvement plan served at the Council meeting of 23 November 2017.</p> |

**Strategic Focus Area 3**

Strategic Focus Area 3: To harness ICTs to support the transformation of the core business, to enable high performance, service and quality to all its communities

**Objective 14**

Core ICT systems - Student Information System (SIS), Student Relationship Management System (SRM), and Enterprise Content Management System (ECM) - prioritized towards achieving high levels of efficiency, full operation, and effective integration.

| #  | 2017 Targets   | Actual targets achieved          | Progress  |
|----|--|----------------------------------|---|
| 23 | Successful implementation of the automation of new asset management system Phase 1 by October 2017 | Business Case approved           | <p>The high-level situational analysis indicates that the Unisa Legacy Student Information System must be re-positioned for service excellence, enabling institutional innovation and optimization. In response, ICT proposes a programme in order to modernize the existing Unisa Legacy Student Information system in alignment with the ODeL business model. Furthermore, the negative perceptions around the current Legacy SIS will be addressed through different projects to improve stability and to cater for new and emerging requirements, e.g. a solution for UCL short learning programmes administration. The programme will be managed according to a phased approach, consisting of three projects. The first project will test functionality; the focus of the second project is infrastructure re-platforming; and the third project will enable ODeL pilot implementation.</p> <p>The Business Case will serve for approval at the next ICTCoC</p> |
| 24 | Student Relationship Management System (SRM) fully functional by December 2017                     | SRM fully functional             | <p>The SRM Solution consists of two components namely; Voice Care - (Telephone Queries) and Multi-Channel Services (email, Knowledge Management, Reporting). Both these services were implemented during 2017 and will be optimized by February 2018. A fully functional platform that can facilitate voice and email queries as well as provide reporting services based upon these functions has been implemented.</p>  |
| 25 | Enterprise Content Management System (ECM) fully functional by December 2017                       | ECM fully functional             | <p>The outstanding technical challenge regarding the Single Sign On functionality was resolved and tested. ICT has delivered a working WEM intranet to DIA as per the attached UAT sign-off report</p>  |
| 26 | SRM, and ECM – Five integration points by December 2017  | 5 integration points implemented | <p>The Target of 5 integration points have been developed, approved and implemented. The 5 integrations points are</p> <ul style="list-style-type: none"> <li>• Academic Record</li> <li>• Biographical details</li> <li>• Financial Details</li> <li>• Exam Timetable</li> <li>• Exam Results</li> </ul> <p>The testing of the web services has been done via a menu of web self-help capabilities, which is part of a future portal strategy (integration with Web Experience Management).</p>  |

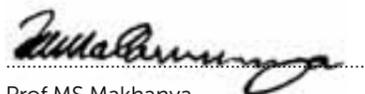
**CONCLUSION AND RECOMMENDATION**

Against the content as presented within the final 2017 summative

performance, report, Management was hereby requested to consider the report for approval to submission to Council.



Mr AS Simelane  
Chairperson: Unisa Council



Prof MS Makhanya  
Principal and Vice-Chancellor



**SENATE**  
REPORT

**COMPOSITION OF THE SENATE**

Senate is constituted in terms of paragraph 22 of the Institutional Statute (2012) and consists of the following members:

- Principal and Vice-Chancellor, who is the Chairperson of the Senate
- Vice-Principals
- Registrar, who serves as the Secretary of the Senate
- Deputy Registrar, who acts as the Secretary in the absence of the Registrar
- Executive Deans of the colleges
- Deputy Executive Deans of the colleges
- The following directors:
  - Directors of schools and other Directors in the colleges
  - Director of the Directorate: University Teaching and Learning Development
  - Academic Director: Graduate School of Business Leadership
  - Director: Short Learning Programmes
- Chairpersons of academic departments
- Heads of institutes, bureaux and centres that are formally constituted
- Executive Directors
- Dean of Students
- One full professor from each department of a college and the Graduate School of Business Leadership (or where there is no full professor, an associate professor) elected by the permanent academic employees of the relevant section
- A permanent academic employee, who is not a full professor, from each college and the Graduate School of Business Leadership, elected from among the ranks of the permanent academic employees in the college or Graduate School of Business Leadership
- One permanent employee (other than an academic employee) from each college elected by employees of the college who are not academic employees
- Two members of Council, who are neither employees nor students of the university
- Two students elected by the National Students Representative Council
- Not more than five additional persons designated by the Senate for the special contribution that they will be able to make to the role that the Senate plays at the university

**CHANGES IN ACADEMIC STRUCTURES**

In 2017 name changes were effected to academic structures and approved by Senate. The changes are as follows:

- Department of Entrepreneurship, Supply Chain, Transport Economics, Tourism, and Logistics Management was changed to the Department of Applied Management; and
- The School of Environmental Sciences' name was changed to the School of Ecological and Human Sustainability

**COMPOSITION AND SIZE OF STUDENT BODY**

As at April 2018, 343 930 students had registered for the 2017 academic year. This represents 102% achievement of the 2017 target. Of these undergraduate students represented 294 221 (102% of target) and postgraduate students 49 709 (102% of target)

First-time entering undergraduate students (students having a first-time experience of higher education), stood at 55 006 (113% of target).

**TEACHING AND LEARNING**

**Annual Performance Plan - Teaching and Learning**

The University contracted with the Minister of Higher Education and Training to deliver on the following six predetermined objectives with regards to teaching and learning in 2017:

- Transformed Program Qualification Mix (PQM) which includes streamlined PQM, engagements with Technical and Vocational Education and Training (TVET), curriculum transformation
- Improved throughput and quality assurance
- Enhanced teaching process
- Improved learner support
- Transformative community engagement
- Access/Retention

These six objectives are further expanded on below.

**Transformed PQM (includes streamlined PQM, engagements with TVETs, Curriculum Transformation)**

The following table provides the position of the PQM for 2017 at institutional level that serviced the numbers listed in the section above. The table highlights information and the standing of qualifications and programmes for 2017

and for the period 2017 to 2026 as approved by Senate in 2017. It also reflects the portfolio's efforts towards ensuring

a streamlined and rationalised PQM. Further, the programmes reflected include 25 programs reviewed in 2017.

**Table 1: Total active PQM 2017 - 2026**

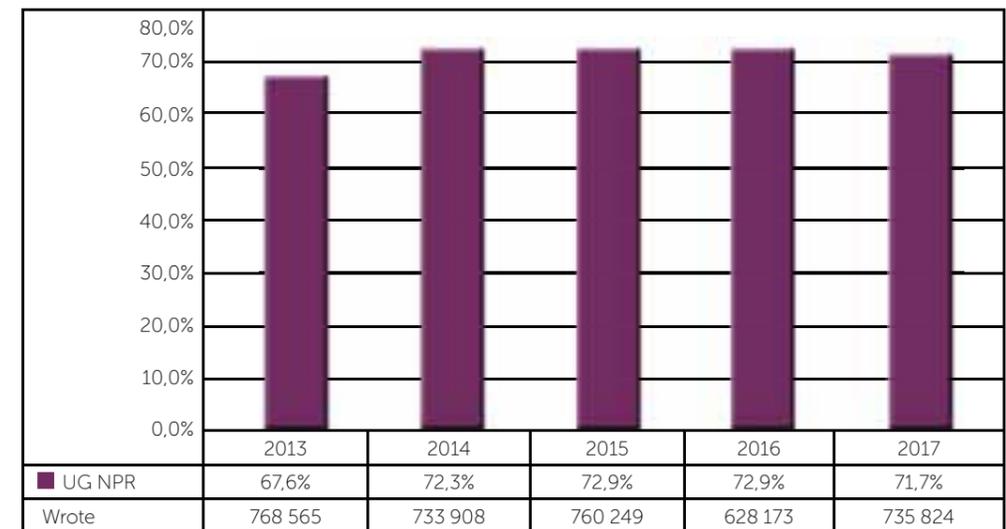
|              | QUALIFICATIONS |            | PROGRAMMES |            |
|--------------|----------------|------------|------------|------------|
|              | 2017           | 2018-2026  | 2017       | 2018-2016  |
| CEMS         | 133            | 112        | 35         | 34         |
| CGS          | 1              | 1          | 13         | 13         |
| CEDU         | 62             | 60         | 30         | 30         |
| CHS          | 211            | 193        | 63         | 63         |
| CLAW         | 52             | 50         | 21         | 20         |
| CSET         | 65             | 64         | 42         | 42         |
| CAS          | 22             | 21         | 31         | 31         |
| CAES         | 50             | 50         | 36         | 36         |
| <b>TOTAL</b> | <b>596</b>     | <b>551</b> | <b>271</b> | <b>269</b> |

The university has contributed to the establishment of an engaged and effectively integrated PSET system by signing 11 partnership agreements with TVET colleges across the country. A team consisting of representatives from the university, visited the campuses of the 11 colleges, providing practical training to ensure proper implementation of the agreements.

- The 2017 sitting shows a 17% increase in the number of undergraduate students that were admitted and sat in comparison to 2016. A normal pass rate of 71,7% was reported for the 2017 October/November sitting. It is 0,7% higher than the overall Unisa exam sitting target of 71% for 2017.
- A positive trend in pass rates over the reporting period 2014 to 2017, with the pass rate maintained above the 70% mark.
- The table below reflects the five-year trend at undergraduate level:

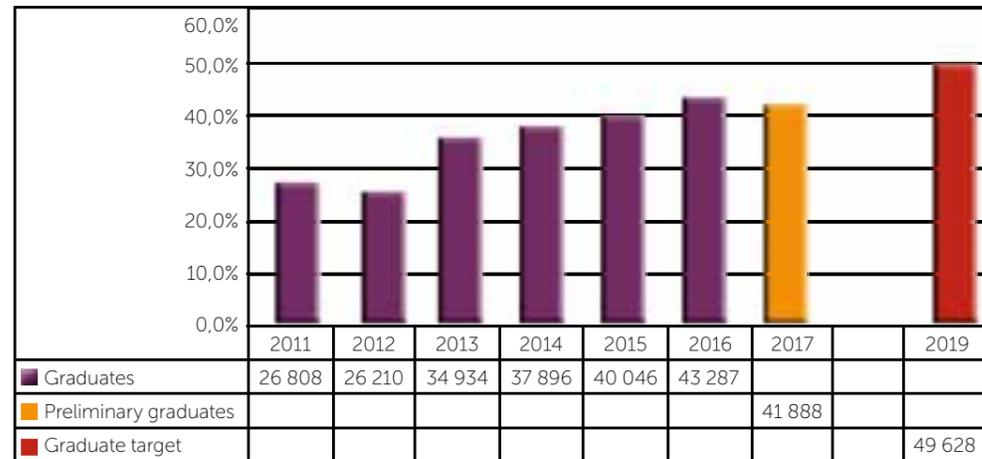
**Improved throughput and quality assurance Success Rates and Graduations**

**Table 2: Undergraduate pass rate**



In terms of the graduations, the table below reflects the number of graduates in 2017 compared to the previous years. The 2017 data is provisional.

**Table 3: Graduates**



**Enhanced teaching process**

During the year under review, 174 undergraduate modules across all the colleges were redeveloped to ensure implementation of the university’s ODeL business model and curriculum transformation for teaching and learning into undergraduate modules. There are over 300 modules that have been redeveloped. Further, the redevelopment included initiatives to revitalise the process through continuous student assessment for learning practices.

**Teaching and learning developments**

We continued with initiatives targeted at improving the quality of teaching and learning, and these are captured below:

**Institution of the Retention Unit**

2017 saw the establishment of the Retention Unit. The unit is charged with the responsibility of the implementation of the “First-Year Experience” and the implementation of initiatives around retention of students in collaboration with the colleges. The unit is funded through DHET’s university capacity development grant.

**Curriculum transformation**

In the current year, the colleges produced curriculum transformation frameworks. The frameworks were informed by a series of workshops hosted by the colleges and the university. The university curriculum transformation unit was funded by the capacity development grant received from DHET.

**Teaching and learning festival**

Unisa hosted its third festival, to promote the scholarship of teaching and learning and serve as a platform for academics to engage on current discourses around teaching and learning in an ODeL environment. Further, the festival also recognized winners of the Excellence in Tuition Awards.

**Quality assurance**

The university, in an attempt to strengthen its quality assurance regimen has augmented its quality assurance infrastructure by creating a dedicated Academic Quality Assurance and Enhancement Unit. Whereas this unit is largely focused on quality assurance and enhancement initiatives in the academic space, it also works closely with the university’s quality assurance directorate to ensure institutional view for quality assurance and enhancement.

**Multilingualism conference**

In line with its character of being *the* African university, Unisa recognises the importance of developing and supporting the use of South Africa’s indigenous languages. To this effect, we hosted a highly successful multilingualism conference that attracted notable scholars within this field, who hailed from institutions of higher learning across the country, including cognate professional associations and professional bodies.

**Teaching and learning achievements**

Unisa received an award from Council of Higher Education/ Higher Education Learning and Teaching Association of Southern Africa for one of its modules.

**RESEARCH**

During 2017, research activities at Unisa continued to show positive growth in line with national directives and international best practice and benchmarks. The latest evidence of this was the decision by the United Nations Educational, Scientific and Cultural Organisation (UNESCO) to award a Chair in ODL to Unisa. The university is ideally positioned to contribute to the UNESCO objective of improving the equity, quality and relevance of education in Africa. Apart from its geographical reach, which enables the university to support high-level capacity development across borders, Unisa has a vast network of active collaborative relationships with ODL leaders in Africa and internationally.

Unisa has an important role to play in enhancing research and innovation, and in producing postgraduate students. The Research, Postgraduate Studies, Innovation and Commercialisation (RPSIC) portfolio focuses on strengthening the university as the leading provider of postgraduate programmes in Africa, and on being a leading research institution where innovative thinkers can flourish and innovative ideas are rewarded. The portfolio invests in and supports postgraduate studies, research, innovation and commercialisation projects and partnerships across the

institution, collaborations within and across Unisa colleges, research councils, other universities, private sector entities and government departments.

**Research output performance**

The research and innovation framework informs and measures all its research-related efforts. This framework is built on four strategic imperatives within Unisa and the wider context.

These are:

- Productivity
- Transformation
- Sustainability, and
- Influence.

Expanded below are some of the most important research imperatives.

**Productivity**

Productivity refers to the research outputs and deliverables. Current productivity imperatives include accredited research publications, master’s and doctoral graduates and research output norm as per the ministerial statement on university funding (weighted research output per capita).

**Research output summary 2017**

Unisa’s total weighted research outputs indicate a 10.1% increase over the 2016 figures. This increase is also reflected in the table below, depicting the weighted outputs per capita of 1.63 in 2016.

**Table 4: Comparative research dashboard indicators**

| Research output metrics        | 2012    |          | 2013    |          | 2014    |          | 2015    |          | 2016    |          | Increase / decrease (2015-2016) |
|--------------------------------|---------|----------|---------|----------|---------|----------|---------|----------|---------|----------|---------------------------------|
|                                | Actual  | Position |                                 |
| Total weighted research output | 1669,33 | 7th      | 1947,04 | 7th      | 2563,84 | 6th      | 2546,6  | 6th      | 2917,13 | 11th     | 13.8                            |
| Publication output             | 892,52  | 6th      | 1030,04 | 7th      | 1172,84 | 6th      | 1328,60 | 6th      | 1374,13 | 11th     | 3.4                             |
| Weighted output per capita     | 1,05    | 13th     | 1,19    | 13th     | 1,49    | 12th     | 1,48    | 13th     | 1,6     | 11th     | 10.1                            |

Table 4\* Position indicates Unisa’s ranking when compared with other higher education institutions in South Africa

**Transformation**

**Research support programmes, grants and incentives**

The transformation imperative speaks directly to the profile of researchers, and the master’s and doctoral graduates. A historical snapshot of the demographics of Unisa’s researchers makes it plain to see that change was long overdue. In 2011, African women were producing only 6% of Unisa’s research output and African men just under 20%. Only 22 of the NRF-rated researchers at the time were African and 44 were women. With the establishment of the RPSIC Portfolio, 13 different research support programmes were introduced with the aim to assist all

researchers but especially young, African and women researchers. The return on the investment is clear – by 2016, 81% of research outputs were produced by African researchers; and 55% by women..

In 2017, Unisa continued with the rollout of its successful research support. 164 grant holders benefited from grants towards postgraduate studies, research programmes and research collaborations. The following table indicates the number of grant holders, the demographic profile of the grant holders and the value of the grants.

**Table 5: Research support programmes and value spend**

| Research & Innovation Support Programmes (RISP's)            | Figures                        |                | Gender |        | Race |    |   |   |
|--|--------------------------------|----------------|--------|--------|------|----|---|---|
|  | Number                         | Amount Awarded | Male   | Female | B    | W  | C | I |
| Grants   | 82                             | R 14 915 490   | 37     | 45     | 52   | 24 | 2 | 4 |
| Academic Qualification Improvement Programme (AQIP)          | No new grants awarded for 2017 |                |        |        |      |    |   |   |
| Emerging Researcher Support Programme (ERSP)                 | No new grants awarded for 2017 |                |        |        |      |    |   |   |
| Master's and Doctoral Support Programmes (MDSP)              | 48 (M23;D-25)                  | R 1 369 172    | 22     | 26     | 32   | 16 | 0 | 2 |
| Open Distance Learning Research Support Programmes (ODL-RSP) | 1                              | R 450 450      | 1      | 0      | 1    | 0  | 0 | 0 |
| Visiting Researchers   | 14                             | R 6 579 040    | 9      | 5      | 8    | 3  | 1 | 2 |
| Research Professors  | 4                              | R 400 000      | 2      | 2      | 1    | 3  | 0 | 0 |
| VisionKeepers  | 4                              | R 1 800 000    | 3      | 1      | 3    | 1  | 0 | 0 |
| Women in Research  | 10                             | R 4 200 000    | 0      | 10     | 7    | 1  | 1 | 1 |

The table above indicates the new grants awarded during 2017 through the Research Support Programmes. Only new applicants are included in the table. Existing grant holders, or grants awarded in the previous periods that extend across reporting periods, are excluded.

**Sustainability**

Referring to the ability of Unisa to continue achieving the targets that have been set by DHET, Department of Science and Technology (DST), CHE and other relevant stakeholders, current sustainability imperatives include external research grants and funding, subsidy-earning research outputs and research-active employees with doctoral degrees.

In 2017 externally-funded scholarships amounted to R92 159 0172 comprising of the following:

|                       |             |
|-----------------------|-------------|
| NRF grants:           | R46 775 124 |
| Other grants:         | R40 523 893 |
| NRF rating incentive: | R4 860 000  |

**Influence**

Influence refers to the impact and reach of the research conducted at Unisa. Current influence imperatives include research publications in DHET-accredited international indices, NRF-rated employees and endowed research chairs and institutes.

**External research grants**

During the year under review, the Research Support Directorate prioritised the mobilisation of externally funded postgraduate scholarships.

**Endowed chairs**

Acknowledging Unisa’s leadership in certain key fields, external sponsors or funders have provided the means to establish and maintain a number of prestigious chairs, which carry their names.

Unisa hosts eight endowed chairs, the most recent addition being the UNITWIN/UNESCO/Unisa Chair in ODL. Four chairs form part of the South African Research Chairs Initiative (SARChI) and are funded by the Department of Science and Technology and managed by the NRF. These SARChI chairs are in Development Education; Information and Communication Technology for Development; Law, Society and Technology; and Social Policy.

The other endowed chairs are the WIPHOLD-Brigalia Bam Chair in Electoral Democracy in Africa, the Exxaro Chair in Business and Climate Change, the NIPMO Chair for Intellectual Property Management and Innovation, and the UNESCO-Unisa Africa Chair in Nanosciences and Nanotechnology.

**Unisa research chairs**

In disciplines or fields where capacity building is considered crucial in furthering Africa’s developmental objectives, Unisa itself invests in research chairs that play an important role in generating knowledge and developing the requisite skills.

The university is currently investing in five research chairs, namely Ecotoxicology and Environmental Sustainability; High Performance Scientific Computing; Macroeconomic Policy Analysis; Superconductivity Energy Technology, and Topology.

**Research institutes and bureau**

Unisa is proud of its institutes and bureau, which are dedicated to a wide variety of research areas. These units are just as active as the various endowed and research chairs, and involve academics, students and the community.

The university is home to following progressive institutes and bureau:

- Archie Mafeje Research Institute (AMRI)
- Institute for African Renaissance Studies (IARS)
- Institute for Corporate Citizenship (ICC)
- Institute for Dispute Resolution in Africa (IDRA)
- Institute for Gender Studies (IGS)
- Institute for Open Distance Learning (IODL)
- Institute for Science and Technology Education (ISTE)
- Institute for Social and Health Sciences (ISHS)
- Institute for Global Dialogue (IGD) which is collaborating with the College of Graduate Studies
- Research Institute in Theology and Religion (RITR)
- the Thabo Mbeki African Leadership Institute (TMALI), and
- the Bureau of Market Research (BMR).

**2017 highlights**

**Research and Innovation Week**

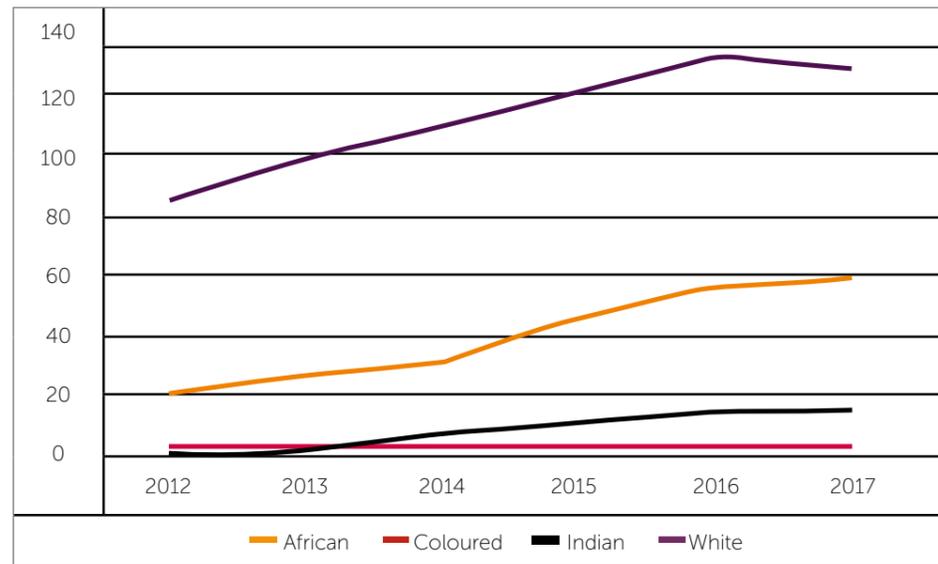
One of the highlights of the year was the sixth annual Research and Innovation Week, which continued to provide a platform for meaningful cross-discipline engagement on topical issues. The theme of the week, Research Matters, saw most of the week’s programme successfully driven by the colleges.

**NRF-rated research awards**

52 NRF-rated awards including new, re-rated and researchers who joined with a rating were made in 2017. This figure is made up of 9 Y-rated researchers, 7 B-rated researchers, and 36 C-rated researchers. At the end of 2017, Unisa had 207 rated researchers.

Over the past five years there has been a steady increase in the number of African and Indian NRF rated researchers

**Table 6: NRF rated researchers (including associates)**



**Internal research awards**

Unisa’s internal Women-in-Research awards were given to women in different categories: the youngest staff member to obtain a doctoral degree went to Dr S Jansen van Rensburg (CLAW); leadership-in-research awards to Dr M Togo (CAES), Prof M Coetzee (CEMS), and Prof H Ebrahim (CEDU) and emerging researcher awards to Prof A Spies (CLAW) and Ms T Shandu-Phetla (CHS).

The 2017 Chancellor’s prize for research excellence was awarded to the following ten academics: Prof B Ackers (CAS), Prof D Hedding (CAES), Prof G Nhamo (CEMS), Prof P Ngulube (CGS), Prof A Mavhandu-Mudzusi (CHS), Prof B Fagbayibo (CLAW), Prof A De Villiers Minnaar (CLAW), Prof T Dube (CSET), Prof F Mulenga (CSET), and Prof R Steyn (SBL).

The Chancellor’s Prize is regarded as the most prestigious prize for research and innovation at Unisa. Awarded every second year and alternating with the Principal’s Prize, it rewards high-quality published research by permanent Unisa researchers and research groups.

**External research awards and accolades**

Prestigious national awards were awarded to the following researchers:  
 Prof M Maaza (CSET) won the African Union Kwame Nkrumah Continental award for excellence in STI, and

was awarded memberships of the USA–Africa Edward Bouchet Abdusalam Foundation (EBASI) and European Academy of Sciences (EAS)

Prof D Hildebrandt (CSET) won two awards: the National Research Foundation (NRF) Champion of Research Capacity Development and Transformation at South African Higher Education Institutions Award, and the National Science and Technology Foundation NSTF–South 32 Capacity Development Award

Prof B Mamba (CSET) won the NSTF–South 32 Water Commission Award

Prof G Nhamo (CEMS) won the Distinguished Old Rhodian Award

Prof A Van Niekerk (ISHS) won the South African Research Council Silver Medal for General Research

**Other accolades include:**

Prof C Odora Hoppers (CGS) and Prof V. McKay (CEDU) were appointed Honorary Fellows of the United Nations Educational, Scientific and Cultural Organization (UNESCO) Institute for Lifelong Learning (UIL)

Prof Z Jojo (CEDU) became a member of the African Mathematics Union (AMU) Commission for African Women in Mathematics

Prof AJ Mishra (CSET) became a Honorary Fellow of the Royal Society of Chemistry (RSC)

Prof C De Wet (CHS) became a member of the South African Young Academy of Science (SAYAS)

Prof S Bosch became a member of the South African Academy of Science (ASSAf).

**Hiddingh-Currie Prize**

The prestigious Hiddingh-Currie Prize (2017/2018) was awarded to the book *Three Decades of Making Space*. Magnet Theatre, edited by Ms. M. Lewis (USA) & Mr A. Krueger (Grahamstown). The Hiddingh-Currie Award is a literary award given out annually to an outstanding author of published work within the Unisa Press. It is aimed at encouraging and nourishing specialised skills in academic research and scholarly publishing.

**College of Graduate Studies**

The College of Graduate Studies (CGS) which forms part of Unisa’s Research, Postgraduate Studies, Innovation and Commercialisation Portfolio continued to play a leading role in research at the university. The college comprises the School of Transdisciplinary Research Institutes, the School of Interdisciplinary Research and Graduate Studies, the Ethiopian Graduate Office and the Postgraduate Administration Department.

Multi-inter-and transdisciplinary research is at the core of all our activities, thereby providing a unique range of opportunities for master’s and doctoral research under high quality supervision. The School of Transdisciplinary Research Institutes houses the Institute for Social and Health Sciences (ISHS), the Institute for African Renaissance Studies (IARS), the Archie Mafeje Research Institute (AMRI), the Institute for Open Distance Learning (IODL) and the Institute for Science and Technology Education (ISTE). The CGS also hosts the prestigious SARChI chairs in Development

Education and Social Policy; the UNESCO/Unisa Africa Chair in Nanosciences and Nanotechnology and the Academy of African Languages and Science Strategic Project which focuses on the technological development of the South African languages.

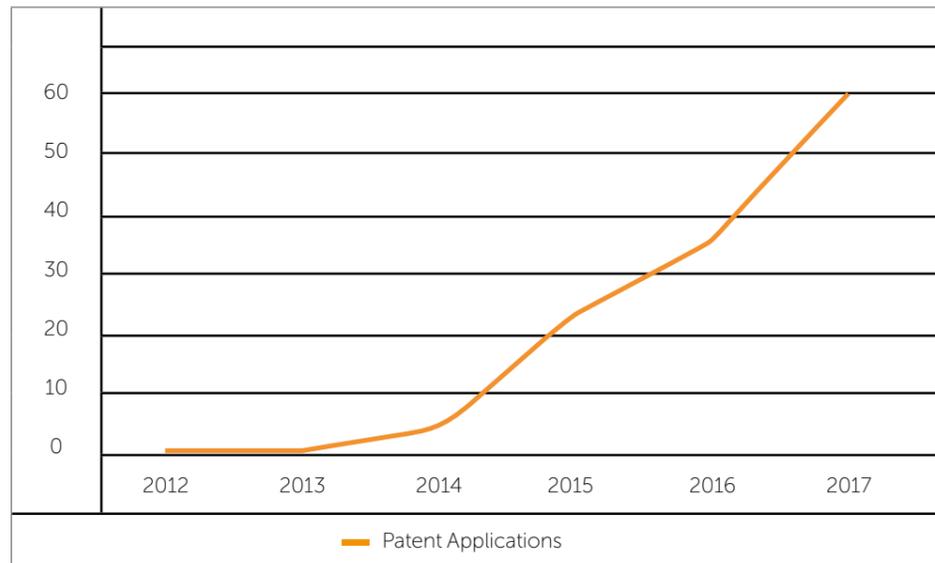
As Unisa’s answer to the national imperative to increase the number of doctoral graduates and provide for high-calibre researchers, the CGS Postgraduate Administrative Department deals with the applications, admissions and registrations of about 45 000 students registered for post-graduate qualifications and the assessment coordination for master’s and doctoral dissertations and theses. The approximately 10 000 master’s and doctoral candidates represent a large slice of the research potential in South African universities.

The CGS offers a range of training programmes and training support. In 2017, the 5th annual Doctoral and Postdoctoral Summer School which is intended for postgraduate students and emerging researchers, was hosted on the Unisa Science Campus. A steady growth has been maintained in postgraduate throughput over the past years. The number of master’s and doctoral graduates increased to 1 073 and 311, respectively, in 2017.

**Directorate of Innovation and Transfer Technology Patent Applications**

During the year under review, the Directorate of Innovation and Technology Transfer (DITT) received a total of 21 intellectual property disclosures. Nineteen patent applications were processed. Two patents were granted in the name of Unisa and a further two patents were assigned to Unisa. The total number of patents in Unisa’s name was five.

Table 7: Patent applications



**Seed Funding**

DITT submitted eight projects for possible funding under the Technology Innovations Agency (TIA) Seed Fund. Two projects were funded by the TIA. The previous four projects supported by the TIA in 2016 have made significant progress in developing prototypes and undertaking detailed market analysis. This would help to formulate technology development pathways as well as commercialization strategies.

**Students initiatives**

The Annual Unisa Student Research and Innovation Showcase continued to grow. Over 3 800 students attended the showcase information sessions and workshops on how to write a research paper which were hosted in 23 Unisa sites across the country. With the assistance of Unisa Press, DITT has introduced an online submission system for the research papers. An online student journal is in the process of being developed where all the shortlisted papers will be published. It is envisaged that the journal will come out in early 2018.

In 2017, Unisa student delegations visited Mulungushi University, Zambia (seven students and a team leader) and the University of Dar-es-Salaam (eight students and team leader), in addition to the University of Sao Paulo (six students and a team leader). The delegations that visited Mulungushi University and the University of Dar-es-Salaam

were selected from among the winners of the Annual Unisa Student Research and Innovation Showcase. The winners of the Innovation Challenge visited the University Sao Paulo.

**Innovation Support Programme for Staff**

The goal of the Innovation Support Programme for Staff is to encourage researchers to conceptualize and develop research projects that offer innovative solutions to the challenges that society faces. In total, 15 applications were received and assessed by the ISP Selection Committee. Five applications were approved for funding.

**Unisa Press**

The Unisa Press journal section provides a unique platform for South African researchers, and at the same time makes South African scholarship visible around the world. The role that Unisa Press plays in the higher education sector in terms of the dissemination of research should not be underestimated. The Unisa Press journal section publishes 45 journals; 36 of these are accredited by the South African Department of Higher Education and the remaining journals are in the process of seeking accreditation.

**COMMUNITY ENGAGEMENT**

The Community Engagement Directorate had 113 community engagement projects registered on its database in 2017. Of the total, 101 were funded projects and 12 were

non-funded. The table below reflects the distribution of community engagement projects per college and distinguishes between funded and non-funded projects. It must

be noted that the major guiding principle for community engagement initiatives remains integration with teaching and learning and/or research.

Table 8: Funded and non-funded community engagement projects

| College / Other                        | Number of Projects | Funded     | Non-Funded |
|--|--------------------|------------|------------|
| Accounting Sciences                    | 11                 | 5          | 6          |
| Agriculture and Environmental Sciences | 8                  | 7          | 1          |
| Economic and Management Sciences       | 14                 | 13         | 1          |
| Education                              | 21                 | 20         | 1          |
| Graduate Studies                       | 7                  | 6          | 1          |
| Human Sciences                         | 22                 | 20         | 2          |
| LAW                                    | 19                 | 19         | 0          |
| Science Engineering and Technology     | 10                 | 10         | 0          |
| C2A                                    | 1                  | 1          | 0          |
| <b>Total</b>                           | <b>113</b>         | <b>101</b> | <b>12</b>  |

Note: The Chance 2 Advance (C2A) programme is an exception as it is the flagship programme of the university and resides in the Community Engagement Directorate

Over the past five years, community engagement projects have become more structured and focused. In the past, the majority of the projects were registered as teaching, learning and outreach projects and fewer research outputs were produced. As policy and procedures changed, encouraging scholarship, projects have gradually incorporated more research into their community engagement, to

support their teaching and learning efforts. During 2017, it can be reported that of the 113 projects, 80 are research projects and 33 focus solely on teaching and learning. All the research projects are compliant in terms of having valid research ethics clearance certificates. The table below indicates the number of outputs achieved by the projects in each college.

Table 9: Community engagement outputs per college

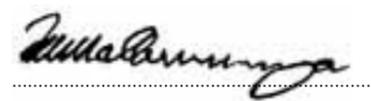
| Overall Outputs Per College Reported For 2017 |             |
|---|-------------|
| Accounting Sciences                           | 175         |
| Agriculture and Environmental Sciences        | 57          |
| Economic and Management Sciences              | 44          |
| Education                                     | 154         |
| Graduate Studies                              | 11          |
| Human Sciences                                | 115         |
| LAW   | 2705        |
| Science Engineering and Technology            | 154         |
| C2A   | 168         |
| <b>Total</b>                                  | <b>3583</b> |

The projects participated in, and worked with, involved a broad spectrum of stakeholders in various sectors, including local, provincial and national spheres of government and the private sector. Successful, formal and informal, partnerships across these sectors enabled community engagement projects to reach and serve their target audiences. The table below

shows the sectors with whom our projects actively engaged with during 2017. The three top sectors the projects formed working relationships with, remained the same over the past three years, with the most activity, taking place in small communities, local schools and with the general public.

**Table 10: Participating sectors**

| Sector                                    | 2015 | 2016 | 2017 |
|---|------|------|------|
| Local: Small community based groups       | 77   | 66   | 39   |
| Local: General public                     | 39   | 42   | 31   |
| Local: Business orientated                | 20   | 6    | 6    |
| Local: Government Offices                 | 20   | 15   | 14   |
| Local: Government Agencies                | 12   | 13   | 8    |
| Local: Schools                            | 57   | 48   | 34   |
| Provincial: Regional Non-profits          | 20   | 11   | 13   |
| Provincial: Mid-sized businesses          | 7    | 5    | 2    |
| Provincial: Governments                   | 14   | 16   | 12   |
| Provincial: Agencies                      | 6    | 10   | 5    |
| Provincial: Schools                       | 29   | 26   | 26   |
| National: Non Profits                     | 23   | 16   | 10   |
| National: Businesses / Corporations       | 6    | 7    | 5    |
| National: Government Offices              | 11   | 12   | 4    |
| National: Government Agencies             | 14   | 16   | 7    |
| International: Multinational Corporations | 5    | 2    | 0    |
| None indicated                            | 11   | 16   | 6    |



Prof MS Makhanya  
Principal and Vice-Chancellor



I REPORT  
OF THE INSTITUTIONAL FORUM



The Institutional Forum (IF) plays an advisory role to Council and is representative of the various institutional constituencies. The composition of the IF is as follows:

- two members of senior management: Prof IOG Moche and Ms L Griesel
- the registrar: Prof QM Temane
- the Dean of Students: Dr JS Chalufu
- the Executive Director: Tuition and Facilitation of Learning: Prof EO Mashile
- one Council member, who is neither an employee nor a student of the university, elected by Council: Mr S Lebesse
- two members of the Senate, elected by the Senate: Prof E B Farisani and Prof RS Tshaka
- two permanent academic employees elected by such employees: Prof I Ferns and Dr K Ramdass
- two permanent employees other than academic employees elected by such employees: None
- two students from the Students' Representative Council (SRC), elected by the SRC: Mr I Molefe and Mr S Nkhatho.
- two members nominated by each of the two sufficiently representative employee organisations: Mr M Mokoena and Mr NP Sindane (APSA) and Ms J Mahlangu and Ms N Chetty (NEHAWU)
- one external members recommended by the Management Committee and approved by Council: Prof G Reddy
- one or more members co-opted by the IF to assist in any project(s): None

#### GOVERNANCE AT UNISA

As part of the regulatory requirements for governance within the higher education (HE) sector and, in particular, for universities in South Africa such as Unisa, the IF is one of the core structures and elements in the organisational and governance processes and systems of the university.

The Higher Education Amendment Act was passed with various aims in mind, including the determination of transformation goals for the public HE system and the appropriate mechanisms for issuing directives for HE. This was critical to Unisa, which has been battling with issues of transformation and the role of governing structures such as the IF. In this regard, the Act states that "Council must consider advice of the Institutional Forum and provide reasons if advice is not accepted".

A fundamental and often unnoticed aspect of the IF is its construction as an inclusive governance structure in which varied and comprehensive representations find expression and are ascertained. As reflected in its composition set out above, in the IF, equal participation and engagement entail inter alia representation from Unisa Council, Senate, the SRC, Management, labour, academic and support and administrative staff.

#### FREQUENCY OF MEETINGS

During the period under review, the IF held five meetings at which the decisions and/or recommendations further below were taken.

- 16 February 2017
- 22 March 2017
- 07 June 2017
- 08 September 2017
- 01 November 2017

#### ADVICE SOUGHT BY AND ADVICE GIVEN TO COUNCIL BY THE INSTITUTIONAL FORUM

At the abovementioned meetings the Institutional Forum performed the following functions in line with the Higher Education Act, 1997 (Act no. 101 of 1997). It is important to note here that although the IF advises council on issues affecting the institution, the Institutional Forum raised its concern on the lack of written response from Council, on the advice it had given to Council on several issues including the appointment of the executive management.

#### The implementation of the Act and the national policy on higher education

The IF made several recommendations on the revised institutional statute for consideration by Council on 26 April 2017.

The IF also made several recommendations on two documents from the department of Higher Education, namely, the formation of the Community of Practice Forum of the Institutional Forum chairpersons and guiding principles for strengthening Institutional Forums and members.

#### Race and gender equity policies

The IF discussed a presentation on the South African Human Rights Commission report by the university's Change Management Unit on 22 March 2017. Although this discussion related to the IF's function of race and

gender equity policies it also focused on the other role of the IF, namely, fostering of an institutional culture which promotes tolerance and respect for fundamental human rights and creates an appropriate enabling environment for teaching, research and learning or both.

#### The selection of candidates for senior management positions

At a special meeting held on 08 September 2017, selection reports for the positions of Vice Principal: Strategy, Risk and Assurance Services and the Registrar were discussed. Recommendations for the filling of these two positions were proposed to Council.

Furthermore, at its meeting of 01 November 2017, the IF raised the following concerns regarding both selection committee processes and reports. The Institutional Forum indicated its concern to Council that it was inappropriate for management to do the background checks on the candidates after the selection committee had interviewed candidates and made a decision. The IF advised that the Selection Committee should broaden the scope of the background checks on the shortlisted candidates before interviews take place.

The IF also raised a concern that it was not given sufficient time to deliberate on the selection committee reports. It recommended the following to council:

- that it be given at least 48 hours to convene and deliberate on the selection committee reports.
- that the documentation be provided in time and not at the meeting.
- that thorough background checks on candidates be conducted before selection interviews were held.
- that management should provide the Institutional Forum with a selection committee project plan well in advance.

The fostering of an institutional culture which promotes tolerance and respect for fundamental human rights and creates an appropriate enabling environment for teaching, research and learning

The IF participated in a Council workshop on transformation and appointed a task team consisting of six members to discuss and draft the presentation for the Council

workshop on transformation.

In its presentation, the IF advised council on several issues related to its functions on the following:

- race and gender equity policies
- the fostering of an institutional culture which promotes tolerance and respect for fundamental human rights and creates an appropriate enabling environment for teaching, research and learning.

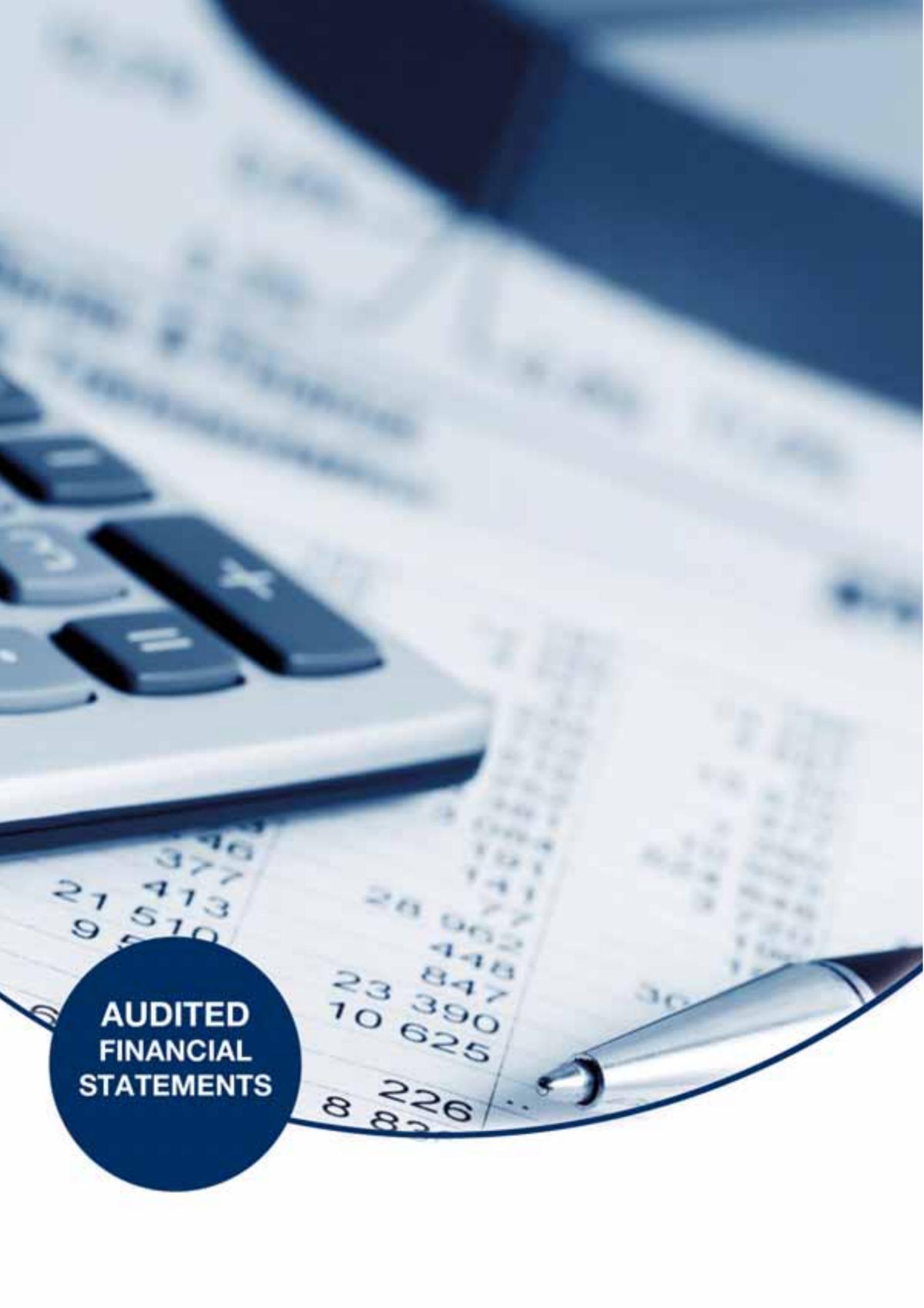
Although the Institutional Forum has requested a report on the outcome or implementation of resolutions taken at the Council workshop on transformation, the IF is yet to receive it from Council.

#### Performing such functions as determined by council

Council has not referred any matter for IF consideration, other than the functions stipulated in the Institutional Statute and the Higher Education Act in the year under review.



Prof EB Farisani  
Chairperson: Institutional Forum



**AUDITED  
FINANCIAL  
STATEMENTS**

# | AUDITED

## CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

- Statement of responsibility by the Council of the year ended 31 December 2017.....104
- Independent auditor’s report to the Minister of higher Education and Training and the Council of the University of South africa (Unisa).....105
- Consolidated Financial Statements and Notes.....111

## STATEMENT OF RESPONSIBILITY BY THE COUNCIL 31 DECEMBER 2017

The Council is responsible for the preparation, integrity and fair presentation of the consolidated financial statements of the University of South Africa.

The consolidated financial statements presented on pages 111 to 158 for the financial year ended 31 December 2017, have been prepared in accordance with International Financial Reporting Standards, regulations for Annual Reporting by Higher Education Institutions 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, and include amounts based on judgements and estimates made by the management. The Council has also prepared other information as required to be included in this Annual Report and is responsible for both its accuracy and consistency with the consolidated financial statements.

The Council's responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud

valid and appropriate.

### APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements on pages 111 to 158 were approved by the Council on 25 June 2018 and signed on its behalf by:



Mr AS Simelane  
Chairperson: Unisa Council



Mr B Ngcaweni  
Chairperson: Finance Investment and  
University Estates Committee



Prof. MS Makhanya  
Principal and Vice-Chancellor



Mr PZR Zwane  
Vice-Principal Finance/  
Chief Financial Officer

or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Council's responsibility also includes maintaining adequate accounting records and an effective system of risk management.

The going concern basis has been adopted in the preparation of the consolidated financial statements. Council has no reason to believe that the University of South Africa will not be a going concern in the foreseeable future based on forecasts and available cash resources. The viability of the institution is supported by the content of the consolidated financial statements.

The consolidated financial statements have been audited by the auditors Deloitte and Touche, who have been given unrestricted access to all financial records and related data, including minutes of meetings of the Council and all its committees. Council believes that all representations made to the independent auditors during their audit were

## INDEPENDENT AUDITOR'S REPORT TO THE MINISTER OF HIGHER EDUCATION AND TRAINING AND THE COUNCIL OF THE UNIVERSITY OF SOUTH AFRICA

### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENT OPINION

#### Opinion

We have audited the consolidated financial statements of the University of South Africa and its subsidiaries ("the University") set out on pages 111 to 158, which comprise the consolidated statement of financial position as at 31 December 2017, and consolidated statement of profit or loss and other comprehensive income, the statement of changes in funds and the 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 financial position of the University as at 31 December 2017, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Higher Education Act of South Africa (Act No. 101 of 1997) (HEA).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the University in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) together with the ethical requirements that are relevant to our audit in South Africa. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of the Council

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 of South Africa (Act No. 101 of 1997), and for such internal control as the Council determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Council is responsible for assessing the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intends to liquidate the University or to cease operations, or have 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 ISAs will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic

decisions of users taken on the basis of these consolidated financial statements.

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

#### Report on audit of compliance with legislation

In accordance with 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 significant 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.

We did not identify any instances of significant non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

#### Other Information

The Council is responsible for the other information. Other information comprises of the Report of the Chairman of Council, Council statement of governance, Council statement of sustainability, Transformation report and employment equity status statement, Report on internal administrative and operational structures and controls, Report on risk exposure assessment and risk management, Statement of the Principal and Vice-Chancellor on leadership administration and operational management, Senate Report and the Report of the Institutional Forum as required by the Higher Education Act of South Africa. Other information does not include the consolidated financial statements; our auditor's report and those selected objectives 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 other information and, in doing so, consider whether 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 other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of other information, we are required to report that fact.

#### Report on the audit of the annual performance report

In accordance with the PAA and the general notice issued in terms thereof, we have a responsibility to report significant findings on the reported performance information against predetermined objectives for selected objectives presented in the annual report. We performed procedures to identify findings but not to gather evidence to express assurance.

Our procedures address 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 included in the planning documents. 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 reliability of the reported performance information for the following selected objectives presented in the annual report of the university for the year ended 31 December 2017:

#### Predetermined objectives:

- Objective 1: Success rates including graduate output and throughput rates;
- Objective 2: Achievement of the approved Ministerial enrolment targets;
- Objective 3: Enhance training and development for teaching and professional staff by institutionalising the Framework for Professional Development;
- Objective 4: Introduce ODeL business model for teaching and learning into undergraduate modules;
- Objective 6: Advance ODL research on the African continent and internationally;
- Objective 7: Increase number and quality of research outputs;
- Objective 10: Supplement formal income and promote increased financial sustainability; and
- Objective 12: Implement contextually relevant management and governance practices that will ensure institutional stability and success.

#### Reliability of performance information

The reported performance against predetermined objectives was evaluated against the overall criterion of reliability. The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

We did not identify significant findings on the reliability of the reported performance information for the above selected objectives.

#### Achievement of planned targets

Refer to the annual performance report on pages 76 to 85 for information on the achievement of planned targets for the year and explanations provided for on the progress made towards achieving the 2017 Annual Performance Plan targets.

#### 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 thereon.

Our report also notes areas where the internal control of the University had not functioned as designed throughout the financial period affecting the areas of financial management, fixed asset management and information technology management.

- Inadequate controls around information technology environment including access security and change control procedures and segregation of duties;
- Non-compliance with UNISA internal procurement policies and procedures; and
- Performance and effective review of reconciliations of accounts, including suspense accounts and other control accounts.

### Investigations

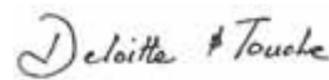
We have assessed the report submitted to the Ethics hotline as well as the internal audit investigations performed in the 2017 financial year and have incorporated the risks identified in obtaining adequate evidence on which to base our opinion on the consolidated financial statements.

We are aware of, and have assessed investigations currently being performed by the internal audit department as at the date of this report.

### Agreed upon procedures engagement

The following agreed upon procedures engagement has been performed at the request of UNISA by auditors Nexia SAB&T Incorporated. These are mandatory in terms of the Department of Higher Education and Training, except for the SBL College:

- Accredited Research Output
- National Research Foundation
- Infrastructure funding allocation (Cycle 1)
- Foundation Provision Programme
- Teaching Development Grant
- Infrastructure Spending for Veterinary Sciences
- Infrastructure and Efficiency funding allocation (Cycle 3)
- Teaching Collaborative Grant
- New Generation of Academics' Programme (NGAP)
- Infrastructure and Efficiency Allocation for the Information Communication Technology (ICT)
- Infrastructure and Efficiency funding allocation - Maintenance (Cycle 4)
- HEMIS - Student Audit
- HEMIS - Staff Audit
- UNISA Graduate School of Business Leadership (SBL)



Deloitte & Touche

Registered Auditor

Per: L Ravhuhali

Partner

4 July 2018

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National Executive: \*G. Barn Chief Executive Officer \*TMM Jordan Deputy Chief Executive Officer; Clients & Industries \*M Jarvis Chief Operating Officer  
\*AF Mackie Audit & Assurance \*N Singh Risk Advisory \*NB Kader Africa Tax & Legal TP Pflay Consulting \*JK Mazzocco Talent & Transformation  
\*MJ Dicks Risk Independence & Legal \*TJ Brown Chairman of the Board

A full list of partners and directors is available on request

\* Partner and Registered Auditor

**B-BBEE rating: Level 1 contribution in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice**

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

### ANNEXURE A – AUDITOR'S RESPONSIBILITY FOR THE AUDIT

As part of an audit in accordance with the ISAs, I 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 objectives and on the University's compliance with respect to the selected subject matters.

#### Consolidated Financial statements

In addition to our responsibility for the audit of the consolidated financial statements as described in the auditor's report, I 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.
- conclude on the appropriateness of the Council's use of the going concern basis of accounting in the preparation of the consolidated financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on UNISA and its subsidiaries ability to continue as a going concern. If I conclude that a material uncertainty exists, I am 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 the auditor's report. However, future events or conditions may cause UNISA and its subsidiaries to cease to continue 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. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for our audit opinion.

#### Communication with those charged with governance

I communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during our audit.

I also confirm to the Council that I 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 here applicable, related safeguards.

## ANNEXURE B – AUDITOR’S RESPONSIBILITY FOR THE AUDIT OF THE REPORTED PERFORMANCE INFORMATION

As part of our engagement conducted in accordance with ISAE 3000, we exercise professional judgement and maintain professional scepticism throughout our reasonable assurance engagement on reported performance information for selected objectives.

We are independent of the university in accordance with the International Ethics Standards Board for Accountants’ Code of ethics for professional accountants (IESBA code) together with the ethical requirements that are relevant to our audit in South Africa. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code.

### Quality control relating to assurance engagements

In accordance with the International Standard on Quality Control 1, the auditor maintains a comprehensive system of quality control that includes documented policies and procedures on compliance with ethical requirements and professional standards.

### Reported performance information

In addition to our responsibility for the assurance engagement on reported performance information as described in the auditor’s report, we also:

- identify and assess risks of significant findings of the reported performance information, 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. In making those risk assessments, we consider internal control relevant to the management and reporting of performance information per selected objective 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 documentation maintained by the University that supports the generation, collation, aggregation, monitoring and reporting of performance indicators/measures and their related targets for the selected objectives.
- evaluate and test the reliability of information on performance achievement to determine whether it is valid, accurate and complete.

### Communication with those charged with governance

We communicate with the Council 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.

We also confirm to the Council that we have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

|   | Notes | 2017<br>R'000     | 2016<br>R'000     |
|---|-------|-------------------|-------------------|
| <b>ASSETS</b>   |       |                   |                   |
| <b>NON-CURRENT ASSETS</b>   |       |                   |                   |
| Property, plant and equipment   | 1     | 2 826 396         | 2 954 633         |
| Other Assets  | 1.1   | 50 000            | 50 000            |
| Intangible assets   | 2     | 43 466            | 71 703            |
| Investment property   | 3     | 30 394            | 25 078            |
| Other investments   | 6     | 325 351           | 296 600           |
|   |       | <b>3 275 607</b>  | <b>3 398 014</b>  |
| <b>CURRENT ASSETS</b>   |       |                   |                   |
| Inventories   | 4     | 191 491           | 121 285           |
| Trade and other receivables   | 5     | 660 527           | 345 052           |
| Other investments   | 6     | 6 458 164         | 5 751 112         |
| Pension fund asset  | 9.2   | 193 107           | 191 918           |
| Cash and cash equivalents   | 7     | 447 904           | 207 003           |
|   |       | <b>7 951 193</b>  | <b>6 616 370</b>  |
| <b>TOTAL ASSETS</b>   |       | <b>11 266 800</b> | <b>10 014 384</b> |
| <b>EQUITY AND LIABILITIES</b>   |       |                   |                   |
| <b>RESTRICTED PPE DISTRIBUTABLE RESERVES</b>                                |       |                   |                   |
| Held for investment in property, plant and equipment                        | 8     | 1 520 738         | 1 408 650         |
|   |       | <b>1 520 738</b>  | <b>1 408 650</b>  |
| <b>DISTRIBUTABLE RESERVES</b>   |       |                   |                   |
| Unrestricted  | 8     | 6 986 128         | 6 301 755         |
| Restricted  | 8     | 36 268            | 34 717            |
|   |       | <b>7 022 396</b>  | <b>6 336 472</b>  |
| <b>TOTAL EQUITY</b>   |       | <b>8 543 134</b>  | <b>7 745 122</b>  |
| <b>NON-CURRENT LIABILITIES</b>  |       |                   |                   |
| Post-employment medical obligations   | 9.1   | 751 812           | 753 570           |
| Employee benefit liability in respect of pension fund guarantee             | 9.3   | 33 025            | 55 845            |
| Accumulated leave liability   | 10    | 302 022           | 278 426           |
| Funds administered on behalf of Department of Higher Education and Training |       | 60 082            | 64 072            |
|   |       | <b>1 146 941</b>  | <b>1 151 913</b>  |
| <b>CURRENT LIABILITIES</b>  |       |                   |                   |
| Trade and other payables  | 11    | 1 113 983         | 698 542           |
| Post-employment medical obligations   | 9.1   | 53 672            | 50 365            |
| Accumulated leave liability   | 10    | 20 718            | 17 323            |
| Deferred income   | 12    | 179 618           | 198 955           |
| Student deposits  |       | 168 734           | 152 164           |
|   |       | <b>1 536 725</b>  | <b>1 117 349</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>   |       | <b>11 226 800</b> | <b>10 014 384</b> |

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

| Notes  | Education and General                         |   |                    | Student and staff accommodation restricted<br>C<br>R'000 | 2017<br>R'000 | 2016<br>R'000 |
|--|---|---|--------------------|--|---------------|---------------|
|  | Council controlled unrestricted<br>A<br>R'000 | Specifically funded activities restricted<br>B<br>R'000 | Sub Total<br>R'000 |  |               |               |
|  |   |   |                    |  |               |               |
| RECURRENT ITEMS  | 738 231                                       | 22 316  | 760 547            |  | 760 547       | 182 649       |
| INCOME   | 7 733 074                                     | 40 035  | 7 773 109          |  | 7 773 109     | 6 744 611     |
| State subsidies and grants                             | 3 157 586                                     |   | 3 157 586          |  | 3 157 586     | 2 878 517     |
| Tuition and other fee income                           | 3 336 427                                     | 34 054  | 3 370 481          |  | 3 370 481     | 2 690 832     |
| Income from contracts                                  | 35 104  |   | 35 104             |  | 35 104        | 37 568        |
| For research   | 11 033  |   | 11 033             |  | 11 033        | 37 545        |
| For other activities                                   | 24 071  |   | 24 071             |  | 24 071        | 23            |
| Sales of goods and services                            | 192 273                                       | 5 680   | 197 953            |  | 197 953       | 203 914       |
| Private gifts and grants                               | 122 993                                       | 301   | 123 294            |  | 123 294       | 79 746        |
| Interest and dividends                                 | 297 339                                       |   | 297 339            |  | 297 339       | 272 577       |
| Fair value adjustment – investments                    | 591 352                                       |   | 591 352            |  | 591 352       | 581 457       |
| EXPENDITURE  | 6 994 843                                     | 17 719  | 7 012 562          |  | 7 012 562     | 6 561 962     |
| Personnel costs  | 4 737 446                                     |   | 4 737 446          |  | 4 737 446     | 4 280 503     |
| Academic & professional                                | 1 948 786                                     |   | 1 948 786          |  | 1 948 786     | 1 833 670     |
| Other personnel  | 2 788 660                                     |   | 2 788 660          |  | 2 788 660     | 2 446 833     |
| Other current operating expenses                       | 1 936 003                                     | 17 719  | 1 953 722          |  | 1 953 722     | 2 000 082     |
| Depreciation and amortisation                          | 320 865                                       |   | 320 865            |  | 320 865       | 281 012       |
| Finance costs  | 529   |   | 529                |  | 529           | 365           |
| NON-RECURRENT ITEMS                                    | (9 557)                                       |   | (9 557)            |  | (9 557)       | (821)         |
| INCOME   | (9 557)                                       | 192 120   | 182 563            |  | 182 563       | 240 260       |
| Special projects DHET                                  |   | 66 867  | 66 867             |  | 66 867        | 67 341        |
| (Loss)/profit on disposal of PPE                       | (6 372)                                       |   | (6 372)            |  | (6 372)       | (808)         |
| Profit on investments                                  | (3 185)                                       |   | (3 185)            |  | (3 185)       | (13)          |
| Teaching and research development                      |   | 125 253   | 125 253            |  | 125 253       | 175 260       |
| Staff restructuring                                    |   |   |                    |  |               | 480           |
| EXPENDITURE  |   | 192 120   | 192 120            |  | 192 120       | 243 081       |
| Special projects DHET                                  |   | 66 867  | 66 867             |  | 66 867        | 67 341        |
| Staff restructuring                                    |   |   |                    |  |               | 480           |
| Teaching and Research Development                      |   | 125 253   | 125 253            |  | 125 253       | 175 260       |
| NET SURPLUS  | 728 674                                       | 22 316  | 750 990            |  | 750 990       | 181 828       |
| OTHER COMPREHENSIVE INCOME                             |   |   |                    |  |               |               |
| Re-measurement gains/(losses) on defined benefit plans | 47 022  |   | 47 022             |  | 47 022        | (25 151)      |
| TOTAL COMPREHENSIVE INCOME                             | 775 696                                       | 22 316  | 798 012            |  | 798 012       | 156 677       |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

| Notes                    | Operating Funds - unrestricted          |                                   |                      | Operating Funds - restricted            |  |                     | Property, Plant and Equipment (PPE) |                         |                               |                           | Sub Total C<br>R'000 | Total (A+B+C)<br>R'000 |
|--------------------------|---|-----------------------------------|----------------------|---|--|---------------------|-------------------------------------|-------------------------|-------------------------------|---------------------------|----------------------|------------------------|
|                          | Accumulated funds Unrestricted<br>R'000 | Unrestricted/ designated<br>R'000 | Sub Total A<br>R'000 | Restricted use funds Residence<br>R'000 | Restricted use Funds reserves other<br>R'000 | Trust Fund<br>R'000 | Sub Total B<br>R'000                | Restricted Use<br>R'000 | Fixed Asset Fund PPE<br>R'000 | Unrestricted Use<br>R'000 |                      |                        |
| 2016                     |   |                                   |                      |   |  |                     |                                     |                         |                               |                           |                      |                        |
| Balance as at 01.01.2016 | 6 248 405                               |                                   | 6 248 405            | 31 116                                  |  |                     | 31 116                              | 50 232                  |                               | 1 258 692                 | 1 308 924            | 7 588 445              |
| Surplus                  | 53 308                                  |                                   | 53 308               | 3 643                                   |  |                     | 3 643                               | 8 690                   |                               | 91 036                    | 99 726               | 156 677                |
| Transfers – Credit       | (581 303)                               |                                   | (581 303)            | (42)                                    |  |                     | (42)                                |                         |                               |                           |                      | (581 345)              |
| Transfers– Debit         | 42                                      | 581 303                           | 581 345              |   |  |                     |                                     |                         |                               |                           |                      | 581 345                |
| BALANCE AT 31.12.2016    | 5 720 452                               | 581 303                           | 6 301 755            | 34 717                                  |  |                     | 34 717                              | 58 922                  |                               | 1 349 728                 | 1 408 650            | 7 745 122              |
| 2017                     |   |                                   |                      |   |  |                     |                                     |                         |                               |                           |                      |                        |
| Balance as at 01.01.2017 | 5 720 452                               | 581 303                           | 6 301 755            | 34 717                                  |  |                     | 34 717                              | 58 922                  |                               | 1 349 728                 | 1 408 650            | 7 745 122              |
| Surplus                  | 689 038                                 |                                   | 689 038              | 1 651                                   |  |                     | 1 651                               | 9 257                   |                               | 98 066                    | 107 323              | 798 012                |
| Transfers – Credit       | (14 814)                                |                                   | (14 814)             | (100)                                   |  |                     | (100)                               |                         |                               |                           |                      | (14 914)               |
| Transfers– Debit         | 100                                     | 10 049                            | 10 149               |   |  |                     |                                     |                         |                               | 4 765                     | 4 765                | 14 914                 |
| BALANCE AT 31.12.2017    | 6 394 776                               | 591 352                           | 6 986 128            | 36 268                                  |  |                     | 36 268                              | 68 179                  |                               | 1 452 559                 | 1 520 738            | 8 543 134              |

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

|   | Note | 2017<br>R'000    | 2016<br>R'000    |
|---|------|------------------|------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>               |      |                  |                  |
| Cash generated from operations                            | 20   | 362 361          | (425 594)        |
| Rental Income   | 13   | 5 298            | 4 780            |
| Interest received   | 13   | 225 123          | 206 688          |
| Dividends received  | 13   | 66 918           | 61 109           |
| Finance cost  | 16   | (529)            | (365)            |
| <b>NET INFLOW FROM OPERATING ACTIVITIES</b>               |      | <b>659 171</b>   | <b>(153 382)</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>               |      |                  |                  |
| Acquisition of property, plant and equipment              | 1    | (180 520)        | (381 632)        |
| Acquisition of investment property                        | 3    | (9 505)          |                  |
| Acquisition of intangible assets                          | 2    | (2 791)          | (23 176)         |
| Proceeds on disposal of property, plant and equipment     |      | 257              |                  |
| Sale/(Acquisition) of investments                         |      | (147 636)        | 266 783          |
| <b>NET OUTFLOW FROM INVESTMENT ACTIVITIES</b>             |      | <b>(340 195)</b> | <b>(138 025)</b> |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>          |      | <b>318 976</b>   | <b>(291 407)</b> |
| <b>EFFECT OF FOREIGN EXCHANGE RATE FLUCTUATIONS</b>       |      | <b>(78 075)</b>  | <b>(73 607)</b>  |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b> |      | <b>207 003</b>   | <b>572 017</b>   |
| <b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>       | 7    | <b>447 904</b>   | <b>207 003</b>   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### 1 ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

### 1.1 REPORTING ENTITY

The University of South Africa is an institution domiciled in South Africa. The consolidated financial statements of the University as at and for the year ended 31 December 2017 comprise the University and entities which the University has the power to control. The basis of consolidation of the consolidated financial statements is set out in point 2.3. The University as an educational institution is primarily involved in tuition, research and community service in South Africa and beyond.

### 1.2 REGISTERED OFFICE

Preller Street  
Muckleneuk Ridge  
Pretoria

### 2.1 STATEMENT OF COMPLIANCE

The consolidated financial statements are prepared in accordance and compliance with International Financial Reporting Standards, regulations for annual reporting by Higher Education Institutions and in the manner required by the Minister of Higher Education and Training in terms of section 41 of the Higher Education Act, 1997 (Act No. 101 of 1997), as amended.

### 2.2 BASIS OF PREPARATION

#### 2.2.1 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- financial instruments at fair value through profit or loss and,
- the defined benefit asset is recognised as the net total of plan assets, plus unrecognised past service cost and unrecognised actuarial losses, less unrecognised actuarial gains and the present value of the defined benefit obligation.

The methods used to measure fair values are discussed further in note 2.19.

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell (refer note 2.6).

#### 2.2.2 Functional currency

The consolidated financial statements are presented in South African Rand, which is the University's functional currency, rounded to the nearest thousand.

#### 2.2.3 Segment information and accumulated funds

A segment is a recognised component of the University that is engaged in undertaking activities and providing services that are subject to risks and returns different from those of other segments.

Segmentation provided in the consolidated statement of comprehensive income of these financial statements is in terms of the guidelines prescribed by the Department of Higher Education and Training

#### 2.2.4 Specifically funded activities restricted (Education and general)

The specifically funded activities restricted consist mainly of research activity. Here decision-making rights over income earned and related expenses rest with researchers. Council retains an oversight role in regard to ensuring that expenditure is in accordance with the mandate received from funders.

#### 2.2.5 Unrestricted Council controlled funds

The Council controlled segment predominantly represents the teaching component of the University. Decision-making rights relating to income earned in this segment rests with Council.

#### 2.2.6 Non-distributable Reserve

This reserve relates to the funds earmarked for investment in property, plant and equipment.

#### 2.2.7 Use of estimates and judgements

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities as well as income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by Management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 24.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are described in the following notes:

- Note 9 – measurement of defined benefit obligations
- Accounting policy 2.13 – inventory
- Accounting policy 2.12 and note 17 – valuation of financial instruments
- Accounting policy 2.4 – property, plant and equipment
- Accounting policy 2.11 – provisions

### 2.3 BASIS OF CONSOLIDATION

The consolidated financial statements include all assets and liabilities of the University of South Africa, the University of South Africa Foundation, the University of South Africa Fund Inc. and the Unisa Enterprises (Pty) Limited. Entities are included in the consolidated financial statements when the University has the power to control the entities. Control is achieved when the University:

- has power over the investee
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the University obtains control over the subsidiary and ceases when the University loses control of the subsidiary.

#### 2.3.1 Transactions and grants eliminated on consolidation

##### Transactions

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

##### Grants

Grants between related funds are eliminated in the consolidated annual financial statements.

### 2.4 PROPERTY, PLANT AND EQUIPMENT

#### Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Land is stated at cost and is not depreciated as it is deemed to have an unlimited useful life. Property, plant and equipment acquired by means of donations are recorded at nominal value. Artwork is recorded at cost or the estimated fair value at the date of the donation. The fair value is deemed to be a reasonable market value at the date of the donation or the purchase price item. The useful life of artworks is determined to be indefinite. The carrying value is reviewed annually and adjusted for impairment when necessary.

Cost includes expenditure that is directly attributable to the acquisition of the items of property, plant and equipment. The cost of self-constructed items of property, plant and equipment includes the cost of materials and direct labour, any other costs directly attributable to bringing the item to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Work in progress includes all expenditure that is directly attributable to the construction of the items of property, plant and equipment, until the construction is completed and an occupation certificate is issued. Work in progress is capitalised during the construction phase and only depreciated once the building is available for occupation.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

#### Depreciation

Depreciation is the systematic allocation of the depreciable amount of an item of property, plant and equipment over its estimated useful life. Depreciation is charged on the depreciable amount to profit or loss on a straight-line basis over the estimated useful lives of the property, plant and equipment. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the period and are treated as changes in accounting estimates.

The depreciable amount is the difference between the cost of an item of property, plant and equipment and its residual value.

Residual value is the estimated amount that the University would currently obtain from disposal of the item of property, plant and equipment, after deducting the estimated costs of disposal, if the item of property, plant and equipment was already of age and in the condition expected at the end of its useful life.

Leased assets are depreciated over the shorter of the lease term and their useful lives, unless it is reasonably certain that the University will obtain ownership by the end of the lease term.

The estimated useful live for the current and periods are as follows:

- Motor vehicles and farm equipment            5 years
- Laboratory equipment                            5 years
- Computer equipment                            3–8 years
- Furniture and equipment                        10–15 years
- Buildings and improvements                  50–75 years
- Library Books                                      3 years

Asset with a purchase price of less than R5000 are depreciated in full in the year of acquisition, except for computer equipment and library books which are depreciated as disclosed in the table above.

Where components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The residual values, depreciation method and useful lives of items of property, plant and equipment are reassessed annually and adjusted prospectively, if appropriate.

Subsequent expenditure relating to an item of property, plant and equipment is capitalised when it is probable that future economic benefits from the use of the item of property, plant and equipment will flow to the entity and the costs can be measured reliably. All other subsequent expenditure is recognised as an expense in the period in which it is incurred. Profits/ (losses) on the disposal of items of property, plant and equipment are recognised in profit or loss. The profit or loss is the difference between the net disposal proceeds and the carrying amount of the item of property, plant and equipment.

Routine maintenance costs are recognised in profit or loss as they are incurred. The costs of major maintenance or overhaul of an item of property, plant or equipment are recognised as an expense, except if the cost had been recognised as a separate part of the cost of the item of property, plant and equipment.

## 2.5 INVESTMENT PROPERTIES

Investment properties are properties which are either held to earn rental income and/or for capital appreciation but not for sale in the ordinary course of business, for use in the production or supply of goods or services, or for administrative purposes. Owner-occupied properties are held for educational activities and administrative purposes. This distinguishes owner-occupied properties from investment properties.

Investment properties are carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated by using the straight-line method to write off the depreciable amount over the investment property's estimated useful life.

The useful life for the current and prior period is:

- Buildings and improvements – 50 years

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

## 2.6 NON-CURRENT ASSETS HELD FOR SALE

Non-current assets (or disposal groups comprising assets and liabilities) which are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) are recognised at the lower of the carrying amount and their previous carrying amount and the fair value less costs to sell.

Impairment losses on initial classification as held for sale are included in profit or loss. The same applies to gains and losses on subsequent re-measurement. Gains are not recognised in excess of any cumulative impairment loss. Any impairment loss on a disposal group is allocated to the assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets and employee benefit assets, which continue to be measured in accordance with the University's accounting policies.

## 2.7 INTANGIBLE ASSETS

An intangible asset is an identified, non-monetary asset that has no physical substance. An intangible asset is recognised when:

- it is identifiable
- the University has control over the asset as a result of a past event
- it is probable that economic benefits will flow to the University and
- the cost of the asset can be measured reliably

The amortisation period, residual values and amortisation method are reassessed annually.

### 2.7.1 Research

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding is recognised in profit or loss when incurred.

### 2.7.2 Computer software

Acquired computer software that is significant and unique to the business is capitalised as an intangible asset on the basis of the cost incurred to acquire and make available for use the specific software.

Costs associated with maintaining computer software programmes are capitalised as intangible assets only if they qualify for recognition. In all other cases, these costs are recognised as an expense as incurred.

Costs that are directly associated with the development and production of identifiable and unique software products controlled by the University and that will probably generate economic benefits exceeding one year are recognised as intangible assets. Direct costs include the costs of software development, employees' costs and an appropriate allocation of relevant overheads.

Computer software is amortised on a straight line basis over its estimated useful life from the date it becomes available for use.

The useful life for the current and prior period is:

- Capitalised software 3–10 years

Subsequent expenditure on capitalised intangible assets is capitalised when it increases the future economic benefits embodied in the specific asset to which it relates and the costs can be measured reliably. All other expenditure is expensed as incurred.

## 2.8 IMPAIRMENT OF FINANCIAL AND NON-FINANCIAL ASSETS

The carrying amounts of the University's assets other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated.

The allowance accounts in respect of student and other receivables are used to record impairment losses unless the University is satisfied that no recovery of the amount owing is possible. At that point the amounts considered irrecoverable are written off directly against the financial asset.

The impairment of student receivables, loans and other receivables is established when there is objective evidence that the University will not be able to collect all amounts due in accordance with the original terms of the credit/loans given, and includes an assessment of recoverability based on historical trend analyses and events that exist at the reporting date. In assessing collective impairment the University uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement. The amount of the impairment adjustment is the difference between the carrying value and the present value. For debtors, impairment losses are recognised in profit or loss.

For loans and receivables the adjustment is established when there is objective evidence that the University will not be able to collect all amounts due according to the original terms of the loan or receivable. Objective evidence includes default or delinquency by a debtor or adverse changes in the payment status of debtors to the University.

An impairment loss is recognised if the carrying amount of a non-financial asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

### 2.8.1 Calculation of recoverable amount

The recoverable amount of the University's investments in receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

The recoverable amount of a non-financial asset is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

### 2.8.2 Reversals of impairment

In respect of other non-financial assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

In respect of non-financial assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An impairment loss in respect of receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. The reversal of impairment losses on these financial assets is recognised in profit or loss.

## 2.9 FOREIGN CURRENCIES

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Foreign currency transactions are translated to the University's functional currency at the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at rates of exchange ruling at the end of the financial year.

It is not the policy of the University to take out forward exchange contracts on foreign currency transactions entered into.

## 2.10 LEASES

### 2.10.1 Finance leases

Leases of property, plant and equipment where the University obtains substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised. All other leases are classified as operating leases. The classification is based on the substance and financial reality of the whole transaction rather than the legal form. Leases of land and financial reality of the whole transaction

than the legal form. Leases of land and buildings are analysed separately to determine whether each component is an operating or finance lease.

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at an amount equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. Any direct costs incurred in negotiating or arranging a lease is added to the cost of the asset. The discount rate used in calculating the present value of minimum lease payments is the rate implicit in the lease.

Capitalised leased assets are accounted for as property, plant and equipment. They are depreciated using the straight-line basis at rates considered appropriate to write off the depreciable amount over the estimated useful life. Where it is not certain that an asset will be taken over by the University at the end of the lease, the asset is depreciated over the shorter of the lease period and the estimated useful life of the asset.

#### 2.10.2 Operating leases

Operating lease payments are recognised in profit or loss on a straight-line basis over the lease term. In negotiating a new or renewed operating lease, the lessor may provide incentives for the University to enter into the agreement, such as up-front cash payments or an initial rent-free period. These benefits are recognised as a reduction in the rental expense over the lease term on a straight-line basis.

#### 2.11 PROVISIONS

Provisions are recognised when the University has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

#### 2.12 FINANCIAL INSTRUMENTS

Non-derivative financial instruments comprise investments in equity and debt securities, student and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables. Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

##### 2.12.1 Measurement

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, directly attributable transaction costs, and for financial instruments through profit or loss, excluding attributable costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

##### 2.12.2 Interest-bearing borrowings

Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

##### 2.12.3 Student and other receivables

Student and other receivables are subsequently classified as loans and receivables and measured at amortised cost using the effective interest method less any impairment losses.

##### 2.12.4 Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost, using the effective interest method. For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, and investments in money market instruments, net of bank overdrafts, all of which are available for use by the University unless otherwise stated. Bank overdrafts that are repayable on demand and form an integral part of the University's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

##### 2.12.5 Trade and other payables

Trade and other payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier. Trade payables are subsequently carried at amortised cost using the effective interest method.

##### 2.12.6 Loans and receivables

Loans and receivables are stated at amortised cost, less any impairment losses. Amortised cost represents the original invoice amount less principal repayments received, the impact of discounting to net present value and impairment adjustments, where applicable.

##### 2.12.7 Recognition and de-recognition

A financial instrument is recognised when the University becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the University's contractual rights to the cash flows from the financial assets expire or if the University transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date (the date that the University commits itself to purchase or sell the asset). Financial liabilities are de-recognised when the University's obligations specified in the contract expire or are discharged or cancelled.

##### 2.12.8 Offset

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when the University has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### 2.12.9 Investments at fair value through profit or loss

An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the University manages such investments and makes purchase and sale decisions based on their fair value in accordance with the University's documented risk policy. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss. Fair value movement recognised in profit or loss excludes interest and dividends.

#### 2.13 INVENTORY

Inventory is stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition, and is determined using the weighted average cost method. Obsolete, redundant and slow moving inventories are identified on a regular basis and are written down to their estimated scrap values.

- 2.14 **NORMAL TAXATION**  
The University is exempted from normal taxation in terms of section 10 of the South African Income Tax Act, 1962 (Act No. 58 of 1962).
- 2.15 **FINANCE COSTS AND INCOME**  
The interest expense component of finance lease payments is recognised in profit or loss using the effective interest method. Interest income is recognised in profit or loss as it accrues, using the effective interest method.
- 2.16 **RELATED PARTIES**  
Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the other party in making financial and operational decisions. Key Management staff and their close family members are also regarded as related parties. Key Management staff are those persons having authority and responsibility for planning, directing and controlling the activities of the University.
- 2.17 **CONTINGENT ASSETS**  
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 University.  
  
Such contingent assets are only recognised in the financial statements where the realisation of income is virtually certain. If the inflow of economic benefits is only probable, the contingent asset is disclosed as a claim in favour of the University but not recognised in the statement of financial position.
- 2.18 **CONTINGENT LIABILITIES**  
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 University, 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.  
  
If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.
- 2.19 **DETERMINATION OF FAIR VALUES**  
A number of the University's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods indicated below. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.
- 2.19.1 **Investment property**  
An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the University's investment property portfolio. The fair values are based on market values, being the estimated amount

- for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.
- In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows is then applied to the net annual cash flows to arrive at the property valuation.
- 2.19.2 **Investments in equity and debt securities**  
The fair value of financial assets at fair value through profit or loss is determined by reference to their quoted bid price at the reporting date.
- 2.19.3 **Trade and other receivables**  
The fair value of student and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.
- 2.20 **REVENUE**
- 2.20.1 **Goods sold**  
Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances and discounts. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be measured reliably, the amount of revenue can be measured reliably, and there is no continuing management involvement with the goods.
- 2.20.2 **Services and tuition fees**  
Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. Stage of completion is assessed based on the proportion that costs incurred to date bear to the estimated total costs, subject to recoverability. Tuition fees are recorded as income in the period to which it relates. Deposits received from prospective students are recognised as income once the service has been rendered.
- 2.20.3 **Rental income**  
Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.
- 2.20.4 **Government grants**  
An unconditional government grant or subsidy is recognised in profit or loss when the grant becomes receivable. Other conditional government grants are recognised initially as deferred income when there is reasonable assurance that they will be received and that the University will comply with the conditions associated with the grant. Grants that compensate the University for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses are recognised.  
  
Non-monetary assets received through a government grant are accounted for at a nominal amount.
- 2.20.5 **Donations**  
Donations are recognised as income when received.

- 2.20.6 **Dividend and interest income**  
Dividend income is recognised when the right to receive payment is established.
- 2.21 **EMPLOYEE BENEFITS**
- 2.21.1 **Short-term employee benefits**  
The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service. The accruals for employee entitlements to salaries and annual leave represent the amount which the University has a present obligation to pay as a result of employee services provided to the reporting date. The accruals have been calculated at undiscounted amounts based on current salary rates.
- 2.21.2 **Long-term service benefits**  
The University's net obligation in respect of long-term service benefits, other than pension plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. Any actuarial gains and losses are recognised in profit or loss in the period in which they arise. The discount rate is the yield at the reporting date on AAA credit rated bonds that have maturity dates approximating to the terms of the University's obligation.
- 2.21.3 **Termination benefits**  
Termination benefits are recognised as an expense in profit and loss when the University is demonstrably committed without realistic possibility of withdrawal to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the University has made an offer encouraging voluntary redundancy, if it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.
- 2.21.4 **Defined contributions plans**  
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution retirement plans are recognised as an employee benefit expense in profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.
- 2.21.5 **Defined benefit plans**  
A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.
- The University's net obligation in respect of defined benefit retirement plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value.
- The fair value of any plan assets and any unrecognised past service costs is deducted. The discount rate is the market yield at the reporting date on government bonds that have maturity dates approximating to the terms of the University's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

When the calculation results in a benefit to the University, the recognised asset is limited to the net total of any unrecognised past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

The University recognises all actuarial gains and losses arising from defined benefit plans immediately in other comprehensive income.

## 2.22 BASIS OF APPORTIONMENT BETWEEN FUNDS

### 2.22.1 Short-term assets and liabilities

Short-term assets and liabilities are accounted for in the various fund groups in which the related additions and deductions are reflected.

### 2.22.2 Investment income

The allocation of investment income and realised profits or losses on pooled investments is based on the effective monthly balances. Funds in the fund group restricted use and funds of Institutes and Centres which are not in terms of University policy invested in listed bonds and equities do not share in the investment income and the realised profits or losses of these investments.

## 2.23 OTHER

### 2.23.1 Transfers

Transfers are made to reserves in respect of property, plant and equipment to make provision for current and future fixed asset renovations, upgrading, acquisitions and maintenance.

### 2.23.2 Funds administered on behalf of Department of Higher Education and Training

As legal successor for the former Vista University, the University administers the medical aid liability of the Vista pensioners on behalf of the Department of Higher Education and Training. These funds are recognised as a non-current liability.

## NOTE 1: PROPERTY, PLANT AND EQUIPMENT

| Note                                  | Land and buildings | Furniture and equipment | Computer equipment and leased assets | Vehicles & farm equipment | Laboratory, museum, art and audio-visual | Library   | Total       |
|---------------------------------------|--------------------|-------------------------|--------------------------------------|---------------------------|--|-----------|-------------|
|                                       | R'000              | R'000                   | R'000                                | R'000                     | R'000                                    | R'000     | R'000       |
| At 1 January 2016                     |                    |                         |                                      |                           |  |           |             |
| Cost                                  | 2 342 766          | 465 413                 | 491 282                              | 18 159                    | 402 733                                  | 655 881   | 4 376 234   |
| Accumulated depreciation              | (383 062)          | (218 556)               | (198 623)                            | (9 666)                   | (89 515)                                 | (593 996) | (1 493 418) |
| Net carrying value                    | 1 959 704          | 246 857                 | 292 659                              | 8 493                     | 313 218                                  | 61 885    | 2 882 816   |
| At 31 December 2016                   |                    |                         |                                      |                           |  |           |             |
| Opening net book amount               | 1 959 704          | 246 857                 | 292 659                              | 8 493                     | 313 218                                  | 61 885    | 2 882 816   |
| Additions                             | 92 852             | 1 649                   | 5 077                                | 1 115                     | 206 867                                  | 29 277    | 336 837     |
| Disposals                             |                    |                         | (1 284)                              | (5 239)                   | (3)                                      | (45 649)  | (52 175)    |
| Depreciation on disposals             |                    |                         | 307                                  | 1 213                     | 2  | 45 649    | 47 171      |
| Depreciation                          | (48 876)           | (47 084)                | (56 861)                             | (2 193)                   | (65 599)                                 | (39 403)  | (260 016)   |
| Closing net carrying value            | 2 003 680          | 201 422                 | 239 898                              | 3 389                     | 454 485                                  | 51 759    | 2 954 633   |
| At 1 January 2017                     |                    |                         |                                      |                           |  |           |             |
| Cost                                  | 2 435 618          | 467 062                 | 495 075                              | 14 035                    | 609 597                                  | 639 509   | 4 660 896   |
| Accumulated depreciation              | (431 938)          | (265 640)               | (255 177)                            | (10 646)                  | (155 112)                                | (587 750) | (1 706 263) |
| Net carrying value                    | 2 003 680          | 201 422                 | 239 898                              | 3 389                     | 454 485                                  | 51 759    | 2 954 633   |
| At 31 December 2017                   |                    |                         |                                      |                           |  |           |             |
| Opening net book amount               | 2 003 680          | 201 422                 | 239 898                              | 3 389                     | 454 485                                  | 51 759    | 2 954 633   |
| Net transfer to investment properties | (6 043)            |                         |                                      |                           |  |           | (6 043)     |
| Reclassification of assets            |                    | (53 866)                | 48 668                               | 10 445                    | (5 247)                                  |           |             |
| Additions                             | 5 537              | 19 914                  | 80 023                               | 3 040                     | 67 953                                   | 19 981    | 196 448     |
| Disposals                             |                    | (6 392)                 | (15 455)                             | (1 401)                   | (858)                                    | (28 829)  | (52 935)    |
| Depreciation on disposals             |                    | 3 704                   | 7 142                                | 1 210                     | 695                                      | 28 829    | 41 580      |
| Depreciation                          | (42 995)           | (45 319)                | (81 673)                             | (8 939)                   | (93 544)                                 | (34 817)  | (307 287)   |
| Closing net carrying value            | 1 960 179          | 119 463                 | 278 603                              | 7 744                     | 423 484                                  | 36 923    | 2 826 396   |
| At 31 December 2017                   |                    |                         |                                      |                           |  |           |             |
| Cost                                  | 2 435 112          | 426 718                 | 608 311                              | 26 120                    | 671 445                                  | 630 660   | 4 798 366   |
| Accumulated depreciation              | (474 933)          | (307 255)               | (329 708)                            | (18 376)                  | (247 961)                                | (593 737) | (1 971 970) |
| Net carrying value                    | 1 960 179          | 119 463                 | 278 603                              | 7 744                     | 423 484                                  | 36 923    | 2 826 396   |
| Net carrying value                    |                    |                         |                                      |                           |  |           |             |
| At 31 December 2017                   | 1 960 179          | 119 463                 | 278 603                              | 7 744                     | 423 484                                  | 36 923    | 2 826 396   |
| At 31 December 2016                   | 2 003 680          | 201 422                 | 239 898                              | 3 389                     | 454 485                                  | 51 759    | 2 954 633   |

A register of land and buildings owned by the University is available at the University's registered address. The University is not permitted to dispose of or alienate land and buildings without the approval of the Minister.

## Land included in the above land and buildings

|                           | 2017    | 2016    |
|---------------------------|---------|---------|
|                           | R'000   | R'000   |
| Balance as at 1 January   | 154 442 | 154 442 |
| Balance as at 31 December | 154 442 | 154 442 |

## NOTE 1.1: OTHER ASSETS

|  | 2017   | 2016   |
|--|--------|--------|
|  | R'000  | R'000  |
| Deposit in the construction of a joint library   |        |        |
| Balance as at 1 January  | 50 000 |        |
| The University entered into a collaboration agreement with Universities' of Fort Hare and Walter Sisulu, to provide library services to the students in East London. The construction will be complete in 2018, where after the University will provide library services to its students. The 3 universities will carry the costs of the operating expenses in the ratio 45:45:10 respectively |        | 50 000 |
| Balance as at 31 December  | 50 000 | 50 000 |

## NOTE 2: INTANGIBLE ASSETS

|                                       | 2017      | 2016      |
|---------------------------------------|-----------|-----------|
|                                       | R'000     | R'000     |
| Computer Software & Library Databases |           |           |
| Cost                                  |           |           |
| Balance as at 1 January               | 187 800   | 173 405   |
| Acquisitions                          | 2 791     | 23 176    |
| Disposals                             | (35 684)  | (8 781)   |
| Balance as at 31 December             | 154 907   | 187 800   |
| Accumulated amortisation              |           |           |
| Balance as at 1 January               | (116 097) | (95 589)  |
| Amortisation for the year             | (31 028)  | (29 289)  |
| Disposals                             | 35 684    | 8 781     |
| Balance as at 31 December             | (111 441) | (116 097) |
| Carrying value                        |           |           |
| At 31 December                        | 43 466    | 71 703    |

## NOTE 3: INVESTMENT PROPERTY

|   | 2017<br>R'000 | 2016<br>R'000 |
|---|---------------|---------------|
| <b>Cost</b>   |               |               |
| Balance as at 1 January                               | 34 120        | 34 120        |
| Transferred to Property, Plant & Equipment            | (5 647)       |               |
| Additions   | 9 505         |               |
| Balance as at 31 December                             | 37 978        | 34 120        |
| <b>Accumulated depreciation and impairment losses</b> |               |               |
| Balance as at 1 January                               | (9 042)       | (8 262)       |
| Transferred to Property, Plant & Equipment            | 2 185         |               |
| Depreciation for the year                             | (727)         | (780)         |
| Balance as at 31 December                             | (7 584)       | (9 042)       |
| <b>Carrying value</b>                                 |               |               |
| At 31 December  | 30 394        | 25 078        |

The investment property was valued during 2014 by Corporate Valuations CC, a registered independent property appraiser having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. Fair values were determined by using the income capitalisation method. The fair value as determined by the property appraiser as at 31 May 2015 amounted to R42,7 million. University's assessment of the valuation indicated no significant change in the fair value of the property as at the reporting date. The property will be valued in 2019.

Rental income from investment property amounted to R5,298 million (2016: R4,324 million) and the direct operating expenses amounted to R0,057 million (2016: R0,035 million).

A register of the land and buildings included in investment properties is available at the University's registered address.

## NOTE 4: INVENTORIES

|                                | 2017<br>R'000 | 2016<br>R'000 |
|--------------------------------|---------------|---------------|
| Study materials and courseware | 163 101       | 94 614        |
| Work in process                | 11 479        | 7 261         |
| Technical inventories          | 1 337         | 1 825         |
| Consumable inventory           | 15 574        | 17 585        |
|                                | 191 491       | 121 285       |

## NOTE 5: TRADE AND OTHER RECEIVABLES

|   | 2017<br>R'000 | 2016<br>R'000 |
|---|---------------|---------------|
| Student receivables core                      | 308 286       | 114 434       |
| Prepayments                                   | 29 106        | 30 043        |
| Department of Higher Education and Training   | 11 376        | 126 473       |
| Accrued interest                              | 25 963        | 25 169        |
| National Student Financial Aid Scheme (NSFAS) | 42 401        | 5 774         |
| Other receivables                             | 243 395       | 43 159        |
|   | 660 527       | 345 052       |

Trade receivables are non-interest bearing and are generally on 60 -120 days. As at 31 December 2017 trade receivables of an initial value of R128 million (2016: R134.2 million) were impaired and fully provided for. See below for the movements in the provision for impairment of receivables.

## Movement in the allowance for impairment in respect of student and other receivables

|                                       | 2017     | 2016     |
|---------------------------------------|----------|----------|
| <b>Student receivables</b>            |          |          |
| Balance as at 1 January               | 55 162   | 94 084   |
| Net movement in allowance             | (13 162) | (38 922) |
| Balance as at 31 December             | 42 000   | 55 162   |
| <b>Other receivables</b>              |          |          |
| Balance as at 1 January               | 79 045   | 69 031   |
| Net movement in allowance             | 101 439  | 10 014   |
| Balance as at 31 December             | 180 484  | 79 045   |
| <b>Total allowance for impairment</b> | 222 484  | 134 207  |

The University's exposure to credit, currency and interest rate risks relating to other investments is disclosed note 17.

## NOTE 6: OTHER INVESTMENTS

|  | 2017<br>R'000 | 2016<br>R'000 |
|--|---------------|---------------|
| <b>Non-current investments</b>                   |               |               |
| Designated at fair value through profit and loss | 325 351       | 296 600       |
| <b>Current investments</b>                       |               |               |
| Designated at fair value through profit and loss | 60 522        | 64 004        |
| Held for trading instruments                     | 6 397 642     | 5 687 108     |
|  | 6 458 164     | 5 751 112     |
|  | 6 783 515     | 6 047 712     |

The non-current investments have been ring-fenced to fund the future post employment liabilities of the University. In 2017 R60 million (2016: R64 million) of the current investments are administered on behalf of the Department of Higher Education.

The University's exposure to credit, currency and interest rate risks relating to other investments is disclosed in note 17.

## NOTE 7: CASH AND CASH EQUIVALENTS

|   | 2017<br>R'000  | 2016<br>R'000  |
|---|----------------|----------------|
| Bank balances and cash on hand                  | 379 946        | 131 581        |
| Short-term bank deposits, money market deposits | 67 958         | 75 422         |
|   | <b>447 904</b> | <b>207 003</b> |

The weighted average effective interest rate, for the year, earned on short-term bank deposits was 8.1% (2016: 7.9%). The University's exposure to interest rate risks and a sensitivity analysis for financial assets and liabilities are disclosed in note 17.

## NOTE 8: FUNDS

|  | 2017<br>R'000    | 2016<br>R'000    |
|--|------------------|------------------|
| Property, plant and equipment distributable reserves<br>Held for investment in property, plant and equipment.<br>The balance represents funds set aside for investment in property, plant and equipment. | <b>1 520 738</b> | <b>1 408 650</b> |
| Distributable reserves<br>Unrestricted<br>The balance represents operating funds controlled by Council.  | <b>6 986 128</b> | <b>6 301 755</b> |
| Restricted<br>The balance represents operating funds restricted for specific use.  | <b>36 268</b>    | <b>34 717</b>    |

## NOTE 9: POST-EMPLOYMENT OBLIGATIONS

## 9.1 Post-Employment Medical Obligations: Former UNISA, TSA and Vista (Vudec)

In accordance with past personnel practice, the Council has undertaken to make contributions to a defined benefit plan that provides medical benefits for employees upon retirement. The plan entitles retired employees and future retirees of the former Unisa to receive the following contributions:

- Employees who retired up to and including 30 June 1990 receive 100% of the premium;
- Employees who retired on or after 1 July 1990 and were employed by Unisa before 1 February 1996, receive a subsidy of 80% of contributions to Bonitas and 73,44% of contributions to Bestmed;
- Employees who are employed as from 1 February 1996 up to and including 31 August 2003 receive 50% of the premium;
- Employees who are employed as from 1 September 2003 receive 2% per year of employment with a maximum of 50% of the premium;
- TSA members receive a subsidy of 60% of contributions, inclusive of any savings account contribution, on retirement;
- Vudec members receive a subsidy of 70% of contributions. The entitlement of these benefits is based upon employment prior to 1 January 2000;
- Employees employed after 31 December 2005 receive no post-retirement medical benefits.

## Amounts recognised in the statement of financial position:

|   | 2017<br>R'000  | 2016<br>R'000  |
|---|----------------|----------------|
| Post-employment defined benefit medical obligations   | <b>805 484</b> | <b>803 935</b> |
| Non-Current<br>Post-employment defined benefit medical obligations  | <b>751 812</b> | <b>753 570</b> |
| Amounts payable within one year, included in current liabilities<br>Post-employment defined benefit medical obligations | <b>53 672</b>  | <b>50 365</b>  |

The present value of this commitment is valued by an independent actuary, based on the specific contribution rates, and the costs are spread over the expected remaining period of employment.

The post-employment medical obligation is unfunded. The last actuarial valuation was at 31 December 2017.

|  | 2017<br>R'000  | 2016<br>R'000  |
|--|----------------|----------------|
| Liability<br>Present value of unfunded defined benefit obligation                      | 805 484        | 803 935        |
| Present value of unfunded defined benefit obligation<br>comprises liabilities towards: |                |                |
| Active employees   | 159 947        | 167 266        |
| Continuation members   | 645 537        | 636 669        |
|  | <b>805 484</b> | <b>803 935</b> |

## Amounts recognised in profit or loss

Included as personnel costs in profit or loss

|                      |               |               |
|----------------------|---------------|---------------|
| Current service cost | 6 817         | 6 890         |
| Interest cost        | 71 879        | 74 368        |
|                      | <b>78 696</b> | <b>81 258</b> |

Movement in the net liability recognised in the statement of financial position is as follows:

|                                      |                |                |
|--------------------------------------|----------------|----------------|
| Net liability at beginning of year   | 803 935        | 762 695        |
| Expense recognised in profit or loss | 78 696         | 81 258         |
| Actuarial gains                      | (26 782)       | 5 431          |
| Benefits payments                    | (50 365)       | (45 449)       |
| Liability at end of year             | <b>805 484</b> | <b>803 935</b> |

## Historical information

|  | 2016<br>R'000 | 2015<br>R'000 | 2014<br>R'000 | 2013<br>R'000 | 2012<br>R'000 |
|--|---------------|---------------|---------------|---------------|---------------|
|--|---------------|---------------|---------------|---------------|---------------|

|  |        |         |          |          |         |
|--|--------|---------|----------|----------|---------|
| Experience adjustments arising on plan liabilities | 26 782 | (5 431) | (18 694) | (25 786) | (2 824) |
|--|--------|---------|----------|----------|---------|

## Membership

|                                     | 2017  | 2016  |
|-------------------------------------|-------|-------|
| Active employees                    | 198   | 210   |
| Continuation members                | 886   | 888   |
| Total number of members at year end | 1 084 | 1 098 |

There has been a decrease in the number of active employees due to the majority of employees accepting a buy-out option. Liability buy-out options were offered to current employees, eligible as at 31 December 2005. At 31 December 2017, 198 employees have chosen not to elect the buy-out option.

## Valuation assumptions

|                            | 2017  | 2016  |
|----------------------------|-------|-------|
| Discount rate              | 9.15% | 9.23% |
| Healthcare inflation costs | 7.92% | 8.48% |
| Real discount rate         | 1.14% | 0.69% |

## Sensitivity analysis

|  | Variation | Current<br>Obligations<br>R'000 | Revised<br>Obligations<br>R'000 | % Change |
|--|-----------|---------------------------------|---------------------------------|----------|
|--|-----------|---------------------------------|---------------------------------|----------|

## Assumptions

|                        |                   |                      |         |         |        |
|------------------------|-------------------|----------------------|---------|---------|--------|
| Real discount rate     | -100 basis points | Active members       | 159 947 | 184 215 | 15.2%  |
|                        |                   | Continuation members | 645 537 | 704 235 | 9.1%   |
|                        |                   |                      | 805 484 | 888 450 |        |
| Real discount rate     | +100 basis points | Active members       | 159 947 | 136 389 | -14.7% |
|                        |                   | Continuation members | 645 537 | 595 367 | -7.8%  |
|                        |                   |                      | 805 484 | 731 756 |        |
| Medical inflation rate | 1% increase       | 805 484              | 881 890 | 9.5%    |        |
|                        | 1% decrease       | 805 484              | 735 344 | -8.7%   |        |

|                     | Variation   | Current<br>Obligations<br>R'000 | Service costs<br>plus interest<br>R'000 | % Change |
|---------------------|-------------|---------------------------------|---|----------|
| Medical cost trends | 1% increase | 805 484                         | 85 486                                  | 10.6%    |
|                     | 1% decrease | 805 484                         | 70 242                                  | -9.1%    |

## 9.2 Defined benefit pension fund asset

The assets of the Unisa Retirement Fund ("Unisarf", or the "Fund") are held independently of the University of South Africa's assets in a separate trustee-administered fund.

The Fund is valued by independent actuaries every three years, in line with the statutory requirement in terms of Section 16(8) of the Pension Funds Act. The last statutory valuation was undertaken with an effective date of 31 December 2014 and the Valuator reported that the Fund was in a sound financial position at that date. The next statutory valuation is to be performed with an effective date of 31 December 2017.

A valuation has been carried out as at 31 December 2017 specifically for the purposes of the University's IAS19 disclosure requirement. The purpose of this valuation is to quantify the net pension asset or liability in respect of the defined benefit element of Unisarf for recognition in terms of the IAS19 accounting standard. The movement in the value in the Fund's defined benefit assets and liabilities has been shown below.

|   | 2017<br>R'000 | 2016<br>R'000 |
|---|---------------|---------------|
| Projected benefit obligations                         | (1 194 492)   | (1 054 563)   |
| Fair value of plan assets                             | 1 451 681     | 1 240 462     |
| Pension fund asset at year end                        | 257 189       | 185 899       |
| Asset Limitation                                      | (64 082)      | 6 019         |
| Pension fund asset at year end after asset limitation | 193 107       | 191 918       |
| Plan assets comprise                                  |               |               |
| Equity securities                                     | 673 286       | 578 014       |
| Bonds and cash  | 778 395       | 662 448       |
|   | 1 451 681     | 1 240 462     |

At 31 December 2017, 46.4% (2016:46.6%) of the plan assets were invested in equity securities and 53.6% (2016: 53.4%) were invested in bonds and cash.

## Movement in the present value of the defined benefit obligations

|   |           |           |
|---|-----------|-----------|
| Defined benefit obligation 1 January                      | 1 054 563 | 856 295   |
| Transfers in – new pensioner capital                      | 220 305   | 170 557   |
| Benefits paid by the plan (net of reinsurance recoveries) | (94 830)  | (74 814)  |
| Current service cost and interest                         | 106 660   | 93 860    |
| Actuarial gains/(losses) recognised                       | (92 206)  | 8 665     |
| Defined benefit obligation as at 31 December              | 1 194 492 | 1 054 563 |

## Movement in the present value of plan assets

|  |           |           |
|--|-----------|-----------|
| Fair value of plan assets at 1 January   | 1 240 462 | 1 110 324 |
| Transfers in – new pensioner capital     | 220 305   | 170 557   |
| Benefits paid by the plan                | (94 830)  | (74 814)  |
| Expected return on plan assets           | 118 868   | 115 820   |
| Contribution holiday                     | (20 000)  |           |
| Actuarial gains                          | (13 124)  | (81 425)  |
| Fair value of plan assets at 31 December | 1 451 681 | 1 240 462 |

## Historical information:

|   | 2017<br>R'000 | 2016<br>R'000 | 2015<br>R'000 | 2014<br>R'000 | 2013<br>R'000 |
|---|---------------|---------------|---------------|---------------|---------------|
| Present value of the defined benefit obligations      | (1 194 492)   | (1 054 563)   | (856 295)     | (733 448)     | (637 209)     |
| Fair value of plan assets                             | 1 451 681     | 1 240 462     | 1 110 324     | 934 905       | 841 026       |
| Pension fund asset at year end                        | 257 189       | 185 899       | 254 029       | 201 457       | 203 817       |
| Asset limitation                                      | (64 082)      | 6 019         | (72 488)      | (45 486)      | (117 314)     |
| Pension fund asset at year end after asset limitation | 193 107       | 191 918       | 181 541       | 155 971       | 86 503        |
| Experience adjustments arising on plan liabilities    | (92 206)      | 8 665         | (13 332)      | 38 957        | (59 260)      |
| Experience adjustments arising on plan assets         | (13 124)      | (81 425)      | 26 142        | 21 704        | 85 751        |

## Amounts recognised in profit or loss and other comprehensive income:

|                                | 2017<br>R'000 | 2016<br>R'000 |
|--------------------------------|---------------|---------------|
| Current service costs          | 3 657         | 3 130         |
| Interest on obligation         | 103 003       | 90 730        |
| Expected return on plan assets | (118 868)     | (115 820)     |
|                                | (12 208)      | (21 960)      |

Movements in the pension fund asset recognised in the statement of financial position are as follows:

|                                |         |         |
|--------------------------------|---------|---------|
| Net asset at beginning of year | 191 918 | 181 541 |
| Net movement for the year      | 1 189   | 10 377  |
| Net asset at end of year       | 193 107 | 191 918 |
| Actual return on plan assets   |         | 12.2%   |

## Key valuation assumptions

|   |             |              |
|---|-------------|--------------|
| Investment returns                        | 9.40%       | 9.20%        |
| Inflation                                 | 6.30%       | 6.60%        |
| Salary increases                          | 9.00%       | 9.30%        |
| Pension increase                          | 3.15%       | 3.30%        |
| Pensioner mortality                       | PA(90)-1*   | PA(90)-1*    |
| Capitalisation factor for minimum benefit | 6%PA(90)-1* | 6% PA(90)-1* |
| Discount rate                             | 9.40%       | 9.20%        |

The expected return on assets in 2017 and 2016 is the same as the rate used to discount the liabilities in each respective year, thus no provision has been made for the equity risk premium.

\* Per the standard actuarial tables.

## Sensitivity analysis

The sensitivity of the pension fund surplus to changes in certain key valuation assumptions is disclosed below:

|                   | Variation   | Current Assets | Revised Asset | % Change |
|-------------------|-------------|----------------|---------------|----------|
| Assumption        |             |                |               |          |
| Investment return | 1% decrease | 1 451 681      | 96 185        | -50.2%   |
| Investment return | 1% increase | 1 451 681      | 193 107       | 0.0%     |
| Salary increases  | 1% increase | 1 451 681      | 193 107       | 0.0%     |
| Salary increases  | 1% decrease | 1 451 681      | 147 064       | -23.8%   |

The University expects to pay R 386 million in contributions during 2017 in respect of its in-service members (i.e. R 174 million employer contribution and R 211 million employee contribution). No further contributions will be made in respect of the minimum, benefit guarantee from 2014.

## 9.3

## National Tertiary Retirement Fund guarantee

In November 1994, the former TSA withdrew from the Government pension fund and transferred their funds to the National Tertiary Retirement Fund (NTRF). The NTRF is a defined contribution fund governed by the Pensions Act, 1956. In terms of the conditions of transfer, staff members who were in the employ at 30 November 1994 and members of the Government pension fund were guaranteed that they would not be worse off than if they remained on the defined benefit scheme. Any liability arising from the guaranteed amount is accounted for as a defined benefit obligation.

The fund is financed by employer and employee contributions and designated investment income. The University's contributions in respect of the defined benefit structure are based on actuarial advice and are shown in profit or loss. It is policy to ensure that the fund is adequately funded to provide the benefits of members, and particularly to ensure that any shortfall with regard to the defined benefit structure is being met by additional contributions.

A valuation has been carried out as at 31 December 2017 specifically for the purposes of the University's IAS19 disclosure requirement. The purpose of this valuation is to quantify the net pension asset or liability in respect of the defined benefit element of the NTRF for recognition in terms of the IAS19 accounting standard. Liabilities in respect of the defined benefit structure are calculated based on assumptions regarding the expected experience in respect of death, withdrawals, early retirement, family statistics, rate of increase in pensionable remuneration administration costs and the expected yield on assets.

## Liability

|   | 2017<br>R'000 | 2016<br>R'000 |
|---|---------------|---------------|
| Present value of unfunded defined benefit obligation guaranteed | 33 025        | 55 845        |

## Amounts recognised in profit or loss and other comprehensive income:

|                             |       |       |
|-----------------------------|-------|-------|
| Current service costs       | 4 846 | 848   |
| Interest costs              | 1 067 | 4 448 |
| Included in personnel costs | 5 913 | 5 296 |

Movements in the pension fund liability recognised in the statement of financial position are as follows:

|   | 2017<br>R'000 | 2016<br>R'000 |
|---|---------------|---------------|
| Liability at beginning of year                  | 55 845        | 47 310        |
| Expense recognised                              | 5 913         | 5 296         |
| Benefits paid                                   | (3 493)       | (6 128)       |
| Contributions made to employers surplus account | (20 000)      |               |
| Re-measurements                                 | (5 240)       | 9 367         |
| Liability at end of year                        | 33 025        | 55 845        |

#### Sensitivity Analyses

The sensitivity of the liability to changes in the net discount rate is disclosed below:

|                   | Variation     | Current liability | Revised Liability | % Change |
|-------------------|---------------|-------------------|-------------------|----------|
| Assumption        | 0.9% increase | 33 025            | 10 148            | 69.27%   |
| Net discount rate | 1.8% increase | 33 025            | (3 314)           | 110.03%  |

Principal actuarial assumptions used for accounting purposes were

|                          | 2017  | 2016  |
|--------------------------|-------|-------|
| Expected rate of return  | 9.87% | 9.93% |
| Future pension increases | 3.90% | 4.18% |
| Future salary increases  | 7.00% | 7.0%  |

The SA 56-62 ultimate table was used as a basis for mortality assumptions.

The University expects R60 million in contributions to be paid to the funded defined benefit plan of which employee contributions are R20 million and employer contribution is R40 million.

#### 9.4 Former Vista University Distance Education Centre (Vudec)

The assets of the Vista University Pension and Provident Funds are held independently of the University of South Africa's assets in a separate fund administered by SANLAM. The Vista University Pension and Provident Funds are defined contribution funds. Employer contributions for active members are credited against the Provident Fund and employee contributions to the Pension Fund.

The liability in respect of the pensioners has been outsourced to Quantum Pensions, a Sanlam insurance product.

The Vista University Pension and Provident Funds are valued by independent actuaries every three years. The last actuarial valuation was carried out on 31 December 2015 and the Funds were fully funded.

The members of the Vista University Pension and Provident Fund have been moved to the Unisa Retirement Fund with effect from 01 March 2015.

#### 9.5 Re-measurement gains and (losses) in other comprehensive income

| Note  | 2017<br>R'000 | 2016<br>R'000 |
|---|---------------|---------------|
| Post-retirement Medical Aid                 | 26 782        | (5 431)       |
| National Retirement Tertiary Fund guarantee | 5 240         | (9 367)       |
| Unisarf Actuarial (loss)/gain               | 92 206        | (8 665)       |
| Return on planned assets                    | (13 124)      | (81 425)      |
| Asset ceiling limitation                    | (64 082)      | 79 737        |
|   | 47 022        | (25 151)      |

#### NOTE 10: ACCUMULATED LEAVE LIABILITY

|   | 2017<br>R'000 | 2016<br>R'000 |
|---|---------------|---------------|
| Balance at beginning of the year          | 295 749       | 267 206       |
| Net current year charge to profit or loss | 26 991        | 28 543        |
| Balance at end of year                    | 322 740       | 295 749       |

|  |         |         |
|--|---------|---------|
| Non-Current<br>Accumulated leave liability | 302 022 | 278 426 |
|--|---------|---------|

Amounts payable within one year, included in current liabilities

|                             |        |        |
|-----------------------------|--------|--------|
| Accumulated leave liability | 20 718 | 17 323 |
|-----------------------------|--------|--------|

This represents the provision for annual leave. Entitlement only occurs upon the passing away, resignation or retirement of a staff member.

#### NOTE 11: TRADE AND OTHER PAYABLES

|                                | 2017<br>R'000 | 2016<br>R'000 |
|--------------------------------|---------------|---------------|
| Trade payables                 | 106 939       | 67 917        |
| Sundry Creditors               | 262 550       | 132 339       |
| Accruals                       | 81 882        | 132 729       |
| DHET (Gap Funding)             | 74 401        |               |
| DHET (Vista Debtors)           | 14 355        | 14 294        |
| Bursaries                      | 493           | 3 887         |
| South African Revenue services | 77 536        | 73 413        |
| Staff costs                    | 137 330       | 150 350       |
| Other                          | 358 497       | 123 613       |
|                                | 1 113 983     | 698 542       |

Terms and conditions of the above financial liabilities

Trade payables, sundry creditors and other payables are non-interest bearing and are normally settled on 60-day terms

Bursaries are non-interest bearing and are distributed to student accounts as and when they are allocated.

DHET (Vista Debtors) are non-interest bearing and payable upon demand

## NOTE 12: DEFERRED INCOME

|   | 2017<br>R'000  | 2016<br>R'000  |
|---|----------------|----------------|
| The amount represents student fees received in advance in respect of the 2017 academic and financial year. The student fees are recognised as income in the year when tuition is provided to the student.   | 2 154          | 881            |
| Various other grants received by the University during 2017 to the amount of R57,851 million (2016: R29,638 million). The University has spent R29 748 million during 2017 (2016: R35 284 million).   | 35 426         | 12 970         |
| The Department of Higher Education and Training (DHET) has made twelve funding allocations to the University:<br>An amount of R100 million for the improvement of infrastructure and student output efficiencies received in prior years. For 2017, an amount of R0 million (2016: R0, 905 million) was spent on infrastructure, and R5,357 million (2016: R3, 731 million) was charged through profit and loss | 67 433         | 72 790         |
| An amount of R87,130 million for Infrastructure and Efficiency Funds (FC1 to FC9) received in prior years. An amount of R40,787 million (2016: R3,954 million) was spent on infrastructure, and R22,211 million (2016: R8,527 million) was charged through profit and loss  | 47 176         | 69 387         |
| An amount of R98,209 million (2016: R133,526) for Teaching development. The University has spent R107,378 million during 2017 (2016: R157,568 million) was spent and R107,378 million (2016: R157 5833 million) was charged through profit and loss   | 11 252         | 20 444         |
| An amount of R2,5 million (2016: R6,998 million) for New generation of academics programme(Ngap). The University has spent R7,725 during 2017 (2016: R 4,940).  | 14 229         | 19 453         |
| An amount of R1,765 million) was received during 2016 for Teaching collaborative grant . The university has spent R1,191 million in 2017 (2016: R1,542 million and R1, 191 million (2016: R1,542 million) was charged to profit and loss  | 399            | 1 589          |
| An amount of R1,766 million (201: R0,995 million) was received for veterinary sciences programmes. The University has spent R1,485 million during 2017 (2016: R0.577 million) and R1,485 million (2016: R0.746 million) was charged to profit or loss.  | 1 549          | 1 441          |
|   | <b>179 618</b> | <b>198 955</b> |

## NOTE 13: INVESTMENT INCOME AND FAIR VALUE ADJUSTMENTS

|                              | 2017<br>R'000  | 2016<br>R'000  |
|------------------------------|----------------|----------------|
| Rental Income                | 5 298          | 4 780          |
| Interest income              |                |                |
| General                      | 16 950         | 18 044         |
| Held for trading instruments | 208 173        | 188 644        |
|                              | <b>225 123</b> | <b>206 688</b> |
| Dividend income              |                |                |
| Held for trading instruments | 66 918         | 61 109         |
|                              | <b>297 339</b> | <b>272 577</b> |
| Fair value adjustments       |                |                |
| Designated at fair value     | 28 752         | 64 972         |
| Held for trading instruments | 562 600        | 516 485        |
|                              | <b>591 352</b> | <b>581 457</b> |

## NOTE 14: PERSONNEL COSTS

|                           | 2017<br>R'000    | 2016<br>R'000    |
|---------------------------|------------------|------------------|
| Academic and professional | 1 948 786        | 1 833 670        |
| Other personnel costs     | 2 788 660        | 2 446 833        |
|                           | <b>4 737 446</b> | <b>4 280 503</b> |

Included in Other personnel costs is an amount of R87,086 million (2016: R73,570 million) paid to invigilators, examiners tutors and markers .

Compensation paid to Senior Management and Council members is included in other personnel costs, and disclosed in note 22.

The number of persons employed as at 31 December 2017

|           | 2017         | 2016         |
|-----------|--------------|--------------|
| Full time | 5 762        | 5 203        |
| Part time | 1 234        | 1 169        |
|           | <b>6 996</b> | <b>6 372</b> |

## NOTE 15: OTHER CURRENT OPERATING COSTS

The following items have been charged in arriving at the net surplus:

|                                    | 2017<br>R'000    | 2016<br>R'000    |
|------------------------------------|------------------|------------------|
| Supplies and services              | 1 120 789        | 1 225 987        |
| Cost of services outsourced        | 58 495           | 151 285          |
| Maintenance                        | 209 326          | 124 192          |
| Bursaries                          | 161 992          | 138 907          |
| Non-capitalised assets             | 91 435           | 105 436          |
| Loss on exchange rate transactions | 78 075           | 73 607           |
| Provision for doubtful debts       | 152 340          | 93 740           |
| Bad debts written off              | 819              | 980              |
| Operating lease charges            | 69 036           | 75 117           |
| Property                           | 58 357           | 64 619           |
| Vehicles                           | 10 679           | 10 498           |
| Auditors remuneration              | 11 415           | 10 831           |
| Audit                              | 7 831            | 7 453            |
| Other services                     | 3 584            | 3 378            |
|                                    | <b>1 953 722</b> | <b>2 000 082</b> |

## NOTE 16: FINANCE COSTS

|                             | 2017<br>R'000 | 2016<br>R'000 |
|-----------------------------|---------------|---------------|
| Interest-bearing borrowings |               |               |
| Interest paid other         | 529           | 365           |
|                             | <b>529</b>    | <b>365</b>    |

## NOTE 17: FINANCIAL INSTRUMENTS

|                                      | Note | Total              | At fair value through profit and loss (Held for trading) | At fair value through profit and loss (Designated at fair value) | Loans and receivables | Financial liabilities at amortised cost | Other financial instruments outside of the scope of IAS39 (AC 133) |
|--------------------------------------|------|--------------------|--|--|-----------------------|---|--|
| 2017                                 |      | R'000              | R'000  | R'000  | R'000                 | R'000                                   | R'000  |
| <b>Assets</b>                        |      |                    |  |  |                       |   |  |
| Student receivables                  | 5    | 308 286            |  |  | 308 286               |   |  |
| Trade and other receivables          | 5    | 352 241            |  |  | 352 241               |   |  |
| Other investments                    | 6    | 6 783 515          | 6 397 642  | 385 873  |                       |   |  |
| Cash and cash equivalents            | 7    | 447 904            |  |  | 447 904               |   |  |
| <b>Total assets</b>                  |      | <b>7 891 946</b>   | <b>6 397 642</b>   | <b>385 873</b>   | <b>1 108 431</b>      |   |  |
| <b>Liabilities</b>                   |      |                    |  |  |                       |   |  |
| Funds administered on behalf of DHET |      | (60 082)           |  |  |                       | (60 082)                                |  |
| Trade and other payables             | 13   | (1 113 983)        |  |  |                       | (1 113 983)                             |  |
| Student deposits                     |      | (168 734)          |  |  |                       | (168 734)                               |  |
| <b>Total liabilities</b>             |      | <b>(1 342 799)</b> |  |  |                       | <b>(1 342 799)</b>                      |  |
| <b>2016</b>                          |      |                    |  |  |                       |   |  |
| <b>Assets</b>                        |      |                    |  |  |                       |   |  |
| Student receivables                  | 5    | 114 434            |  |  | 114 434               |   |  |
| Trade and other receivables          | 5    | 230 618            |  |  | 230 618               |   |  |
| Other investments                    | 6    | 6 047 712          | 5 687 108  | 360 604  |                       |   |  |
| Cash and cash equivalents            | 7    | 207 003            |  |  | 207 003               |   |  |
| <b>Total assets</b>                  |      | <b>6 599 767</b>   | <b>5 687 108</b>   | <b>360 604</b>   | <b>552 055</b>        |   |  |
| <b>Liabilities</b>                   |      |                    |  |  |                       |   |  |
| Funds administered on behalf of DHET |      | (64 072)           |  |  |                       | (64 072)                                |  |
| Trade and other payables             | 13   | (698 542)          |  |  |                       | (698 543)                               |  |
| Student deposits                     |      | (152 164)          |  |  |                       | (152 164)                               |  |
| <b>Total liabilities</b>             |      | <b>(914 778)</b>   |  |  |                       | <b>(914 778)</b>                        |  |

### Financial risk management

The University's principal financial instruments comprise the following: interest-bearing borrowings, financial assets at fair value through profit or loss (including equity instruments, debt instruments and unit trust investments) as well as cash and cash equivalents. The main purpose of these financial instruments is to fund the University's current and future operations. The University has other financial assets and liabilities such as student and other receivables and trade payables, which arise directly from its operations.

The main risks arising from the University's financial instruments are credit risk, market risk and liquidity risk.

The University's financial risk management objectives and policies are governed by a formalised investment policy and related procedures approved by the Council of the University. The means by which the risks referred to above are managed include a specified strategic asset allocation between different categories of financial assets and the appointment of specialised investment managers. The investment managers are issued with specific mandates that include restrictions to manage the financial risks referred to above. The Operational Investment Committee monitors the investment performance on a regular basis.

The University does not undertake any specific hedging activities.

#### 17.1 Credit risk

Credit risk is the risk of financial loss to the University if a student, employee or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the University's receivables from students, employees and investment securities.

The University is exposed to credit risk arising from student receivables relating to outstanding fees. The University requires students to pay a minimum deposit on registration in respect of fees in order to mitigate this risk. Outstanding fees are monitored on a regular basis and action is taken in respect of long outstanding amounts. The University is also exposed to credit risk arising from unsecured vehicle loans made to employees. The university no longer grants loans.

Credit risk also arises from the University's other financial assets, which comprise cash and cash equivalents and financial assets at fair value through profit or loss. The University places cash and cash equivalents with reputable financial institutions and invests through specialised investment managers with mandates restricting credit risk exposure.

#### 17.1.1 Exposure to credit risk

##### Impairment Losses

The ageing of student receivables at the reporting date was:

|                    | 2017                         |                                  | 2016                         |                                  |
|--------------------|------------------------------|----------------------------------|------------------------------|----------------------------------|
|                    | Gross debtors impaired R'000 | Gross debtors not impaired R'000 | Gross debtors impaired R'000 | Gross debtors not impaired R'000 |
| Past 120 days      | 42 000                       | 308 286                          | 55 162                       | 114 890                          |
| More than one year |                              |                                  |                              |                                  |
| Total              | 42 000                       | 308 286                          | 55 162                       | 114 890                          |

All debtors that are passed 120 days are past due.

The maximum exposure to credit risk for student fees receivables at the reporting date by geographic region was:

|                  | 2017<br>R'000 | 2016<br>R'000 |
|------------------|---------------|---------------|
| Domestic         | 302 584       | 111 109       |
| Foreign students | 5 702         | 3 325         |
|                  | 308 286       | 114 434       |

For other financial assets the maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

#### 17.2 Market risk

##### 17.2.1 Interest rate risk

The University manages its exposure to interest rate risk by limiting its investments in interest-bearing financial assets, as specified in its strategic asset allocation and mandate to investment managers. The level of interest-bearing borrowings is also monitored and kept at a conservative level.

##### 17.2.1.1 Exposure to interest rate risk

##### 17.2.1.1.1 Short term assets

The following table reflects the market value of the domestic cash portfolio:

|                       | 2017<br>R'000 | 2016<br>R'000 |
|-----------------------|---------------|---------------|
| Bank balances         | 379 976       | 131 581       |
| Money market deposits | 67 958        | 75 422        |

The University measures the value of the domestic cash portfolio for the purposes of its financial statements at amortised costs. As such, the market risk variable to which the University is exposed in terms of these assets is interest rates (domestic only). Cash balances bear interest at variable rates.

##### Sensitivity analysis: Interest Rate Movements

The sensitivity analysis below focuses on cash flow sensitivity (the impact on future interest-related cash flows). It is understood that while interest rate changes may not have a significant impact on the fair value of the domestic cash portfolio, they would impact variable interest cash flows. The cash flow impact on the portfolio of a 2% parallel increase/decrease in South African interest rates was therefore considered.

The following sensitivity analysis which was based on a regression model using data from 31 January 2002 to 31 December 2017:

|                                 | Scenario 1 | Scenario 2 |
|---------------------------------|------------|------------|
| Annual change in interest rate  | 2.00%      | 2.00%      |
| Projected portfolio performance | 9.46%      | 5.10%      |

|  | Scenario 1<br>R'000 | Scenario 2<br>R'000 |
|--|---------------------|---------------------|
| Projected interest cash flows for 2017 | 61 053              | 32 899              |

#### 17.2.1.1.2 Long term assets

As at 31 December 2017, the University had 64% (2016: 64%) of its fixed interest portfolios invested locally and 36% (2016:36%) internationally. The University measures the value of the abovementioned portfolio at fair value (market value). The market risk variable to which the University is exposed in terms of these assets is interest rates (domestic and international).

##### Sensitivity analysis: interest rate movements

The table below sets out the impact on the fixed interest portfolios and the resulting impact on profit or loss (on a pre-tax basis) of a 2% parallel increase in South African interest rates (relevant for the domestic fixed interest portfolios) and a 1% parallel increase in United States interest rates (relevant for the international fixed interest portfolio). All other variables have been kept constant. Note that a negative impact reflects the fact that the fair value of the fixed interest portfolios will fall in response to an increase in interest rates. The analysis is performed on the same basis as for 2016.

|                         | 2017<br>R'000 | 2016<br>R'000 |
|-------------------------|---------------|---------------|
| Domestic bond portfolio | (145 757)     | (151 975)     |
|                         | (145 757)     | (151 975)     |

The table below sets out the impact on the fixed interest portfolios of a 2% parallel decrease in South African interest rates (relevant for the domestic fixed interest portfolios) and a 1% parallel decrease in United States interest rates (relevant for the international fixed interest portfolio). Note that a positive impact reflects the fact that the fair value of the fixed interest portfolios will increase in response to a fall in interest rates. The analysis is performed on the same basis for 2016.

|                         | 2017<br>R'000 | 2016<br>R'000 |
|-------------------------|---------------|---------------|
| Domestic bond portfolio | 179 843       | 196 598       |
|                         | 179 843       | 196 598       |

#### 17.2.2 Foreign currency risk

The University's exposure to foreign currency risk arises from Ethiopian student fee income, international portfolio investments and foreign currency asset purchases. The University's international portfolio is managed by its asset manager. The remaining foreign currency exposure is not managed on an active basis.

##### 17.2.2.1 Exposure to currency risk

As at 31 December 2017, the University had R1,57 billion (2016: R1,40 billion) invested in international assets within the long term portfolio, of which R1,57 billion (2016: R1,40 billion) was in equities and RNil (2016: R27 thousand) was invested in bonds.

##### Sensitivity analysis: Exchange Rate Movements

A 10% strengthening of the Rand (ZAR) against the following currencies as at 31 December would

have changed (increased/(decreased)) equity and profit or loss (on a pre-tax basis) by the amounts shown below. This analysis assumes that all other variables remain constant. (For example, the US Dollar figure assumes that the Rand strengthens against the US Dollar only, and remains constant against the other currencies). The analysis is performed on the same basis as for 2016.

|              | 2017<br>R'000 | 2016<br>R'000 |
|--------------|---------------|---------------|
| US Dollar    | (103 438)     | (81 929)      |
| Euro         | (24 026)      | (27 886)      |
| Japanese Yen | (7 691)       | (6 730)       |
|              | (135 155)     | (116 545)     |

A 10% weakening of the Rand against the above currencies as at 31 December would have the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

#### 17.2.2 Other Market price risks

##### 17.2.2.1 Equity price risk

Equity price risk that arises from equity securities at fair value through profit or loss is minimal, as the University follows a long-term and conservative investment strategy. The primary goal is to maximise investment returns. The equity portfolio is managed by specialised fund managers with specific mandates.

##### 17.2.2.2 Exposure to equity price risk

As at 31 December 2017, the University had 64% (2016: 64%) of its equity portfolio invested in domestic equities and 36% (2016: 36%) in international equities. The University measures the value of the equity portfolio at fair value (market value). The market risk variable to which the University is exposed in terms of these assets is equity indices (domestic and international).

##### Sensitivity analysis

The impact on the equity portfolios and the resulting impact on profit or loss (on a pre-tax basis) of a 20% fall in the JSE All Share Index (relevant for the domestic equity portfolio) and a 10% fall in the MSCI World Equity Index (relevant for the global equity portfolios) is as follows (the analysis is performed on the same basis as for 2016):

|                                | 2017<br>R'000 | 2016<br>R'000 |
|--------------------------------|---------------|---------------|
| Domestic equity portfolio      | (478 225)     | (505 243)     |
| International equity portfolio | (153 898)     | (75 749)      |
|                                | (632 123)     | (580 992)     |

A 20% increase in the value of the JSE All Share Index and a 10% increase in the value of the MSCI World Equity Index as at 31 December 2017 would have the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

## 17.3 Liquidity risk

The University's operations are mainly cash driven. The liquidity is managed to ensure, as far as possible, that the University will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the University's reputation. The Operational Investment committee is tasked to manage the cash requirements.

## 17.4 Maturity analysis

| 2017                                 | Note | Carrying amount<br>R'000 | Within<br>1 year<br>R'000 | 2-5<br>years<br>R'000 | More than<br>5 years<br>R'000 |
|--------------------------------------|------|--------------------------|---------------------------|-----------------------|-------------------------------|
| Funds administered on behalf of DHET |      | 60 082                   | 5 813                     | 20 487                | 33 782                        |
| Trade and other payables             | 13   | 1 113 983                | 1 113 983                 |                       |                               |
| Student deposits                     |      | 168 734                  | 168 734                   |                       |                               |
|                                      |      | <b>1 342 799</b>         | <b>1 288 530</b>          | <b>20 487</b>         | <b>33 782</b>                 |

| 2016                                 | Note | Carrying amount<br>R'000 | Within<br>1 year<br>R'000 | 2-5<br>years<br>R'000 | More than<br>5 years<br>R'000 |
|--------------------------------------|------|--------------------------|---------------------------|-----------------------|-------------------------------|
| Funds administered on behalf of DHET |      | 64 072                   | 5 673                     | 19 994                | 38 405                        |
| Trade and other payables             | 13   | 698 542                  | 698 542                   |                       |                               |
| Student deposits                     |      | 152 164                  | 125 164                   |                       |                               |
|                                      |      | <b>914 778</b>           | <b>856 379</b>            | <b>19 994</b>         | <b>38 405</b>                 |

## 17.5 Fair values

The fair values together with the carrying amounts of all financial instruments shown in the statement of financial position are as follows:

|  | Note | 2017                     |                     | 2016                     |                     |
|--|------|--------------------------|---------------------|--------------------------|---------------------|
|  |      | Carrying amount<br>R'000 | Fair Value<br>R'000 | Carrying amount<br>R'000 | Fair Value<br>R'000 |
| <b>Financial assets carried at fair value</b>                    |      |                          |                     |                          |                     |
| Financial assets designated at fair value through profit or loss | 6    | 385 873                  | 385 873             | 360 604                  | 360 604             |
| Financial assets held for trading                                | 6    | 6 397 642                | 6 397 642           | 5 687 108                | 5 687 108           |
|  |      | <b>6 783 515</b>         | <b>6 783 515</b>    | <b>6 047 712</b>         | <b>6 047 712</b>    |
| <b>Financial assets carried at amortised cost</b>                |      |                          |                     |                          |                     |
| Loans and receivables  | 5    | 660 527                  | 660 527             | 345 052                  | 345 052             |
| Cash and cash equivalents  | 7    | 447 904                  | 447 904             | 207 003                  | 207 003             |
|  |      | <b>1 108 431</b>         | <b>1 108 431</b>    | <b>552 005</b>           | <b>552 005</b>      |
| <b>Financial liabilities carried at amortised cost</b>           |      |                          |                     |                          |                     |
| Interest-bearing borrowings                                      | 10   | 60 082                   | 60 082              | 64 072                   | 64 072              |
| Trade and other payables   |      | 1 113 983                | 1 113 983           | 698 542                  | 698 542             |
| Student deposits   |      | 168 734                  | 168 734             | 125 164                  | 125 164             |
|  |      | <b>1 342 799</b>         | <b>1 342 799</b>    | <b>914 778</b>           | <b>914 778</b>      |

## Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the above table.

## Listed debt and equity securities

Fair value is based on quoted market prices at the reporting date without any deduction for transaction cost.

## Unit trust investments

The fair value of unit trust investments is determined as the redemption value of these investments at the reporting date.

## Interest-bearing borrowings and non-current receivables

Fair value is calculated based on discounted expected future principal and interest cash flows. The discount rate used to calculate fair value for 2017 was 5.27% (2016: 5.27%).

## Student and other receivables/payables and student deposits

For receivables/payables and student deposits with a remaining life of less than one year, the carrying amount is deemed to reflect the fair value.

## 17.6

## 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. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

|  | Level 1<br>R'000 | Level 2<br>R'000 | Level 3<br>R'000 | Total<br>R'000   |
|--|------------------|------------------|------------------|------------------|
| <b>31 December 2017</b>  |                  |                  |                  |                  |
| Financial assets designated at fair value through profit or loss | 385 873          |                  |                  | 385 873          |
| Financial assets held for trading                                | 6 397 642        |                  |                  | 6 397 642        |
|  | <b>6 783 515</b> |                  |                  | <b>6 783 515</b> |
| <b>31 December 2016</b>  |                  |                  |                  |                  |
| Financial assets designated at fair value through profit or loss | 360 604          |                  |                  | 360 604          |
| Financial assets held for trading                                | 5 687 108        |                  |                  | 5 687 108        |
|  | <b>6 047 712</b> |                  |                  | <b>6 047 712</b> |

There have been no transfers between categories.

## NOTE 18: CONTINGENT LIABILITIES

- 18.1 Guarantees  
A contingent liability in the form of guarantees, amounting to R278 thousand (2016: R1,1 million) exists in respect of loans and bank facility guarantees.
- 18.2 Industrial Relations  
At 31 December 2017 outstanding claims amounting to approximately R18.0 million (2016: R234.3 million) in respect of on-going industrial relations litigation existed. No provisions for settlement of these claims have been recognised at reporting date.

## NOTE 19: COMMITMENTS

- 19.1 Capital commitments  
Contracts negotiated and orders placed in respect of capital items and inventories not yet executed:

|                               | 2017<br>R'000  | 2016<br>R'000    |
|-------------------------------|----------------|------------------|
| Property, plant and equipment | 141 040        | 242 184          |
| Inventories and services      | 809 511        | 933 020          |
|                               | <b>950 551</b> | <b>1 175 204</b> |

- 19.2 Operating lease commitments  
The future minimum lease payments under non-cancellable operating leases are as follows:

|  | 2017<br>R'000 | 2016<br>R'000  |
|--|---------------|----------------|
| Not later than 1 year                        | 33 659        | 72 465         |
| Later than 1 year and not later than 5 years | 42 679        | 62 940         |
|  | <b>76 338</b> | <b>135 405</b> |

The University leases photocopying machines, motor vehicles, buildings and warehouse facilities countrywide for the purpose of Regional Offices, Learning Centres, Examination Centres and storage facilities under operating leases. The leases typically run for a period of three years with an option to renew the lease after that date. Lease payments will increase annually or as agreed-upon based on changes in the price index.

## NOTE 20: CASH GENERATED FROM OPERATIONS

Reconciliation of net surplus to cash generated from operations:

|   | Note | 2017<br>R'000  | 2016<br>R'000    |
|---|------|----------------|------------------|
| Net surplus/ (deficit)  |      | 798 012        | 156 677          |
| Adjustments for:  |      |                |                  |
| Pension fund surplus recognised   | 9.2  | (1 189)        | (10 377)         |
| Fair value adjustments  | 13   | (591 352)      | (581 457)        |
| Depreciation and amortisation   |      | 337 345        | 289 077          |
| Loss on sale property plant and equipment                                       |      | 6 372          | 808              |
| Profit on sale of investments   |      | 3 185          | 13               |
| Investment income   | 15   | (297 339)      | (272 577)        |
| Finance costs   | 18   | 529            | 365              |
| Net foreign exchange differences  |      | 78 075         | 73 607           |
| Increase in post-employment obligation  | 9.1  | 1 549          | 41 239           |
| Increase in funds administered on behalf of the DHET                            |      | (3 990)        | (4 535)          |
| Changes in working capital (excluding the effects of acquisition and disposal): |      | <b>31 164</b>  | <b>(118 434)</b> |
| Accounts and other receivables  | 5    | (315 475)      | 29 924           |
| Inventories   | 4    | (70 206)       | (960)            |
| Trade and other payables  | 11   | 416 845        | (147 398)        |
| Cash generated from operations  |      | <b>362 361</b> | <b>(425 594)</b> |

## NOTE 21: COMPENSATION PAID TO EXECUTIVE MANAGEMENT AND COUNCIL MEMBERS

## Compensation paid to Executive Management

The following disclosure relates to compensation paid to Executive staff. Remuneration is based on the cost of employment to the institution comprising flexible remuneration packages.

| Name                 | Office held  | Total costs R'000 |
|----------------------|--|-------------------|
| Prof M S Makhanya    | Principal and Vice Chancellor  | 3 788             |
| Prof L Labuschagne   | Executive Director: Research   | 2 484             |
| Ms L Griesel         | Executive Director: Strategy, Planning and Quality Assurance                               | 2 328             |
| Mr J C van Wyk       | Executive Director: Legal Services   | 2 323             |
| Dr Q M Temane        | Deputy Registrar   | 2 240             |
| Dr RD Mokate         | Executive Director: School of Business Leadership  | 2 228             |
| Mr GM Letsoalo       | VP ICT Chief Information Officer   | 2 188             |
| Mr PZR Zwane         | Chief Financial Officer  | 2 188             |
| DR M M Socikwa       | VP Operations and Facilities   | 2 188             |
| Dr I O G Moche       | VP Teaching Learning Community Engagement & Student Support                                | 2 187             |
| Prof P H Havenga     | Executive Director: Academic Planner   | 2 145             |
| Prof BB Mamba        | Executive Dean: Science Engineering and Technology (CSET)                                  | 2 094             |
| Prof M J Linington   | Executive Dean: College of Agriculture and Environmental Sciences                          | 2 078             |
| Prof MK Havenga      | Executive Dean: College of Graduate Studies  | 2 071             |
| Prof E Sadler        | Executive Dean: Accounting Sciences (CAS)  | 2 060             |
| Prof AP Phillips     | Executive Dean: Human Sciences (CHS)   | 1 946             |
| Dr P S Zulu          | Executive Director: Human Resources  | 1 924             |
| Prof V A McKay       | Executive Dean: College of Education (CE)  | 1 906             |
| Prof G C Cuthbertson | Executive Dean: Change Management  | 1 889             |
| Mrs A Steenkamp      | Chief Audit Executive  | 1 840             |
| Prof E O Mashile     | Executive Director: Tuition and Facilitation of Learning                                   | 1 832             |
| Prof MT Mogale       | Executive Dean: Economic and Management Sciences (CEMS)                                    | 1 798             |
| Mr I I Mogomotsi     | Executive Director: University Estates   | 1 788             |
| Prof I W Alderton    | Deputy Executive Dean: College of Science, Engineering and Technology                      | 1 786             |
| Ms R Mathura         | Executive Director: Finance  | 1 765             |
| Prof LDM Lebeloane   | Deputy Executive Dean: Education   | 1 760             |
| Mr Z Bagus           | Acting Executive Director: Study Material, Production and Delivery                         | 1 755             |
| Prof GP Coetzee      | Deputy Executive Dean: Accounting Sciences (CAS)   | 1 744             |
| Prof CJ Swanepoel    | Seconded as Deputy Registrar   | 1 706             |
| Prof M Labuschagne   | Deputy Executive Dean: College of Law  | 1 697             |
| Prof D Modise        | Deputy Executive Dean: Agriculture and Environmental Sciences (CAES)                       | 1 662             |
| Mr D C Fortuin       | Executive Director: Compliance resigned 31/10/2017   | 1 653             |
| Mr M Christoffels    | Acting Executive Director: ICT Systems (10 November 2017 to 31 December 2017)              | 1 651             |
| Dr B E Zawada        | Deputy Executive Dean: College of Human Sciences   | 1 617             |
| Prof A Davis         | Acting Executive Director: Research Administration (15 February 2017 to 30 September 2017) | 1 605             |
| Prof R T Mpofu       | Deputy Executive Dean: College of Economic and Management Sciences                         | 1 587             |
| Prof R Songca        | Executive Dean: College of Law until 30/06/2017  | 1 567             |
| Dr S Fikeni          | Director Special Projects (Temporary appointment)  | 1 562             |
| Prof PL Mabunda      | Acting Deputy Executive Dean: Education  | 1 534             |
| DR SD Selematsela    | Executive Director: Unisa Library (appointed 01 May 2017)                                  | 1 163             |
| Ms JSK Mahlare       | Executive Director: Institutional Advancement (appointed 01 August 2017)                   | 682               |
| Mr TT Letsoela       | Chief Executive Officer Unisa Enterprise (appointed 01 October 2017)                       | 443               |
| Prof D Singh         | Vice Principal: Advisory and Assurance Services (Resigned 31/01/2017)                      | 204               |
| Dr AM Mahomed        | Executive Director: Study Material, Production and Delivery (Resigned 31/01/2017)          | 190               |
| Prof SK Ndlovu       | Vice Principal Advisory and Assurance Services (appointed 01 December 2017)                | 179               |

## Compensation paid to Council Members

The following disclosure relates to compensation paid to Council Members for work as a Council member.

| Council Member | Attendance at meetings R'000 | Reimbursement of expenses R'000 | Total R'000 |
|----------------|------------------------------|---------------------------------|-------------|
| TG Ramasike    | 172                          | 35                              | 207         |
| NV Mokoka      | 153                          | 15                              | 168         |
| OSM Lebese     | 127                          | 9                               | 136         |
| DD Mokgatle    | 111                          | 20                              | 131         |
| AS Simelane    | 125                          | 3                               | 128         |
| LI Thabanelo   | 100                          | 10                              | 110         |
| FE Letlape     | 87                           | 6                               | 93          |
| SA Mlungu      | 86                           |                                 | 86          |
| B Mehloakulu   | 78                           | 5                               | 83          |
| GM Nkondo      | 73                           | 2                               | 75          |
| MJ Maboa       | 66                           | 4                               | 70          |
| TYM Wentzel    | 55                           | 5                               | 60          |
| B Ngcaweni     | 51                           | 1                               | 52          |
| I Tufvesson    | 48                           |                                 | 48          |
| MP Modiba      | 31                           |                                 | 31          |
| PJA Mphafudi   | 21                           | 3                               | 24          |
| TT Ngcobo      | 22                           | 1                               | 23          |
| G Reddy        | 15                           | 2                               | 17          |
| BS Khumalo     | 13                           | 2                               | 15          |
| PN Thuynsma    | 13                           | 2                               | 15          |
| CPM Thokoane   | 13                           | 1                               | 14          |
| MA Shak Amod   | 12                           | 1                               | 13          |
| EK Tsatsi      | 12                           | 1                               | 13          |
| PM Ntsimane    | 12                           |                                 | 12          |
| MC Kganakga    | 10                           | 1                               | 11          |
| L Makuleni     | 9                            |                                 | 9           |
| SD Mayinga     | 7                            | 1                               | 8           |
| O Ngwenya      | 7                            | 1                               | 8           |
| EL Swart       | 6                            |                                 | 6           |
| F Karodia      | 4                            | 1                               | 5           |
| GS Moseneke    | 4                            |                                 | 4           |
| AA Da Costa    | 2                            |                                 | 2           |

## NOTE 22: ESTIMATIONS AND JUDGEMENT APPLIED BY MANAGEMENT IN APPLYING THE ACCOUNTING POLICIES

The following estimations and judgements were applied by the Council and Management in applying the accounting policies.

22.1 Write-down of inventory  
The level of study material and prescribed books on hand at each reporting date is examined and compared to the historical usage and estimated future student registrations. Study material that will be revised within a two year period is also identified. Any material in excess of demand is written down and reflected at their scrap value.

Damaged inventory is similarly written down when identified.

22.2 Post retirement employee benefits  
The estimations and assumptions applied by the independent actuaries in valuing the University's post-retirement pension fund and medical aid liabilities are fully disclosed in the related notes.

## NOTE 23: RELATED PARTIES

## 23.1 Senior Management and employees

## 23.1.1 Emoluments paid to Senior Management

Senior Management has been defined on all post grades between Deputy Executive Dean/Director and the Principal and Vice chancellor. Please refer to note 23 for more detail.

## 23.1.2 Study benefits

In terms of conditions of service, employees and dependants are entitled to the following study benefits:

- Senior Management and their close relatives who study at any other recognised tertiary institution will receive a subsidy from the University. During 2017 an amount of R17 370 (2016: R141 879) was paid as subsidies.
- Senior Management and their close relatives who study at the University will only pay the cost for one undergraduate semester module. In certain cases the study fees will be subsidised in full. During 2017 the benefit granted amounted to R nil (2016: R nil).

## 23.2 Exchanges with the Department of Higher Education and Training ( DHET)

## 23.2.1 Funds administered on behalf of DHET

|                    | 2017<br>R'000 | 2016<br>R'000 |
|--------------------|---------------|---------------|
| Funds administered | 60 082        | 64 072        |

The University has been appointed as legal successor for the former Vista University. In terms of a memorandum of agreement with the DHET the University will administer the medical aid liability of the Vista's pensioners on behalf of the DHET.

## 23.2.2 Amount receivable from the DHET

|                  | 2017<br>R'000 | 2016<br>R'000 |
|------------------|---------------|---------------|
| Subsidy received | 3 157 586     | 2 878 517     |

## 23.2.3 Funds allocated for the improvement of teaching/learning facilities and infrastructure, student output efficiencies and for staff restructuring

|  | 2017<br>R'000 | 2016<br>R'000 |
|--|---------------|---------------|
| Amount spent                           |               | 2 447         |
| Amount charged through profit and loss | 5 357         | 2 292         |

The DHET has allocated R100 million in 2007 to the University for the improvement of infrastructure and student output efficiencies. The funds will be spent according to the pre-approved project plans submitted to the DHET. The University is required to submit regular reports to the DHET on the implementation of the projects, including accounting for all expenditure.

|  | 2017<br>R'000 | 2016<br>R'000 |
|--|---------------|---------------|
|--|---------------|---------------|

Amount spent 6 097

Amount charged through profit and loss 4 861

The (DHET) has allocated R50 million in 2007 for staff restructuring

## 23.2.4 Funds allocated for teaching development

|  | 2017<br>R'000 | 2016<br>R'000 |
|--|---------------|---------------|
|--|---------------|---------------|

Amount allocated 98 209 133 526

Amount spent 132 909 157 568

Amount charged through profit and loss 107 378 157 583

The DHET has allocated development funding for the improvement of teaching. The funds will be spent within the parameters as set out in the University's proposal to the DHET. The University will be required to submit regular reports.

## 23.2.5 Funds allocated for teaching development

|  | 2017<br>R'000 | 2016<br>R'000 |
|--|---------------|---------------|
|--|---------------|---------------|

Amount allocated 8 960 11 376

Amount spent 63 811 21 294

Amount charged through profit and loss 8 960 11 376

The DHET has allocated development funding for the improvement of research. The funds will be spent within the parameters as set out in the University's proposal to the DHET. The University will be required to submit regular reports.

## 23.2.6 Funds allocated for foundation provision

|  | 2017<br>R'000 | 2016<br>R'000 |
|--|---------------|---------------|
|--|---------------|---------------|

Amount allocated 2 559

Amount spent 21 295

Amount charged through profit and loss 2 649

The DHET has allocated foundation funding. These funds will be spent within the parameters as set out by the DHET.

## 23.2.7 Funds allocated for veterinary sciences programmes

|  | 2017<br>R'000 | 2016<br>R'000 |
|--|---------------|---------------|
| Amount allocated                       | 1 766         | 995           |
| Amount spent                           | 1 486         | 572           |
| Amount charged through profit and loss | 1 486         | 746           |

The DHET has allocated funding for the improvement of equity profiles of veterinary sciences programmes, increases in the graduate outputs of these programmes, institutional cooperation and improvements in the geographical distribution of veterinary sciences specialization.

## 23.2.8 Funds allocated for New generation of academics (nGap)

|                  | 2017<br>R'000 | 2016<br>R'000 |
|------------------|---------------|---------------|
| Amount allocated | 2 500         | 6 998         |
| Amount spent     | 7 736         | 4 940         |

The DHET has allocated funding for infrastructure and efficiency (Engineering and Undergraduate Life and Physical Sciences).

## 23.2.9 Funds allocated for infrastructure and efficiency (FC1 to FC9)

|                                   | 2017<br>R'000 | 2016<br>R'000 |
|-----------------------------------|---------------|---------------|
| Amount spent                      | 40 878        | 3 954         |
| Amount charged to profit and loss | 22 211        | 8 527         |

The DHET has allocated funding for infrastructure and efficiency. The funds will be spent within the parameters as set out in the University's proposal to the DHET. The University will be required to submit regular reports.

## 23.2.10 Funds allocated for teaching collaborative grant

|                  | 2017<br>R'000 | 2016<br>R'000 |
|------------------|---------------|---------------|
| Amount allocated | 1 765         |               |
| Amount spent     | 1 191         | 1 542         |

The DHET has allocated funding for the teaching and collaborative grant. The funds will be spent within the parameters as set out in the University's proposal to the DHET. The University will be required to submit regular reports.

## 23.2.11 Funds allocated for teaching collaborative grant

|              | 2017<br>R'000 | 2016<br>R'000 |
|--------------|---------------|---------------|
| Amount spent |               | 1 860         |

The DHET has allocated funding for ICT infrastructure and efficiency. The funds will be spent within the parameters as set out in the University's proposal to the DHET. The University will be required to submit regular reports.

## 23.2.12 Funds allocated for infrastructure and efficiency (Maintenance)

|                  | 2017<br>R'000 | 2016<br>R'000 |
|------------------|---------------|---------------|
| Amount allocated | 37 810        | 33 194        |
| Amount spent     | 37 810        | 50 490        |

The DHET has allocated funding maintenance. The funds will be spent within the parameters as set out in the University's proposal to the DHET. The University will be required to submit regular reports.

## 23.3 Post-employment benefit plans

Contributions by the University to these plans are disclosed in note 12.

## NOTE 24: CHANGE IN ACCOUNTING ESTIMATE

## 24.1 Acceleration of depreciation for assets with a cost below R5000

During the year under review the University decided to accelerate the remaining depreciation for assets purchased in previous financial years with a cost less than R5000. The basis for the change in estimate is as a result of there being no material economic benefit expected to be derived from these class of assets. The change in estimate resulted in the opening balance of the carrying amount for the respective assets to depreciate in the current year. The University's decision was applied on all categories of assets with exception of Art and Museum as well as Computer Equipment.

|  | 2017<br>R'000 |
|--|---------------|
| Depreciation recognized in the current period based on the acceleration of depreciation for assets with a cost below R5000 | 81 868        |
| The effect of the change in estimate   |               |
| Increase in depreciation for the current period  | 56 930        |
| Decrease in depreciation for the future periods  | 56 930        |

24.2 Reclassification of assets

During the year under review the University performed an exercise where assets were reassessed and classified in the most appropriate category of assets that is aligned with the description and use of the respective asset. This assessment included the revision of the useful lives and resulted in a change in estimate.

|   | 2017<br>R'000 |
|---|---------------|
| Depreciation recognized in the current period based on the reclassification | 21 208        |
| The effect of the reclassification  |               |
| Increase in depreciation for the current period                             | 12 224        |
| Decrease in depreciation for the future periods                             | 12 224        |

NOTE 25: CAPITAL MANAGEMENT

The University's objectives when managing capital are:

- safeguard the university ability to continue as a going concern
- generate additional investment income
- act as a short-term relief for operational cash flow requirements
- act as a source of bridging capital when required
- provide project finance
- provide financial stability and security
- protect the capital base of the reserve funds against inflation

Funds are invested according to the cash flow requirements and projected future cash flows.

The University manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The management of the capital has been outsourced to specialised investment fund managers who are issued with specific mandates and restrictions. The performance of fund managers is monitored on a regular basis by the Operational Investment Committee and reported to the Finance, Investment and Estates Committee of Council and Council.

The University is subject to the regulatory requirements of the Department of Higher Education and Training relating to its capital management.

NOTE 26: STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

In terms of IAS 8 entities are required to include in their financial statements disclosure about the future impact of Standards and Interpretations issued but not yet effective at the reporting date.

At 31 December 2017, the following Standards and Interpretations were in issue but not yet effective

| Standard/Interpretation |                                       | Effective date<br>Periods beginning on or after |
|-------------------------|---------------------------------------|---|
| IFRS 9                  | Financial Instruments                 | 1 January 2018                                  |
| IFRS 15                 | Revenue from contracts from customers | 1 January 2018                                  |
| IFRS 16                 | Leases                                | 1 January 2019                                  |



