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UNIVERSITY OF THE
FREE STATE
UNIVERSITEIT VAN DIE
VRYSTAAT
YUNIVESITHI YA
FREISTATA



UFS ANNUAL REPORT

TO THE MINISTER OF HIGHER EDUCATION, SCIENCE, AND INNOVATION

2021

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1. PREFACE





1. PREFACE

1.1 Report from the Council Chair

The current South African and wider global context represents a time of unique and significant challenges for the higher education sector. Challenges, not only in terms of dealing with the effects of a world-wide pandemic, but also of adapting to a rapidly altering teaching and learning environment and finding sustainable funding solutions for our public universities and tertiary institutions at a time when our national fiscus is under severe pressure. The university's ability to live up to its motto of **inspiring excellence and transforming lives through quality, impact, and care** has been inspiring, as it displayed forward-thinking to find innovative solutions to face these challenges.

We are living in an era where experience and sensibility should find common ground with courageous decision-making and bold ambition to break new ground for the education sector. It is certainly a privilege to be part of the UFS journey at this point in time.

Our university's physical location has always informed its purpose. Situated in the centre of the country, the three campuses of the University of the Free State are surrounded by largely rural communities facing unique developmental challenges. The transforming role that the UFS is playing in a variety of sectors to address these challenges through innovation, education, practical knowledge application, and



interventions, remains one of its most valuable functions. During 2021, our institution was once again a visible force in our communities, having a real impact and making a positive difference as a caring university community fulfilling our society-focused role.

As an institution, the UFS was true to its vision of being a research-led, student-centred, and regionally engaged university that contributes to development and social justice through the production of globally competitive graduates and knowledge.

This vision took shape and found practical application in the form of good performance in terms of its Strategic Goals. These are:

- Goal 1: Improve student success and well-being.
- Goal 2: Renew and transform the curriculum.
- Goal 3: Increase UFS contribution to local, regional, and global knowledge.
- Goal 4: Support development and social justice through engaged scholarship.
- Goal 5: Increase the efficiency and effectiveness of governance and support systems.
- Goal 6: Achieve financial sustainability.
- Goal 7: Advance an institutional culture that demonstrates the values of the UFS.

In terms of its *Teaching and Learning* mandate, the UFS has been able to build successfully on various initiatives established or adapted during 2021, moving towards a blended learning approach that will enable the institution to respond to future uncertainties as well as satisfy the requirements of a rapidly altering world of work. Data and data analytics continued to play a central role in ensuring that strategic decisions are evidence-led and data-driven. Our Centre for Teaching and Learning (CTL) has done extremely well in not only establishing effective learning and teaching strategies on our campuses, but playing a leading role in developing practical, innovative pedagogic solutions for the wider South African higher education environment.

Despite not achieving its target of 63% graduate employment for the 2021 graduating cohort, it is very encouraging that the preliminary data indicates an employment rate of 57,1% in 2021. This represents a 23% increase in the graduate employment rate since 2020, when the impact of the pandemic had an extremely detrimental impact on employment in South Africa and globally.

This also
helps to unlock
the local and
global funding
opportunities
for engaged
scholarship.

Our academic enterprise is informed by *Research* and a culture of research at all levels. We remain committed to producing research that has industry and social impact, as well as real-world application, as reflected in our NRF researchers, the number and quality of which continue to increase. During 2021, NRF-rated researchers at the UFS increased by 44 academics, including six in the A and B categories, and 18 in the P and Y categories. An encouraging increase in the share of black female researchers holding a valid National Research Foundation (NRF) rating, suggests slow but encouraging progress in efforts to transform the profile and increase the diversity of UFS researchers.

This year also saw the successful roll-out of the Graduate Research Management (GRM) system by our Postgraduate School, with the aim of keeping track of postgraduates – from application until the completion of their studies. During 2021, new opportunities were also created for the internationalisation of research activities, with academics joining international online discussions, conferences, and meetings. The UFS Library and Information Services established the Centre for Digital Scholarship this year, and its policy on the management of research data was approved by Council. This policy will be implemented in 2022 to increase the visibility and accessibility of research and research data.

When it comes to our third strategic pillar of *Engaged Scholarship*, a renewed focus on the role that the institution plays in surrounding communities found expression in the revised *Engaged Scholarship Strategy* in 2021. Engaged scholarship is the vehicle that the UFS uses to position and apply the knowledge it produces in and through its teaching and learning, research, and citizenship for the public good. The concept is prioritised within the institutional funding model, seeking to respond to the social justice imperatives of the university. This also helps to unlock the local and global funding opportunities for engaged scholarship. Currently, almost all academic departments within the seven faculties of the UFS have a service-learning component, where students are exposed to co-creating knowledge with individuals and organisations in different fields of study. Here, our 150 long-standing partnerships with a wide array of community stakeholders continued to play a valuable role in 2021. The university has achieved its 2021 target for academics involved in engaged scholarship and exceeded its target for students participating in service learning. The latter is especially encouraging, given the notable drop in service learning during 2021 as a consequence of pandemic lockdown. Through its commitment to embed community engagement in its institutional framework, the UFS aspires to become a model of a truly robust and responsive university. The E-Engaged Scholarship Strategy, launched in 2020 as a virtual participatory learning environment in the absence of face-to-face interaction with community partners, was further utilised successfully in 2021. This year, the UFS further demonstrated its social responsibility approach by making its expertise and infrastructure available for community engagement programmes to develop a common good for society, in line with its strategic mandate of being a caring, responsive, engaged university.

This society-focused role is further expanded in the valuable work we do in our feeder schools, contributing to the Free State's excellent matric results in 2021. With an 85,7% pass rate, it was the highest achieving province in the country for the third consecutive year. The university's involvement in schools takes many well-supported forms, such as our popular *Internet Broadcast Project* that presents interactive lessons in key subjects in real time to around 71 000 learners in 83 different schools across the country. Through the *Family Maths and Science* workshops, learners, their teachers, and parents are taught key scientific

and mathematical concepts in an enjoyable, family-focused way. Various other interventions, such as assisting principals of struggling schools with acquiring management skills and competencies, have led to an excellent relationship between the UFS and its feeder schools – a relationship that continued to flourish and bear fruit during the difficult periods of lockdown and isolation in 2020 and 2021.

In terms of student success and well-being, the holistic support initiatives offered to our students remain one of the aspects that sets the UFS apart, enabling it to achieve some of the highest success rates in the country. These initiatives include *Academic Advising* (where we are also providing guidance to other South African universities), *Language and Writing Support*, and well-supported *Tutorial Programmes*. These initiatives have once again been instrumental in ensuring good academic results in 2021.

Student support goes wider than just the academic programme and is supplemented by psychological and peer support initiatives. It also entails taking care of students' very basic needs. The university's *No Student Hungry Programme* celebrated its 10th anniversary in 2021. This important initiative provides affected students with food allowances and daily access to one balanced meal, addressing the challenge of 60% of the student population suffering from food insecurity. Students display reciprocity, having given back more than 40 000 community hours to needy South African communities.

The UFS remains committed to multilingualism and to enabling a language-rich environment to ensure that language is not a barrier to equity of access, opportunity, and success in academic programmes or to the UFS administration. This year saw the launch of our *Academy for Multilingualism*, doing ground-breaking work to develop unique multilingual pedagogic strategies. Once again, not only the UFS community, but all South African tertiary institutions are benefiting from the outputs produced here.

The university's character of care extends to its staff members. The UFS has a strong emphasis on developing the careers of young intellectuals, with focused initiatives for providing peer mentorship and reviewing opportunities to junior academic staff members who continued to build well-considered career paths in 2021. Among these initiatives was the *Transforming the Professoriate Mentoring Programme*, where 52 emerging scholars got tailor-made, comprehensive, and holistic development opportunities in preparation for their future roles as professors and academic leaders.

Valuable collaborations with donors, partners in commerce and industry, and alumni – with whom the UFS continues to enjoy a productive relationship – not only culminated in valuable donations and bursaries to strengthen its financial sustainability, but also in practical industry input, ensuring that curricula stay current and relevant.

The UFS remains committed to shaping its institutional culture to reflect diversity, inclusivity, and social justice. A total of 43 regulatory documents were approved during 2021, including 14 institutional policies approved by Council. The *Institutional Multi-Stakeholder Group*, ably chaired by the Rector and Vice-Chancellor, fulfils a strategic institutional goal by promoting processes and practices that improve the current institutional culture. In 2021, this took the form of various engagements and contributions to institutional initiatives.

The UFS Council continues to exercise its oversight role with long-term sustainability in mind and with full awareness of the institution's wider responsibility towards the broader community. Once again, the executive management, student leaders, Council members, and our entire university community have displayed continued mutual commitment and support, all contributing to another successful year in 2021.

We approach the future with confidence and determination to play a growing, prominent role in the national and international educational spheres – increasing our visibility and impact in our surrounding communities with each passing year.



Dr Willem Louw
Chairperson: UFS Council
(1 January 2021 to 30 September 2021)



Mr David Noko
Chairperson: UFS Council,
(1 October 2021 to current)



1.2 Report from the Vice-Chancellor

The year 2021 marked the second year of the COVID-19 pandemic, and for us as a university community, it was characterised by a continued and heartening display of adaptability, tenacity, resourcefulness, and innovation on all fronts in order to not only survive, but to *thrive* in an altered and ever-changing higher education environment. It was a year in which we were called upon to continue finding new ways to learn, new ways to teach, new ways to pursue research, new ways to care for students and staff, and new ways to operate effectively.

It was also a year typified by a renewed focus on collaboration with valued industry and public-sector partners, allowing us to continuously review and renew our curricula and operating procedures. It has also enabled us to stay abreast of technological developments and new teaching and learning trends to stay relevant in the global world of work – which remains in constant flux. The COVID-19 pandemic has proven that no institution or individual can take on the economic, environmental, social, and technological challenges of our world by itself. But the COVID-19 pandemic also provided an opportunity for us to rethink and re-imagine higher education and how we can contribute to a more inclusive, cohesive, fairer, and sustainable future. Here, our *Interdisciplinary Centre for Digital Futures (ICDF)*, launched in 2021, started playing an invaluable role in working towards innovative solutions to current pressing societal needs. The ICDF is a collaborative, co-creative, synergistic space – where social scientists, natural scientists, data scientists, engineers and health scientists collaborate, learn, and interact with industry, the private sector, government, and

community partners to provide a unique intellectual ecosystem that drives the digital future responsibly and critically to the benefit of society.

Against the background of the *UFS Strategic Plan* (2018–2022), the *Integrated Transformation Plan*, the *Seven Vice-Chancellor's Strategic Projects* (which were completed in 2021 and have been mainstreamed in the normal business of the university), the *Institutional Multi-Stakeholder Group*, and *Institutional Risk Register*, the focus of 2021 was on **delivery, re-imagining what is possible, and doing it**.

We have once again excelled in the areas of student success, staff development, and quality assurance and have progressed above expectations with our multi-campus management model and institutional digitalisation projects. In this regard, we are guided by our *Digitalisation Implementation Plan*, which constitutes a detailed roadmap of where we want to be in terms of digital integration by the year 2030. This plan is a comprehensive strategy to harness the rapid development in information and communication technology (ICT) to the benefit of our students, our staff, and our institution. Our aim is to find the best way of using ICT as a tool for enhancing learning, research, collaboration, and decision-making, and to create a robust education system, strengthening our ability to function optimally in the face of the unexpected.

Our infrastructure developments (maintenance and green fields) are on track, and through extensive engagements and detailed financial modelling, we have obtained approval to start with a phased implementation of insourcing. The UFS remains committed to creating eco-friendly, water-wise spaces constituting a minimal impact on the environment.

Sustained efforts have been made to ensure that institutional governance remains current and correct. In order to obtain critical alignment between the UFS Statute, the Institutional Rules, and the constitutions of other formal university governance structures, a *Governance Project* has been put in place to revise and/or update the remits of all Council and Senate committees and to ensure alignment with faculty committees. All Council committees continued to function well. Our *POPIA (Protection of Personal Information Act) project* and the *Student Life Cycle (System and Academic Administration Renewal) project* proceeded with energy, commitment, and effectiveness. Governance in all aspects is facilitated by an excellent relationship that continues to exist between the Rectorate and the University Council.

During 2021, we also completed our *Revised Internationalisation Approach*. It underscores that internationalisation is seminal to the UFS strategy and that the university is committed to developing curricula that are locally relevant, globally competitive, and connect to multiple knowledge paradigms. It also emphasises research internationalisation and commits the university to widening researchers' international networks, with a special focus on the African continent. We have increased the number of NRF-rated researchers to 196, with our researchers demonstrating excellence in various areas, achieving international recognition, and participating in international research and funding consortia. We have also managed to increase our international collaborations with overseas and regional institutions, leading to a 66% growth in co-authored international collaborations over the past five years.

The year also marked the implementation of our revised *Engaged Scholarship Strategy*, encapsulating our vision to link the best of the research, teaching, and learning skills of staff and students to specific learning and development needs of society. The engaged university of the future enjoys academic freedom and institutional autonomy but is engaged with the communities it serves. We strive to be enquiry-driven, and at the same time learning- and community-focused; professionally attuned, but humanely informed, taking our global responsibilities seriously. A sub-committee of Senate was established to support this dedicated focus.

Our departments of *Human Resources, Infrastructure and Development, Communication and Marketing, and Housing and Residences* have all continued to operate effectively and delivered on commitments. Financial management remains a key focus area, and the UFS has maintained a pro-active relationship with the Department of Higher Education and Training (DHET) and the National Student Financial Aid Scheme (NSFAS). With more than 60% of our students being recipients of NSFAS funding, this relationship remains critical. Student application management, the automation of the student life cycle, student data governance, student appeals, and student discipline remain key focus areas, with the 2021/2022 application/registration cycle building on the 2020/2021 cycle of fully online registration.

We are also making headway with our *Flexible Human Resources Model*, providing our employees with opportunities to make choices regarding when and how they work.

Our *Reputation Management Forum* (made up of the departments of Communication and Marketing, Institutional Advancement, the International Office, Community Engagement Office, Careers Office, Student Recruitment Services, faculties, and other key support service departments) promoted a progressive narrative for the University of the Free State – developed the previous year – with the university featuring prominently on various mainstream media platforms and in media publications in the form of specialised commentary and opinion pieces in 2021.

On 26 November 2021, the UFS Council approved the *COVID-19 Regulations and Required Vaccination Policy*, which was implemented on 9 December 2021. The policy implies that the University of the Free State does not force anyone to be vaccinated, but the institution has the right to require vaccination if anyone wants to access our campuses, to protect our staff and students. As in 2020, our COVID-19 response strategy was to focus on the health and well-being of everyone in our university community, to make sure that no student or staff member is left behind, and to have centralised decision-making based on sound science, with long-term sustainability always kept in mind.

We have started the engagement process towards developing a fully consultative new vision and strategic plan for the university as from 2023. It will be marked by a continued focus on *Visibility and Impact* and framed by the United Nations Sustainable Development Goals. The UFS sees itself as a global citizen, with a definite society-focused role. Our aim is to deliver students who are not only good workers and critical thinkers, but good citizens who are able to make a positive difference in their communities.

Part of realising this aim is to instil in students the values that form the bedrock of our institution's operation and vision. When it comes to issues such as violence, gender-based violence and xenophobia, the *Unit for Institutional Change and Social Justice* remains instrumental in facilitating critical conversations, position papers, and policies to guide the institution towards an inclusive and socially cohesive space that embraces the values of ubuntu, equity, social cohesion, tolerance for different viewpoints, and respect for diversity in all its forms.

I am humbled and honoured by the UFS Council's decision in 2021 to appoint me as Rector and Vice-Chancellor for a second five-year term. It remains a great privilege to lead one of the greatest universities in the country. With our incredible staff, students, and valued stakeholders, I look forward to continuing to build a strong institution that belongs to everyone, bringing quality, impact, and care to our wider community, our country, and our world.



Prof Francis Petersen
Rector and Vice-Chancellor, UFS

An overview of the UFS' institutional performance as aligned with the 2021 strategic goals is provided below. It should be noted that the year under review was not a year of business-as-usual, but rather a year of adjustment, realignment, and change and innovation to accommodate the impact of the COVID-19 pandemic and a worsening socio-economic and political environment. Under the circumstances, the work done by the institution to accommodate these changes and to meet its goals has been, in our view, most satisfactory. The analyses provided in Section 3 will contextualise our institutional performance and lend credence to this statement.

Table 1: Key performance indicators, 2021

Red	The UFS did not achieve the target, either above or below the set target. This category poses a material risk to the institution.
Orange	The UFS has partially achieved the target, either above or below the set target, usually due to factors not within the full control of the university. The target is realised through a number of interrelated processes and does not pose a material risk to the university.
Green	The UFS has achieved or exceeded the target. This category poses no material risk to the institution.

Explanatory footnotes clarify how each key performance indicator is calculated.

Goal	Key performance area	Key performance indicator	2021	2021 target	% of 2021 target achieved	over/under 2021 target
1. Improve student success and well-being	1.1. Increase student success and throughput rates and reduce the achievement gap.	Undergraduate throughput rate ¹	60,2%	60%	100,3%	on target
	1.2. Develop graduate attributes in curricular and co-curricular interventions.	Student perceptions on development of graduate attributes ²	82,8% ³	51%	162,4%	over
	1.3. Improve student safety and health issues.	Student perceptions of UFS support for student well-being ⁴	71%	75%	94,7%	under
	VSP 2. Towards a world-class digital state-of-the-art library.	Progress on implementation of Library Revitalisation Plan ⁵	100%	100% of phase 3	100%	on target
2. Renew and transform the curriculum	2.1. Develop curricula that is locally relevant and globally competitive.	Number of academic departments/ programmes reviewed by external panel	10	15	66,7%	under
	2.2. Revise the structure of the curricula in terms of pathways and graduate employability.	Graduate employment rate ⁶	57,1% ⁷	63%	90,6%	under
	2.3. Transform the pedagogic relationship between students and lecturers.	Perceptions of advanced student-lecturer engagement ⁸	19,9%	23%	86,5%	under

- Undergraduate (UG) throughput rate: Share of an UG student cohort (headcount) enrolled for the first time in year n-4, for three-year UG degrees, who graduated in five years or less.
- Student perceptions on development of graduate attributes: Share of students who 'agree' and 'strongly agree' that the UFS helped them to develop the following competencies, as per the UFS Graduate Exit Survey (GES): communication; creativity; analytical and critical thinking; and participating in public life.
- Preliminary data as at 2 May 2022. Based on ~908 graduate respondents.
- Student perceptions of UFS support for student well-being: Share of students who report that the UFS places emphasis on providing support for their overall well-being, as measured through South African Survey of Student Engagement (SASSE).
- Progress on implementation of Library Revitalisation Plan: Score from 0%=not implemented to 100%=fully implemented. Monitored via PowerHEDA.
- Graduate employment rate: Share of graduates who report that they (i) are already working or (ii) have already accepted a job offer at the time of graduation, as measured through the UFS GES.
- Preliminary data as at 2 May 2022, based on 1 040 graduate respondents.
- Perceptions of advanced student-lecturer engagement: Share of students who report via SASSE that they have done the following 'often' or 'very often' during the current academic year: talked about their career plans with a lecturer; worked with a staff member on activities other than academic work; discussed module/subject topics, ideas, or concepts with a lecturer outside of class; and discussed their academic performance with a lecturer.

Goal	Key performance area	Key performance indicator	2021	2021 target	% of 2021 target achieved	over/under 2021 target
3. Increase UFS contribution to local, regional, and global knowledge	3.1. Focus resource allocation for research and innovation on UFS areas of strength and distinctiveness.	Differentiated research resource allocation ⁹	47,0%	15%	313,3%	over
	3.2. Transform the profile and increase the diversity of UFS researchers.	Share of rated researchers who are black and female ¹⁰	3,0%	3,5%	85,7%	under
	3.3. Increase research impact and uptake.	Rate of publication in international journals ¹¹	90,4% ¹²	88%	102,7%	over
	VSP 3. Improve the Faculty of Health Sciences.	Progress on implementation of Faculty of Health Sciences Turnaround Plan ¹³	84,8%	72%	117,8%	over
	VSP 5. Establish a high-performance culture.	Implementation of new performance management system ¹⁴	48,1%	75%	64,1%	under
4. Support development and social justice through engaged scholarship	4.1. Increase number of academic staff involved in engaged scholarship.	Academics' participation in engaged scholarship ¹⁵	5%	5%	100%	on target
	4.2. Increase opportunities for students to engage in community-based education.	Student participation in service learning ¹⁶	66,0%	64%	103,1%	over
	4.3. Prioritise engaged scholarship in the UFS funding model.	Engaged scholarship resource allocation ¹⁷	R1,1 mil	R1,5 mil	73,3%	under
5. Increase the efficiency and effectiveness of governance and support systems	5.1. Revise and update all UFS policies to reflect the transformative drive.	Policy revision rate ¹⁸	69%	9%	766,7%	over
	5.2. Increase student participation in university governance structures.	Student participation in governance structures ¹⁹	72,2%	75%	96,3%	under
	5.3. Optimise the student life cycle from recruitment to graduation.	Enrolment management ²⁰	106,0%	95% to 105%	101,0%	over
	5.4. Improve integration of data systems and credibility of management information.	Graduate data errors ²¹	94%	90%	104,4%	over

- 9 Differentiated research resource allocation: Share of total discretionary strategically appropriable funds allocated for research that have been disbursed to research hubs in the current year.
- 10 Share of rated researchers who are black and female: Black, female UFS staff members who hold a valid National Research Foundation (NRF) rating as a share of all NRF-rated staff members employed at the UFS, as per records kept by the UFS Directorate Research Development (DRD).
- 11 Rate of publication in international journals: Number of research output units generated from scholarly articles published in internationally indexed journals as a share of the total number of research output units generated from journal articles, as per the UFS Research Information Management System (RIMS; year n preliminary data) and the DHET 'Report on the evaluation of the year n-2 universities' research output' (year n-2 audited data).
- 12 Preliminary (unaudited) data, as at 25 March 2022.
- 13 Progress on implementation of Faculty of Health Sciences Turnaround Plan: Score from 0%=not implemented to 100%=fully implemented. Monitored via PowerHEDA.
- 14 Implementation of new performance management (PM) system: Average share of academic and support staff members with signed performance plans on the online PM system during year n.
- 15 Academics' participation in engaged scholarship: Average percentage staff time spent on engaged scholarship activities, calculated as full-time equivalents, as per HEMIS data.
- 16 Student participation in service learning: Share of UG students who report that they have participated in a community-based project (service-learning), as measured through the SASSE.
- 17 Engaged scholarship resource allocation: Rand value of discretionary strategically appropriable funds allocated for engaged scholarship in the current year.
- 18 Policy revision rate: Share of UFS policies that have been revised since 1 January 2018, as per records kept by the Registrar's office.
- 19 Student participation in governance structures: Share of UFS Senate subcommittee meetings with student members that were attended by currently enrolled students in the current year, as per the relevant meeting minutes.
- 20 Enrolment management: Percentage of DHET enrolment plan targets for total UG headcount enrolments achieved, as per HEMIS data.
- 21 Graduate data errors: Share of graduate records with no credit value errors at the first data run for the final HEMIS submission.

Goal	Key performance area	Key performance indicator	2021	2021 target	% of 2021 target achieved	over/under 2021 target
6. Achieve financial sustainability	6.1. Increase non-government-derived sources of income.	Share of income from third-stream sources ²²	11,4%	12%	95,3%	under
	6.2. Optimise the cost drivers in academic programmes and support service departments.	Progress on refinement of viability model	60%	100%	60%	under
	6.3. Correct the UFS tuition baseline.	Average percentage baseline correction	100%	80%	125%	over
7. Advance an institutional culture that demonstrates the values of the UFS	7.1. Operationalise a UFS Institutional Multi-Stakeholder Group (IMG) responsible for the identification of interventions in relation to UFS institutional culture.	Progress on implementation of Universal Access Plan ²³	67%	60%	111,7%	over
		Progress on implementation of Language Policy Implementation Plan ²⁴	73,8%	50%	147,6%	over

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- 22 Share of income from third-stream sources: Total third-stream income, in ZAR, as a share of total income, as per the 'Stand-alone statement of profit or loss and other comprehensive income' (university, not group), as contained in the audited 'Consolidated and stand-alone financial statements' for the reporting year. Third-stream income includes income from (i) research-based contracts, (ii) contracts that are not research-related, (iii) donations (as defined by income tax legislation), (iv) short learning programmes, (v) entrepreneurial activities, and (vi) other income not defined in the previous categories (e.g., from conferences and sponsorships). Third-stream income excludes state appropriations (subsidies and grants), tuition fees, and income from student accommodation.
- 23 Progress on implementation of Universal Access Strategy: Score from 0%=not implemented to 100%=fully implemented. Monitored via PowerHEDA.
- 24 Progress on implementation of Language Policy Implementation Plan: Score from 0%=not implemented to 100%=fully implemented. Monitored via PowerHEDA.

Table 2: Key performance indicators and enrolment targets, 2017 to 2021

Red	The UFS did not achieve the target, either above or below the set target. This category poses a material risk to the institution.
Orange	The UFS has partially achieved the target, either above or below the set target, usually due to factors not within the full control of the university. The target is realised through a number of interrelated processes and does not pose a material risk to the university.
Green	The UFS has achieved or exceeded the target. This category poses no material risk to the institution.

Explanatory footnotes provide some context for a number of targets that are either highly under-presented (achievements lower than planned) or totally over-presented (achievements higher than planned).

Goal	Key performance area	Performance indicator (key performance indicators marked with)	2017	2018	2019	2020	2021	2021 target	% of 2021 target achieved	over/under 2021 target	5-year trend (if applicable)
1. Improve student success and well-being	1.1. Increase student success and throughput rates and reduce the achievement gap.	All graduates, headcount (HC)	7 978	8 271	8 606	9 609	10 541	8 833	119,3%	over	↗
		All undergraduate (UG) graduates, HC	5 146	5 412	5 949	7 222	7 586	5 867	129,3%	over	↗
		Doctoral graduates, HC	127	138	128	106	162	135	120,0%	over	↗
		Master's graduates, HC	493	610	537	448	683	518	131,9%	over	↗
		Postgraduate (PG) below master's level graduates, HC	2 212	2 111	1 992	1 832	1 710	2 313	73,9%	under	↘
		Total success rate	79,5%	79,7%	80,5%	85,0%	82,5%	82%	100,6%	on target	↗
		UG throughput rate	58,6%	57,6%	52,6%	58,0%	60,2%	60%	100,3%	on target	↗
	1.2. Develop graduate attributes in curricular and co-curricular interventions.	Student perceptions on development of graduate attributes	not applicable	78,9%	79,4%	78,4%	82,8%	51%	162,4%	over	not applicable
	1.3. Improve student safety and health issues.	Student perceptions of UFS support for student well-being	66,2%	68,8%	72,2%	66,0%	71%	75%	94,7%	under	↗
	VSP 2. Towards a world-class digital state-of-the-art library.	Progress on implementation of Library Revitalisation Plan	not applicable	not applicable	not applicable	75%	100%	100% of phase 3	100%	on target	not applicable

Goal	Key performance area	Performance indicator (key performance indicators marked with)	2017	2018	2019	2020	2021	2021 target	% of 2021 target achieved	over/under 2021 target	5-year trend (if applicable)
2. Renew and transform the curriculum	2.1. Develop curricula that is locally relevant and globally competitive.	Foundation student intake in first year, HC	2 837	3 006	2 612	2 602	2 174	3 895	55,8%	under	↘
		Number of academic departments/ programmes reviewed by external panel	12	11	17	13	10	15	66,7%	under	↘
	2.2. Revise the structure of the curricula in terms of pathways and graduate employability.	Scarce-skills UG graduates in Animal Sciences, HC	32	35	74	66	186	60	310,0%	over	↗
		Scarce-skills UG graduates in Engineering, HC	2	16	13	8	13	14	92,9%	under	↗
		Scarce-skills UG graduates in Human Health, HC	313	283	231	240	298	350	85,1%	under	↘
		Scarce-skills UG graduates in Life and Physical Sciences, HC	314	366	382	484	473	400	118,3%	over	↗
		Scarce-skills UG graduates in Teacher Education, HC	823	884	965	1 377	1 639	935	175,3%	over	↗
		Graduate employment rate	52%	50%	60%	34%	57,1% ⁷	63%	90,6%	under	↗
	2.3. Transform the pedagogic relationship between students and lecturers.	Perceptions of advanced student-lecturer engagement	21,5%	22,8%	21,1%	25,4%	19,9%	23%	86,5%	under	↘
3. Increase UFS contribution to local, regional, and global knowledge	3.1. Focus resource allocation for research and innovation on UFS areas of strength and distinctiveness.	Differentiated research resource allocation	not applicable	34,9%	45,4%	29,9%	47,0%	15%	313,3%	over	not applicable

Goal	Key performance area	Performance indicator (key performance indicators marked with)	2017	2018	2019	2020	2021	2021 target	% of 2021 target achieved	over/under 2021 target	5-year trend (if applicable)
	3.2. Transform the profile and increase the diversity of UFS researchers.	Share of rated researchers who are black and female	1,9%	1,8%	1,7%	2,6%	3,0%	3,5%	85,7%	under	↗
	3.3. Increase research impact and uptake.	Research output units per permanent academic	1,64	1,86	1,99	2,22	2,32 ¹²	0,89	260,5%	over	↗
		Total research output units from publications	995,2	999,9	1171,7	1321,4	1398,54 ¹²	930	150,4%	over	↗
		Rate of publication in international journals	76,6%	85,9%	81,1% ¹²	85,4% ¹²	90,4% ¹²	88%	102,7%	over	↗
	VSP 3. Improve the Faculty of Health Sciences.	Progress on implementation of Faculty of Health Sciences Turnaround Plan	not applicable	not applicable	not applicable	77,8%	84,8%	72%	117,8%	over	not applicable
	VSP 5. Establish a high-performance culture.	Implementation of new performance management system	not applicable	41,0%	49,0%	33,7%	48,1%	75%	64,1%	under	not applicable
4. Support development and social justice through engaged scholarship	4.1. Increase number of academic staff involved in engaged scholarship.	Academics' participation in engaged scholarship	4,6%	4,9%	4,7%	5,1%	5%	5%	100%	on target	□
	4.2. Increase opportunities for students to engage in community-based education.	Student participation in service learning	67,1%	62,8%	62,0%	50,0%	66,0%	64%	103,1%	over	□
	4.3. Prioritise engaged scholarship in the UFS funding model.	Engaged scholarship resource allocation	R1,1 mil	R0,6 mil	R1,1 mil	R1,1 mil	R1,1 mil	R1,5 mil	73,3%	under	□
5. Increase the efficiency and effectiveness of governance and support systems	5.1. Revise and update all UFS policies to reflect the transformative drive.	Policy revision rate	not applicable	0%	0%	0%	69%	9%	766,7%	over	not applicable

Goal	Key performance area	Performance indicator (key performance indicators marked with)	2017	2018	2019	2020	2021	2021 target	% of 2021 target achieved	over/under 2021 target	5-year trend (if applicable)
	5.2. Increase student participation in university governance structures.	Student participation in governance structures	41,4%	41,0%	52,8%	70,0%	72,2%	75%	96,3%	under	↗
	5.3. Optimise the student life cycle from recruitment to graduation.	Enrolment management	105,1%	104,8%	104,4%	103,5%	106,0%	95% to 105%	101%	on target	□
		Total enrolments, HC	38 102	39 516	41 505	41 602	40 876	40 520	100,9%	on target	↗
		First-time entering UG enrolments, HC	8 027	8 992	7 723	7 810	8 085	8 000	101,1%	on target	□
		Proportion of total HC enrolments in Business/Mgmt.	28,4%	26,5%	17,1%	16%	17%	29%	58,6%	under	↘
		Proportion of total HC enrolments in Education	27,2%	25%	27,7%	28%	28%	26%	107,7%	over	□
		Proportion of total HC enrolments in Science, Engineering, and Technology	27,5%	27,3%	22,7%	23%	23%	29%	79,3%	under	↘
		Proportion of total HC enrolments in the other Humanities	16,9%	21,2%	32,5%	33%	32%	17%	188,2%	over	↗
		Total unweighted full-time equivalent (FTE) enrolments	28 898,07	31 463,24	32 557,24	35 366,00	34 229,00	32 410,00	105,6%	over	↗
		Weighted FTE enrolments/ funded teaching input units	61 346,22	67 295,36	67 367,07	71 469,00	68 523,00	69 126,00	99,1%	on target	↗
	5.4. Improve integration of data systems and credibility of management information.	Graduate data error rate	70%	70%	89%	93%	94%	90%	104,4%	over	↗
6. Achieve financial sustainability	6.1. Increase non-government-derived sources of income.	Share of income from third-stream sources	14,5%	11,4%	10,5%	12,8%	11,4%	12%	95,3%	under	↘

Goal	Key performance area	Performance indicator (key performance indicators marked with)	2017	2018	2019	2020	2021	2021 target	% of 2021 target achieved	over/under 2021 target	5-year trend (if applicable)
	6.2. Optimise the cost drivers in academic programmes and support service departments.	Progress on refinement of viability model	not applicable	not applicable	not applicable	not applicable	60%	100%	60%	under	not applicable
	6.3. Correct the UFS tuition baseline.	Average percentage baseline correction	not applicable	not applicable	not applicable	not applicable	100%	80%	125%	over	not applicable
7. Advance an institutional culture that demonstrates the values of the UFS	7.1. Operationalise a UFS IMG ²⁵ responsible for the identification of interventions in relation to UFS institutional culture.	Progress on implementation of Universal Access Plan	not applicable	0%	0%	20%	67%	60%	111,7%	over	not applicable
		Progress on implementation of Language Policy Implementation Plan	not applicable	not applicable	not applicable	not applicable	73,8%	50%	147,6%	over	not applicable

It is important to provide some content for a number of targets that are either highly under-presented (achievements lower than planned) or totally over-presented (achievements higher than planned).

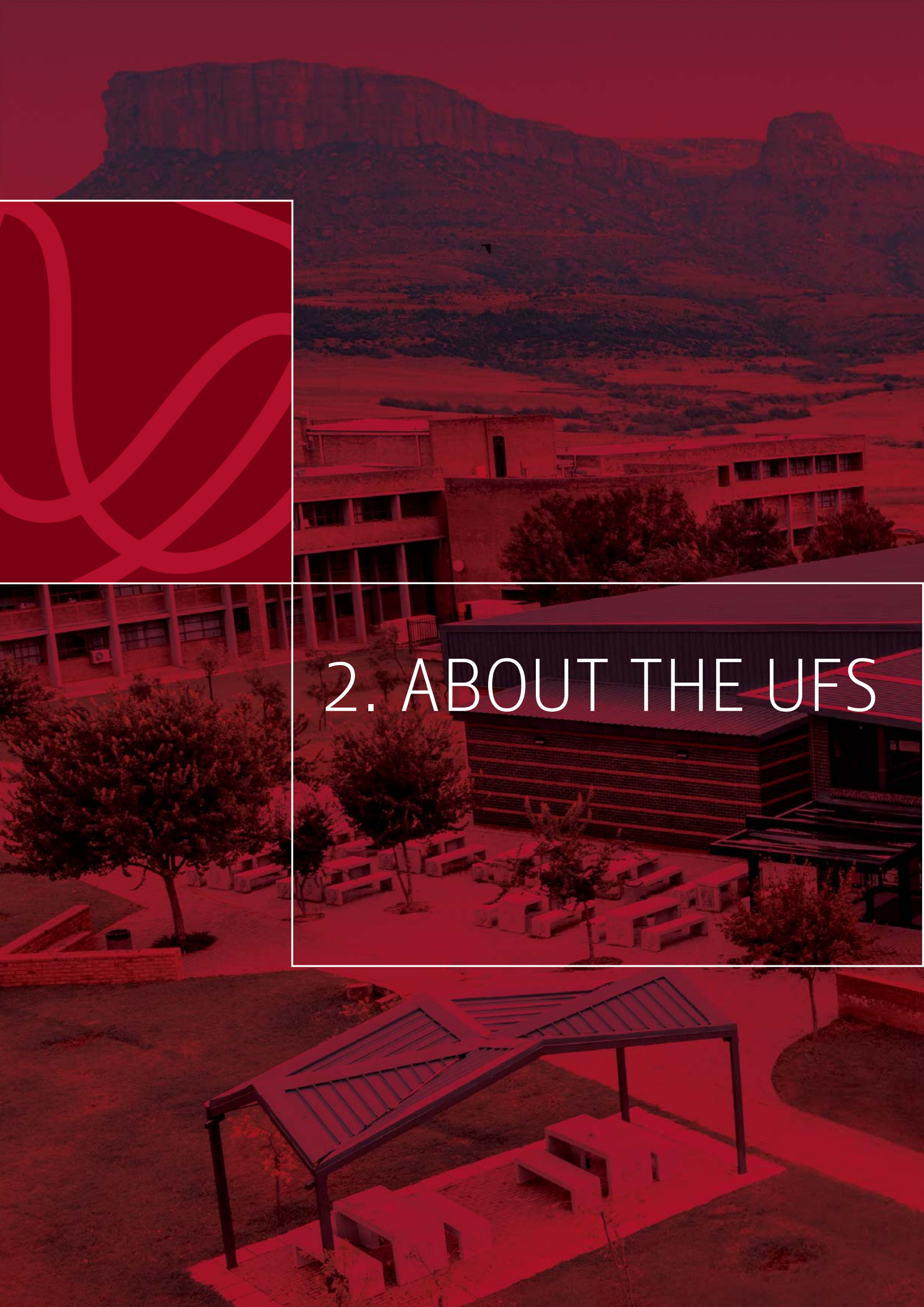
- Postgraduate (PG) graduates below master's level, HC: The underperformance is due to available funding resources for honours students. NSFAS funding is predominantly for first undergraduate qualifications. There is a national task team under the auspices of the CHE to advise NSFAS on this matter.
- Student perceptions of UFS support for student well-being: It was to be expected that students would perceive university services differently during the lockdown period. The UFS is putting strategies in place for those areas that require attention.
- Foundation student intake in first year, HC: The student profile is changing, and more students are entering the UFS mainstream programmes with higher academic point scores.
- Number of academic departments/programmes reviewed by external panel: Moving towards flexible modes of delivery required faculties to reprioritise so as to give expression to the immediate curriculum needs. The pandemic also had its own challenges regarding the availability of panel members.
- The DHET scarce-skills targets for Engineering and Human Health are below target. Inability to achieve this target does not pose a financial risk to the institution per se, but rather a risk related to the size and shape of the university and its impact to address the skills shortage nationally. Human Health numbers are governed by professional bodies and the availability of resources to produce adequate learning opportunities. Regarding Engineering, the UFS has just received accreditation for its Engineering qualification, and hence the numbers will increase.
- Graduate employment rate: The lower employment rate is a direct consequence of COVID-19, which has led to increasing unemployment. The COVID-19 crisis led to a decline in formal employment, especially during 2020. This corresponds with the national employment statistics, released by the Stats SA media release in March 2022, indicating that in quarter two of 2020, the average employment rate was 76,9%, which declined to 44,6% in quarter 4 of 2021.

25 IMG: Institutional Multi-Stakeholder Group.

- g) Perceptions of advanced student-lecturer engagement: This is not unexpected, given the continued impact of the pandemic on learning and teaching modalities during 2021. Institutional research shows that a significant share of UFS students find it difficult to interact with lecturers online. To address this, a record number of academic staff members participated in training sessions during 2021 to help them transform pedagogy from face-to-face format to low-tech, emergency remote format. These efforts continue as part of the Siyaphumelela project.
- h) Share of rated researchers who are black and female: The UFS recruitment of black and female researchers shows an upward trend, and the university will continue to pursue strategies to promote employment within this category.
- i) Implementation of new performance management system: The PMS is a culture shift within the sector as a whole, and the UFS recognises an upward trend. With the Senate-approved Framework for Appointments, Performance and Promotions in 2021, it is envisaged that the uptake will increase.
- j) Engaged scholarship resource allocation: The allocation of resources depends on availability and consumption of resources. The allocation has been made in relation to its overall consumption and will be revisited during the annual budget process.
- k) Student participation in governance structures: The lower than target is not a concern to the UFS, as it does not pose a material risk. The UFS is appreciative of the upward trend reported herein over the years.
- l) Enrolment management: The UFS today manages its headcount enrolment intake and complies with DHET targets to avoid penalties. However, within the headcount targets, the UFS must retain its shape. Work is being done to have a more nuanced planning regime, but also for the introduction of offer management in future.
- m) Share of income from third-stream sources: Reliance on state funding is a risk for the UFS and the sector, hence concerted efforts are being put in place to increase this source of income. The reduced economic activity during this reporting cycle had a direct impact on the ability of the university to attract third-stream income.
- n) Progress on refinement of viability model: When reliance on state funding increases, the university must put in place mechanisms to curtail expenditure and to optimise available resources. An academic programme viability model was developed in 2021 and will assist as a mechanism to support the UFS in the optimisation of the allocated resources.

COVID-19 DISCLAIMER

From the explanatory notes, it is evident that the COVID-19 pandemic had material implications for some of the UFS' agreed-upon projects, as stated in the Annual Performance Plan (APP). This phenomenon is visible across the sector nationally, but also globally. It is important to note that during this time, the University of the Free State applied a risk-adjusted approach and managed to sustain the Academic Project through a contextually responsive multimodal teaching and learning plan for the completion of the 2021 academic year. The risk-based approach has assisted the university in investing its resources in those activities that, if not achieved, would have a material impact on the university as a going concern. From the APP performance, it is evident that those outcomes that have not been achieved, are under control and are receiving the requisite attention from the university.



2. ABOUT THE UFS



2.1. Strategy

2.1.1. Institutional strategy

The year under review marked two seminal moments. Firstly, 2021 saw the institution undergo a very deep self-reflection, as it compiled the institutional Self-Evaluation Report (SER) in preparation for the institutional audit that will take place early in 2022. This process was most beneficial in that it offered an in-depth 'as-is' picture of the entire institutional functioning, highlighting strengths and weaknesses, as well as gaps that would have to be addressed on our journey to institutional maturity, and in our quest for visibility and impact on a wide front. The SER thus became a seminal institutional document to be used in future strategy and planning and as an audited institutional reference document. The outcome of the audit and subsequent improvement plans will be factored into our strategy and planning from 2022.

Secondly, and equally important, the year under review marked the final year of the implementation of the 2018–2022 Strategy, aptly themed, 'Widening and Accelerating the Scope of Transformation'. The UFS vision asserts: *The UFS is a research-led, student-centred, and regionally engaged university that contributes to development and social justice through the production of globally competitive graduates and knowledge.*

As a brief background, in crafting the 2018–2022 strategy, seven goals were set after thorough consultation and agreement among relevant stakeholders, including the Institutional Multi-Stakeholder Group (IMG), Support Service Forum, Institutional Forum, Academic Committee of Senate, Council, donors and alumni, students, staff, trade unions, the community, employers, and the state.

The vision and strategy were then translated into an appropriate and aligned business model and value proposition cognisant of the academic and quality risks to the institution. These were further cascaded down into planning documents and instruments, such as operational and annual performance plans or scorecards that are negotiated with the staff responsible (Faculty Performance Management Plans: Faculties of Natural and Agricultural Sciences, the Humanities, Education, Theology and Religion, Law, Economic and Management Sciences, and Health Sciences). The plans are realistic and implementable, with adequate performance and monitoring criteria included (as may be noted in the institutional Performance Management Policy), as well as consequence management of these plans.

At the UFS, the Strategic Plan is informed and shaped by the Integrated Transformation Plan (ITP), which covers the core functions of teaching and learning, research, internationalisation and innovation, and engaged experience; the university cultures, which cover the student experience, staff experience and composition, names, symbols and spaces, and universal access; and thirdly, structural issues, including the financial framework (size and shape), governance systems, policy and administration, and the multi-campus model. An ongoing and enduring symbiosis, integratedness and fidelity of purpose characterise these fundamental guiding documents.

The Strategic Plan, as well as the Operational and Annual Performance Plans, are reviewed on an ongoing basis through our commitments in the Annual Performance Plans and concomitant budget allocations, to ensure relevance, quality, and fitness for purpose and intent. The institution is engaged in an ongoing process of monitoring and evaluation to ensure that its commitments and responsibilities are aligned and progressing. Regular reviews bring these defining documents under scrutiny, and changes are made as the need arises during the UFS Annual Lekgotla, the most recent of which was held from 17 to 18 September 2021 as part of the UFS Vision 2030.

2.1.2. Learning and teaching strategy

Learning and Teaching at the UFS is undergoing substantial transformation and realignment, cognisant of the changing realities and needs of a high-performance 21st century African university that is globally, nationally, and continentally relevant. In the UFS context – for the period under review – key challenges include access for success and relevance of our students, technological innovation, an ongoing pandemic, and issues around



inclusion, equity and social justice, and ensuring an operational and support structure that will facilitate the aforementioned.

The UFS' Learning and Teaching strategy thus aims to (i) articulate an innovative vision and commitment to high-quality learning and teaching; (ii) promote student success and enhance graduate employability; (iii) develop approaches to address current learning and teaching challenges; and (iv) provide a framework that can be used to align related policies and implementation plans.

In response to the institutional goals of improving student success and well-being and renewing and transforming the curriculum, the UFS has identified six strategic goals within the teaching and learning environment, as well as 22 KPAs, summarised in Figure 2.

2.1.3. Research strategy

The Research Strategy's overall goal is to increase the UFS contribution to local, regional, and global knowledge, to address fundamental and strategically important questions, and to make an economic, social, and cultural impact at regional, national, and international levels.

The UFS Research Strategy is aligned with the UFS vision to be a research-led, student-centred, and regionally engaged university that contributes to development and social justice through the production of globally competitive graduates and knowledge. The updated UFS Research Strategy (which applies to the year under review) is guided by Goal 3 of the UFS Strategic Plan (2018–2022), which is to increase the UFS' contribution to local, regional, and global knowledge, and its associated key performance areas: 3.1 Focus resource allocation for research and innovation on UFS areas of strength and distinctiveness. 3.2 Transform the profile and increase the diversity of UFS researchers. 3.3 Increase research impact and uptake and focus on the African continent.

The Research Strategy is fundamentally informed by the Integrated Transformation Plan (ITP), which signals the commitment of the UFS to radically accelerate transformation at the university. As stated by the ITP, a transformed university is an institution where a diversity of people feels a sense of common purpose. Such an organisation also responds to the needs of the local community. At the same time, university members participate in global knowledge production in a place that can, ideally, accommodate competing views, and even disagreements. This indeed describes what research and a research environment entail. In addition to being aligned with the overall university strategy and national imperatives, our research strategy is based on a candid understanding of our own particular context, and the strategic advantages and challenges this brings.

A Differentiated Research Strategy has also been developed to inform research management, and to drive actions at faculty, department, and institute/centre level. It also has implications for a number of areas that support research, directly or indirectly. The Differentiated Research Strategy provides an important cornerstone for the overall Research Strategy.

The UFS Research Strategy aims to accomplish the following: 1. Implement a differentiated research approach (addressing KPA 3.1 of the UFS Strategic Plan). 2. Develop excellent researchers and scholars, providing sustainability and continuity (addressing KPA 3.1 and 3.2). 3. Increase the visibility, impact, and uptake of UFS research (addressing KPA 3.3). 4. Provide a sustainable

The Research
Strategy is
fundamentally
informed by
the Integrated
Transformation
Plan (ITP)

and supportive research environment with appropriate management and physical and financial resources (addressing Goal 5 of the UFS Strategic Plan). The guiding principles underpinning these strategic aims are the following: • Responsible stewardship of human, financial, and other resources. • A focus on relevance, excellence, and impact. • A culture of continuous reflection and improvement in strategies, actions, and systems. • A culture of people-centred, flexible, and accurate service delivery. • Responsiveness to market needs and demands for human resources, expertise, and products. • Integration, collaboration, and synergy, where appropriate for better performance.

Given its fundamental contribution to the university's core business, the implementation of the strategy and performance in relation to the goals are assiduously monitored and measured for quality and ongoing improvement. These are reported on more fully elsewhere in this report.

2.1.4. Engaged scholarship strategy

For the UFS, engaged scholarship includes the following components:

Engaged Research, which incorporates reciprocal knowledge practices into the discovery, teaching, integration, application, development, and mobilisation of knowledge for mutual public benefit and academic interests. Engaged research could also include creative output and other expressions or activities. Of essence is that engaged research must be systematic and rigorous. Results need to be disseminated in publications for debate and critiqued by peers. The relevance of engaged research is not limited to developing science based on the latest theories and methods. It also includes the integration of theory and practice, as well as the engagement of partner communities as active contributors to identify relevant goals, research questions, and methodologies. An essential element of engaged research is social impact, and it actively calls for appropriate research methodologies that are action-oriented and participatory. These methodologies can include, but are not limited to, community-based participatory research or community-based research, participatory research or participatory action research, and applied research.

Engaged Teaching and Learning, which involve the transmission, transformation, and extension of knowledge, including learning with various audiences through either formal or informal arrangements. The focus is primarily on higher education teaching, where students engage in collaborative learning platforms to learn with and from the communities. Thereby, students learn to think about and act on local and global issues of real importance, as well as integrating theory and practice for the development of praxis. In engaged teaching-learning, students are broadly prepared with in-depth knowledge and professional skills and attributes required for the world of work. They also gain a sense of existing socially, politically, economically, and ecologically complex and dynamic challenges in greater society. Therefore, engaged teaching and learning educates students to live as socially responsible citizens, mobilising multiple forms of knowledge to make the right decisions, use their capacities to contribute to the well-being of society, and contribute towards the broader goal of visibility and impact. To ingrain the principles of engaged scholarship, the university curricula must unify the acquisition of knowledge with concrete actions, so that the teaching model is anchored in a real-life situation.

Engaged Citizenship, which includes academic, student, and university citizenship, is an educational platform that prepares and supports staff and students to play a leading role by building sustainable partnerships with other stakeholders, responding to pressing societal challenges by deploying intellectual, human, and other resources for the development of communities.

Through its commitment to embed engaged scholarship in its institutional framework, the UFS aspires to become a model of a truly robust and responsive university. This aspiration is assisted by mobilising the university's teaching, learning, research, and engaged scholarship capacities to make a significant contribution to the development of the province, South Africa, and the African continent – all within the ambit of the United Nations Sustainable Development Goals. Such a contribution, with engaged scholarship at its heart, aims to enhance cooperation between the university and its surrounding community by using the UFS as a staging ground for continued and creative interaction.

For the year under review, the Engaged Scholarship Strategy applied five goals linked to five KPAs, as shown in Figure 4.

VISION	GOALS	KEY PERFORMANCE AREAS
The UFS is a research-led, student-centred, and regionally engaged university that contributes to development and social justice through the production of globally competitive graduates and knowledge.	1: Improve student success and well-being	1.1: Increase student success and throughput rates and reduce the achievement gap 1.2: Develop graduate attributes in curricular and co-curricular interventions 1.3: Improve student safety and health issues
	2: Renew and transform the curriculum	2.1: Develop curricula that are locally relevant and globally competitive 2.2: Revise the structure of the curricula in terms of pathways and graduate employability 2.3: Transform the pedagogic relationship between students and lecturers
	3: Increase UFS contribution to local, regional, and global knowledge	3.1: Focus resource allocation for research and innovation on UFS areas of strength and distinctiveness 3.2: Transform the profile and increase the diversity of UFS researchers 3.3: Increase research impact and uptake, including a special focus on the African continent
	4: Support development and social justice through engaged scholarship	4.1: Increase the number of academic staff involved in engaged scholarship 4.2: Increase opportunities for students to engage in community-based education 4.3: Prioritise engaged scholarship in the UFS funding model
	5: Increase the efficiency and effectiveness of governance and support systems	5.1: Revise and update all UFS policies to reflect the university's transformative drive 5.2: Increase student participation in university governance structures 5.3: Optimise the student life cycle from recruitment to graduation 5.4: Improve the integration of data and electronic systems to support both tactical and strategic decision-making
	6: Achieve financial sustainability	6.1: Increase non-government-derived sources of income 6.2: Optimise the cost drivers in academic programmes and support service departments 6.3: Correct the UFS tuition-fee baseline
	7: Advance an institutional culture that demonstrates the values of the UFS	7.1: Operationalise a UFS Institutional Multi-Stakeholder Group (IMG) responsible for the identification of interventions in relation to the university's institutional culture

Figure 1: Map of the UFS Strategic Plan 2018 to 2022

UFS GOALS	LEARNING AND TEACHING GOALS	LEARNING AND TEACHING KEY PERFORMANCE AREAS
Improve student success and well-being Renew and transform the curriculum	1: Foster the development of graduate attributes	1.1: Develop graduate attributes in curricular and co-curricular interventions
	2: Improve student success	2.1: Increase student success and throughput rates and reduce the achievement gap 2.2: Deploy high-impact practices
	3: Ensure a responsive curriculum	3.1: Revise the structure of the curricula in terms of pathways and graduate employability 3.2: Transform the pedagogic relationship between students and lecturers 3.3: Identify different stages and levels of the curriculum development process 3.4: Clarify roles and responsibilities in curriculum development process 3.5: Improve alignment between external and self-review processes 3.6: Support academics in reconceptualising/redesigning their courses
	4: Develop flexible learning and teaching designs	4.1: Improve utilisation of institutional learning management system (LMS) 4.2: Ensure digital literacy of staff and students 4.3: Improve lecturers' blended learning skills 4.4: Develop general consensus and awareness of good blended-learning practice among academic staff 4.5: Establish adequate infrastructure and physical learning spaces to enable blended learning
	5: Ensure that academics are empowered to teach in the 21 st century	5.1: Recruit quality academic staff 5.2: Measure good teaching objectively 5.3: Ensure that teaching is valued as one of the roles of an academic staff member 5.4: Equip academic staff members for their teaching roles
	6: Focus on quality, research-led learning and teaching	6.1: Clearly articulate quality-assurance procedures 6.2: Obtain regular student feedback 6.3: Ensure that teaching excellence contributes appropriately to academic promotions 6.4: Ensure that institutional learning and teaching decisions are data-driven

Figure 2: Map of the UFS Learning and Teaching Strategy 2019 to 2024

UFS GOAL	RESEARCH GOALS	RESEARCH KEY PERFORMANCE AREAS
Increase the UFS contribution to local, regional, and global knowledge	1: Implement a differentiated research approach	1.1: Identify and develop strategically distinctive research areas 1.2: Increase the number of externally funded research chairs 1.3: Consolidate and build research capacity on the Qwaqwa Campus 1.4: Encourage multi-disciplinary research
	2: Develop excellent researchers and scholars, providing sustainability and continuity	2.1: Increase the diversity of UFS researchers 2.2: Support emerging scholars and career development 2.3: Develop our researchers and scholars 2.4: Appoint research fellows 2.5: Increase the number of postdoctoral fellows 2.6: Increase the number and quality of postgraduate students
	3: Increase the visibility, impact, and uptake of UFS research	3.1: Grow strong local and global partnerships and networks 3.2: Use innovative research for viable commercialisation 3.3: Develop in-house journals for inclusion on DHET-accredited lists 3.4: Communicate our research
	4: Provide a sustainable and supportive research environment with appropriate management and physical and financial resources	4.1: Integrate UFS research support 4.2: Revise and update research-related policies and governance structures 4.3: Optimise information management 4.4: Ensure financial accountability and sustainability 4.5: Manage research infrastructure 4.6: Measure research performance and impact 4.7: Provide high-quality statistical support 4.8: Incentivise research achievement

Figure 3: Map of the UFS Research Strategy 2015 to 2022

UFS GOAL	ENGAGED SCHOLARSHIP GOALS	ENGAGED SCHOLARSHIP KEY PERFORMANCE AREAS
Support development and social justice through engaged scholarship	1: Create an enabling environment for engaged scholarship in the context of community engagement partnerships for the common public good	1.1: Increase opportunities for strengthening the number of existing partnerships and establishing new partnerships for community engagement
	2: Integrate relevant engaged research methodologies needed for engaged scholarship into the institutional epistemology	2.1: Increase opportunities and the number of academic staff involved in engaged scholarship 2.2: Increase opportunities and the number of students participating in engaged scholarship 2.3: Provide opportunities for all partners to pursue continuous professional learning and development regarding engaged scholarship
	3: Integrate engaged teaching-learning strategies into the curriculum	
	4: Inculcate the consciousness of responsible engaged citizenship and social justice among staff, students, and communities	
	5: Prioritise engaged scholarship in the UFS funding model	5.1: Increase funding opportunities through engaged scholarship third-stream income

Figure 4: Map of the UFS Engaged Scholarship Strategy 2018 to 2022

The Council endorsed the principles of ethics and leadership based on an ethical foundation.

2.2. Governance

2.2.1. Statement of Council on governance

The UFS is committed to ethical and transparent corporate governance.

2.2.1.1. *Statement on code of ethics*

During 2021, the Council endorsed the principles of ethics and leadership based on an ethical foundation. The Council is also aware of the King IV Report that was released on 1 November 2016 and subscribes to the principle that the Council should lead ethically and effectively. The Council has previously adopted the policy of the UFS on Conflict of Interest by the members of the UFS Council and the Code of Conduct for the UFS Council and members of the Council, attached hereto as Appendix 2 and Appendix 3. Compliance with these documents is monitored by the Audit, Risk and IT Governance Committee of the Council.

2.2.1.2. *Statement on conflict management*

During 2021, no academic days were suffered due to unrest on any of the UFS campuses.

No staff unrest or protest action by outsourced workers or staff was experienced during 2021. The Rectorate and Student Affairs were in ongoing engagement with students during the year to ensure clear and open communication. The UFS management and the two recognised trade unions, NEHAWU and UVPERSU, also met regularly during 2021 in the spirit of trust and transparency, cognisant of the challenges posed by the COVID-19 pandemic to both staff and students.

2.2.1.3. *Statement on co-operative governance*

The UFS is governed in a manner that is consistent with the vision, goals, and strategic plan, as well as its core academic mandate. Council, as the highest decision-making authority in the institution, regularly holds the executive management of the institution to account for its implementation of the strategic plan, and in terms of its mandate, focuses on providing strategic direction and its responsibility for governance oversight. The *Declaration of Intent by the Council 2020* reflects the ethos and culture of the university and sets the 'tone from the top', demonstrating an understanding of, and commitment to, its role and responsibilities in the institution.

The UFS is committed to the principles of transparency, independence, accountability, responsibility, ethical stewardship, sustainability, fairness and social responsibility, and fiscal probity advocated in the King III and King IV reports. Accordingly, and in line with its mandate, the UFS Council endorses, and has applied during the period under review, the principles of the King III and (latterly) King IV versions of the Code on Corporate Governance, acknowledging and recognising the need to conduct the business of the University of the Free State (UFS) with integrity and in accordance with generally accepted ethical and transparent governance practices.

The Annual Report to the Minister of Higher Education and Training is a regulatory reporting requirement, the format of which is set out in the Higher Education Act: Regulations: Reporting by public higher education institutions (2014). These



regulations are also aligned with King III and IV but were subsequently deemed by DHET as not entirely consonant with the governance requirements for higher education institutions (HEIs) in particular. DHET has accordingly released the Guidelines for Good Governance Practice and Governance Indicators for Councils of South African Public Higher Education Institutions (2017), which the university has similarly inculcated as part of its governance and reporting practices while it awaits amended/updated regulatory reporting requirements.

Further details about the UFS Council, its composition, its committees, and its activities in 2021 are provided in section 2.2.2 of this report. The Code of Conduct for the UFS Council and members of the Council is included as Appendix 2 of this report.

In the spirit of its commitment to stakeholder engagement and inclusivity, and in line with its statutory obligations, the UFS has two recognised labour unions, namely NEHAWU and UVPERSU. The Collective Agreement between the UFS and UVPERSU (the majority union) was signed on 14 October 2010, and the Recognition Agreement between the UFS and NEHAWU was signed on 1 September 2010. The management of the UFS meets with the labour unions on a regular basis to discuss issues of mutual concern. The Employee Relations Management Forum was also established to enhance the working relationship with the unions. Annual negotiations are also conducted in respect of salary adjustments and conditions of service.

The Support Service Staff Forum and the Head of Academic Departments Forum were established to discuss issues not covered by the collective agreements, and to enhance democratic participation in the decision-making processes at the UFS.

Student Affairs advocated for increased representation of students in institutional governance bodies. The ISRC now holds fifteen (15) seats in the Senate, in addition to seats allocated to the ISRC President and Secretary. These seventeen (17) seats include the SRC presidents from each campus (three seats); Faculty Student Council (FSC) chairpersons from the Bloemfontein Campus (seven seats), Qwaqwa Campus (four seats), and South Campus (three seats).

The Faculty Student Council (FSC) received training on the Institutional Statute and the FSC's students became more involved in academic governance, participating in faculty board meetings, as well as student appeals committee processes at faculty and institutional level.

2.2.2. UFS Council

The UFS Council, under the chairmanship of Dr W Louw (until 30 September 2021) and thereafter Mr D Noko, met four times during 2021. The Council has fulfilled its fiduciary responsibilities with regard to governance, as provided for in the Higher Education Act (Act 101 of 1997), as amended. The different committees of Council are specified in the Institutional Rules, among other things. These Council committees are the:

- Executive Committee of Council
- Audit, Risk and IT Governance Committee
- Finance Committee
- Remuneration Committee
- Nominations Committee
- Human Resources Committee
- Student Support Services Committee

The Council has three joint committees with the Senate, namely the Honorary Degrees Committee, the Naming Committee, and with the approval of the remit during the November 2021 Council meeting, the Central Information Technology Committee (CITC).

The Council's activities during 2021 dealt with, among others, the following:

- The Universal Access and Disability Support Policy was approved, as well as the later amendments thereto.
- The 2021 Budget (including the Capital Budget) was approved.
- Membership of Council committees was considered (on advice of the Nominations Committee) and appointments were made to such committees (including the appointment of chairpersons and vice-chairpersons).
- Considered and dealt with the reports from Senate.

- Approved the Art Collection Management Policy, the Research Data Management Policy, and the revised Institutional Transformation Plan.
- The establishment of the Centre for Mineral Biogeochemistry was approved.
- Several appointments were made by the Council.
- The process for requesting information from the university's senior management was approved.
- A grievance raised by a member of Council was investigated by a Council task team and finalised by the Council.
- The proposed purchase of property was approved by the Council.
- The Council approved that the UFS proceed with the transaction with an external company (as recommended by the Finance and Executive Committee of Council).
- The 2020 Council Self-Assessment Governance Indicators Scorecard was approved.
- The 2020 Annual Report was approved.
- The consolidated financial statements for the year ended 31 December 2020 was approved.
- The new ARIC Self-Evaluation Form was approved.
- The Employment Equity Report to be submitted to the Department of Labour was noted.
- The remit of the Student Support Services Forum was approved.
- The Framework for Appointments: Performance and Promotions of the Faculties (recommended by Senate) was approved.
- The Annual Teaching and Learning Report was noted.
- The Code of Conduct for the Institutional and Campus Student Representative Council(s), Student Parliament(s), and Campus Student Council(s) was approved.
- The Policy of the UFS on Responsible Research Conduct was approved.
- Several Interim POPIA policies were approved.
- The term of appointment of the Rector and Vice-Chancellor was extended by the Council, as per the recommendation from the Evaluation Committee.
- The amended Policy of the UFS on Conflict of Interest by the Members of the UFS Council was approved.
- The amended Statute of the UFS was approved for submission to the Minister of Higher Education, Science and Innovation.
- The establishment of the Interdisciplinary Centre for Digital Futures was approved.
- The reports of the Institutional Forum were considered and dealt with by the Council.
- Mr D Noko was elected as the new Chairperson of the Council of the UFS.
- Ms T Sibisi was elected as the new Vice-Chairperson of the UFS Council.
- The COVID-19 Regulations and Required Vaccinations Policy was supported and approved.
- The UFS Annual Performance Plan for 2022 was approved.
- The Budget for 2022 (including the Capital Budget for 2022) was approved.
- The Top Institutional Risks were approved.
- The UFS External Audit Fees for the year ending 31 December 2021 were approved.
- External auditors were appointed for the audits of the financial years commencing on 1 January 2022 and ending on 31 December 2026.
- The insourcing of workers in a phased approach from April 2022 was approved.
- The Policy of the UFS on the Payment of Honoraria to External Council and External Non-Council members was approved.
- The Admissions Policy was approved.
- The revocation of two degrees with subsequent awarding of appropriate specialisations and the conferral of the new degrees at the next graduation ceremony was approved.
- Two degrees awarded during 2021 were revoked until the successful completion of one module.
- The CHE Institutional Audit and Self-evaluation Report was approved.
- The Quality Assurance Policy was approved.
- Certain proposed name changes were referred back to the Naming Committee.
- The awarding of honorary degrees (as supported by Senate) was approved.
- The Mid-Year Performance Report of 2021 was approved.
- The amendment of certain conditions of employment of staff was approved.

In conclusion, the Council fulfilled its mandate during 2021, as per the Statute and Institutional Rules. The UFS Council members are listed in Table 3 and Table 4.

Table 3: Members of the UFS Council, 2021

Membership category	Member
Chairperson	Dr W (Willem) Louw (until September 2021) Mr D (David) Noko- (from October 2021)
Vice-Chairperson	Mr D (David) Noko- (until September 2021) Ms T (Tirelo) Sibisi^ (from November 2021)
Rector and Vice-Chancellor	Prof FW (Francis) Petersen
Vice-Rector (1)	Prof RC (Corli) Witthuhn (until September 2021) Prof P (Prakash) Naidoo (from October 2021)
Appointed by the Minister of Higher Education, Science and Innovation (5)	Ms KV (Vicky) Tlhabanelo
	Ms I (Itumeleng) Pooe
	Prof M (Millard) Arnold
	Ms L (Leah) Molatseli
	Judge C (Celeste) Reinders
Appointed by the Premier of the Free State (1)	Mr KF (Kopung) Ralikontsane
Elected by the Senate (2)	Prof PD (Danie) Vermeulen
	Prof LC (Loyiso) Jita (until July 2021) Prof P (Philippe) Burger (from July 2021)
Members of the religious community (1)	Dr NM (Nthabeleng) Rammile
Elected by the donors (1)	Vacant (until July 2021) Mr M (Marius) Rezelman (from August 2021)
Elected by the Convocation (4)	Dr PD (Pieter) du Toit
	Mr HH (Henry) Shimutwiken
	Mr DM (Mandla) Ndlangamandla
	Mr ZL (Zama) Siqwebela
Elected by the academic staff who are not members of Senate (1)	Dr JH (Henk) Potgieter (until November 2021) Dr E (Eugene) Baron (from November 2021)
Elected by the non-academic staff (support service employee) (1)	Mr CM (Charlie) Molepo
Appointed by the Central Student Representative Council (2)	Mr J (Jerry) Thoka
	Mr MS (Sifiso) Mofokeng
Appointed by the South African Local Government Association: Free State (1)	Mr ZL (Zanoxolo) Futwa (until June 2021) Vacant (from June 2021)
Chairperson of the Institutional Forum (1)	Dr M Madiope
Appointed by Council (8)	Ms T (Tirelo) Sibisi^
	Mr LL (Louis) von Zeuner
	Mr R (Ryland) Fisher
	Mr D (David) Noko-
	Dr W (Willem) Louw (until September 2021) Dr SJ (Snowy) Khoza (from October 2021)
	Dr A (Anchen) Laubscher
	Mr D (David) Abbey
	Mr D (Dan) Kriek

Table 4: Members of the UFS Council as at 24 June 2022

Membership category	Member
Chairperson	Mr D (David) Noko~
Vice-Chairperson	Ms T (Tirelo) Sibisi^
Rector and Vice-Chancellor	Prof FW (Francis) Petersen
Vice-Rector (1)	Prof P (Prakash) Naidoo
Appointed by the Minister of Higher Education, Science and Innovation (5)	Ms KV (Vicky) Tlhabanelo
	Ms I (Itumeleng) Pooe
	Prof M (Millard) Arnold
	Ms L (Leah) Molatseli
	Judge C (Celeste) Reinders
Appointed by the Premier of the Free State (1)	Mr KF (Kopung) Ralikontsane
Elected by the Senate (2)	Prof PD (Danie) Vermeulen
	Prof P (Philippe) Burger
Members of the religious community (1)	Vacant
Elected by the donors (1)	Mr M (Marius) Rezelman
Elected by the Convocation (4)	Dr PD (Pieter) du Toit
	Mr HH (Henry) Shimutwiken
	Mr DM (Mandla) Ndlangamandla
	Mr ZL (Zama) Siqwebela
Elected by the academic staff who are not members of Senate (1)	Dr E (Eugene) Baron
Elected by the non-academic staff (support service employee) (1)	Mr CM (Charlie) Molepo
Appointed by the Central Student Representative Council (2)	Mr S (Simphiwe) Dube
	Mr L (Luvuyo) Jacobs
Appointed by the South African Local Government Association: Free State (1)	Vacant
Chairperson of the Institutional Forum (1)	Dr M Madiopo
Appointed by Council (8)	Ms T (Tirelo) Sibisi^
	Mr LL (Louis) von Zeuner
	Mr R (Ryland) Fisher
	Mr D (David) Noko~
	Dr SJ (Snowy) Khoza
	Dr A (Anchen) Laubscher
	Mr D (David) Abbey
	Mr D (Dan) Kriek

2.2.3 Audit, Risk, and IT Governance Committee of Council

The Audit, Risk and IT Governance Committee of Council (ARIC), under the chairmanship of Mr D Abbey, convened seven times during 2021 (of which three were joint meetings with the Finance Committee of Council).

The committee's activities during 2021 included the following:

- The quarterly reports on Legal Matters were discussed and dealt with by the ARIC.
- The quarterly reports on Compliance were discussed and dealt with by the ARIC.
- The 2020 Annual Internal Audit Report was discussed and noted.
- The amended Internal Audit Charter was approved.
- The status update on student registrations and enrolment targets was noted.
- Two new external ARIC members (not members of Council) were welcomed.
- The amended ARIC Self-Evaluation Form was recommended for approval by the Council.
- The External Audit Report was dealt with by the ARIC.
- The progress reports on Internal Audit matters were noted.
- The ARIC Evidence of Compliance with Council-Mandated Responsibilities and Functions Form was approved without amendments.
- ARIC considered and dealt with reports on IT management and governance, data-related matters, and digital security.
- The Institutional Risk Register and Progress Reports on Risk Management were discussed and noted.
- The process for the appointment of external auditors was approved, including the establishment of a Working Group under the chairmanship of an external Council member.
- The UFS External Audit Plan for the year ending 31 December 2021 was approved.
- The appointment of external auditors for the financial year audits from 1 January 2022 to 31 December 2026 was recommended for approval by the Council.

At the joint meetings between the ARIC and the Finance Committee of the Council, the following transpired:

- The 2020 UFS Annual Report for the Department of Higher Education and Training was recommended for approval by the Council (with comments).
- The consolidated Financial Statements for the year ended on 31 December 2020 was recommended for approval by the Council.
- The Annual Performance Plan: 2022 was recommended for approval by the Council (with amendments).
- The Budget 2022 was recommended for approval by the Council.
- The Capital Budget: 2022 was recommended for approval by the Council.
- The 2021 Budget was recommended for approval by the Council (with certain deliberations included).

In conclusion, the Audit, Risk and IT Governance Committee fulfilled its mandate during 2021, as laid down by the Institutional Rules and its Charter. The ARIC Committee consists of a minimum of four and a maximum of six Council members. Committee members may not be full-time staff members or students.



Mr David Abbey
Chairperson: Audit, Risk and Information
Technology Governance Committee of
UFS Council



Dr Willem Louw (until 30 September 2021)
Chairperson: UFS Council



Mr David Noko (from 1 October 2021)
Chairperson: UFS Council

2.2.4. UFS Senate

Under the chairmanship of the Rector and Vice-Chancellor, Prof FW Petersen, the Senate convened five times during 2021.

The UFS Senate consists of the Rector and Vice-Chancellor (chairperson of Senate), the four vice-rectors and the registrar, two members of the Council, the seven faculty deans, all UFS full professors, one associate professor and two lecturers, representatives of the administrative employees, and two members of the Student Representative Council (SRC).

The Senate exercised its responsibility for the academic and research functions, as prescribed by the Higher Education Act (Act 101 of 1997), as amended. The Senate, in executing its responsibility for the strategic direction of the academic research and community service functions of the UFS, as well as determining policy and rules concerning academic matters, dealt with the following, among others, during 2021:

- Members of Senate were appointed to relevant UFS committees (including the University Re-admissions Review Tribunal).
- The remit of the Doctoral Degrees Committee was approved.
- The Art Collection Management Policy was recommended for approval by the Council.
- The Research Data Management Policy was recommended for approval by the Council, with amendments.
- The remit of the Internationalisation Committee was approved, with amendments.
- The remit of the Qwaqwa Campus Research Management and Funding Committee was approved.
- The establishment of the Centre for Mineral Biogeochemistry was recommended for approval by the Council.
- Senate appointed one of its members to represent Senate on the Council Task Team: Revision of the UFS Statute.
- The remit of the Senate Enrolment Management Committee was approved.
- The remit of the General Rules Committee was approved, with amendments.
- The Framework for Appointments, Performance and Promotions of Faculties was recommended for approval by the Council.
- The Annual Learning and Teaching Report: 2020 was noted.
- Executive appointments were supported by Senate.
- The Procedural Directives for Short Learning Programmes were approved by Senate.
- The Code of Conduct for the Institutional and Campus Student Representative Council(s), Student Parliament(s) and Campus Student Council(s) was recommended for discussion and approval by the Council.
- Senate provided inputs and comments on the revised UFS Statute.
- The establishment of an Interdisciplinary Centre for Digital Futures was recommended for approval by the Council.
- The reports from the Naming Committee were considered and dealt with by Senate.
- The COVID-19 Regulations and Required Vaccinations Policy was recommended for approval the Council.
- The Admissions Policy was recommended for approval by the Council.
- The remit of the Senate Engaged Scholarship Committee was approved and recommended for noting by the Council.
- The Enrolment Plan: 2022 was approved.
- The Institutional Calendar 2022 was approved, with amendments.
- The awarding of honorary degrees for several individuals were recommended for approval by the Council.
- The amended remit of the Central Information Technology Committee (CITC) was recommended to the Council for approval.
- The revocation of certain degrees was recommended to the Council for approval.
- The Multi-Campus Management Model was noted.

The Senate's committees assisted the Senate in the execution of its functions. These sub-committees include the:

- Executive Committee of Senate
- Research Committee of Senate
- Research Ethics Committee of Senate
- Senate Engaged Scholarship Committee

During 2021, these committees also fulfilled their mandates as prescribed.

2.2.5. Student Representative Council

The Institutional Student Representative Council (ISRC) is an institutional governance structure established and regulated in terms of Section 26(2)(e) of the Higher Education Act and the Institutional Statute and in compliance with the rules and regulations of the university. The ISRC recognises the Council of the UFS as the highest governing body in the institution and is committed to the values of cooperative and good governance.

The students at the University of the Free State are committed to building and sustaining an institution that upholds the principles of equity and equality as envisioned in Section 9 of the Constitution of the Republic of South Africa, and to maintaining a democratic institution founded on principles entrenched in the Bill of Rights of the Constitution of the Republic of South Africa. They have thus organised themselves into a democratically elected student governance body as set out in the Constitution for Student Governance at the University of the Free State (2018; reviewed in 2021).

The ISRC represents the interests of the student community in all representations and interactions with UFS structures, as well as with the general public, and is an ambassador of the UFS to other institutions, organisations and entities, while striving to inculcate a sense of belonging, equity, and inclusivity among all students. The ISRC is committed to leading in terms of transformation, diversity, multiculturalism, integration, and eradication of all forms of discrimination within the student community by demonstrating democratic, transparent, effective, accountable, and coherent student leadership.

The ISRC deploys its members to serve on the various institutional structures where it is represented and uses these fora to conduct its business in line with its responsibilities and undertakings.

In the year under review, the following activities and support structures were recorded:

The ISRC solicited student input and comments on the proposed UFS COVID-19 Regulations and Required Vaccination Policy. The SRC had face-to-face consultation with students and went off campus to consult and create awareness about vaccination and the institutional stance in that regard. The ISRC also obtained legal advice, legal interpretation, consulted human rights offices about the policy, and initiated a vaccination awareness drive to encourage students to vaccinate of their own free will and in their own right.

In line with the requirement to review the ISRC Constitution every three years, the office of the Bloemfontein Campus Policy and Transformation (Institutional Student Representative) member, Vusumzi Gqalane, was appointed by the ISRC to spearhead and coordinate the review process on an institutional level, and to establish a committee of the ISRC to start the process. The committee was established – with all three campuses providing written input – and was publicly deliberated through virtual institutional dialogues. The review document may be accessed on the UFS student portal. The ISRC deliberated on the document and made inputs as per Section 25 of the ISRC Constitution; the final document is pending submission to the relevant governance committees for discussion.

The ISRC platform enables the ISRC to plan the year on a strategic level, allowing all three campuses to present strategic/action plans for the term.

The Induction Programme enables the ISRC to understand more about the university, its role and ways of operating, and also to meet the different stakeholders.

ISRC members for 2020/2021 are listed in Table 5.

Table 5: Members of the Student Representative Council, 2020/2021

Campus	Portfolio	Member
Institutional (ISRC)	President	Jerry Swanti Thoka
	Deputy President	Ayanda Zona Nikita Dlova
	Secretary General	Sifiso Mshengu Mofokeng
	Deputy Secretary General	Adelia Chauque
	Treasurer-General	Robson Siphosihle Nkosi
	Deputy Treasurer-General	Mokgomotsi Dinoke

Campus	Portfolio	Member
	Additional	Gert Ignatius Du Preez Terblanche
	Additional	Vusumzi Gqalane
	Additional	Xolani Tsekelo Ntimane
South Campus	President	Mokgomotsi Dinoko
	Treasurer	Boitumelo Moroke
	Policy and Transformation	Adelia Chauque
Qwaqwa Campus	President	Sifiso Mshengu Mofokeng
	Deputy President	Robson Siphesihle Nkosi
	Secretary General	Snethemba P Gabela
	Treasurer	Snethemba Kholeka Dlamini
	Policy and Transformation	Bongeka Mthiyane
	Student Development and First-Generation Students	Ntombikayise Ladypeace Mnyandu
	Commuter Students	Xolani Tsekelo Ntimane
	Media and Publicity	Sifundo Thami Masuku
	Associations and Religious Affairs Student Council	Philani Nxumalo
	Campus Residence Council	Qiniso Zondi
	Academics Council	Regomoditswe Maleka
	Sports Affairs	Tshepiso Fortunate Tshabalala
	Arts and Culture	Boitumelo Molefe
	Universal Access and Social Justice Council	Olebogeng Mohlala
	Postgraduate Student Council	Mosidi Mokoena
	International Student Council	Motsusi Sylvester Nare
Bloemfontein Campus	President	Jerry Swanti Thoka
	Deputy President	Loretta Mosito
	Secretary	Ayanda Zona Nikita Dlova
	Treasurer	Orefile Sefika
	Policy and Transformation	Vusumzi Gqalane
	Student Development and First-Generation Students	Tshiamo Sebolai
	Commuter Students	Dimpho Boitumelo Mokhoantle
	Associations Student Council	Michael Nkosinathi Mnguni
	Student Organisations Council	Tebogo Sako
	Academic Student Council	Katlego Reitumetse Booysen
	Day Residence Council	Sibongiseni Mncela
	Campus Residence Council	Mpho Salome Maubane
	Postgraduate Student Council	Nico Janse van Rensburg
	International Student Council	Rufaro Chantelle Chakanyuka
	Student Media and Dialogue Council	Wandile Thabisile Manqe
	Universal Access and Social Justice Council	Katlego Sekele
	Civic and Social Responsibility Council	Gert Ignatius Du Preez Terblanche
	Arts and Culture Council	Katleho Amogelang Khaola
	Sports Council	Bongumusa Mzwandile Khumalo

2.2.6. Report of the Institutional Forum to Council

The UFS is positioning the Institutional Forum (IF) as a more influential advisory structure, which accordingly reports directly to Council. In its quest to strengthen the IF, a process is underway to solicit input from all members in order to review the remit of the IF in line with the draft DHET 'Guiding Principles for strengthening Institutional Forums'. It is envisaged that this process will be concluded during the first meeting in 2022.

The IF provides a quarterly report to Council, which includes, among others, a brief summary of its activities to date, and where applicable, advice to Council on matters pertaining to its functional responsibility under Section 32 of the Higher Education Act, 1997 (Act No. 101 of 1997), as amended.

In line with its mandate and institutional remit, the IF engaged in the following activities and advised Council on the following issues in the year under review:

A sectoral benchmarking exercise on IF representation in appointment processes concluded that there are varying degrees of representation and/or IF participation rights in the higher education sector of South Africa. At the UFS, it is important to be proactively involved from the onset so as to be able to report properly and comprehensively to Council.

Revision of the remit to ensure full alignment with the Higher Education Act 101 of 1997 and the UFS Statute.

The IF concluded that a quarterly report would be submitted to Council, highlighting all matters pertaining to transformation.

Establishment of the UFS Women's Forum as an excellent platform to build and advance a new cadre of women leaders, researchers, and academics.

IF membership of the Unit for Institutional Change and Social Justice, which is the 'administrative arm' of the Institutional Forum, to ensure optimal administrative support.

Engagement on, and support for, the proposed UFS Digitalisation Strategy and Implementation Plan.

The Vaccination Policy. It was concluded that the UFS should continue with a deliberate drive to support government in gaining trust regarding vaccination, and in so doing, strengthen its own ability to communicate the need to vaccinate in an informative and transparent manner to staff and students.

Finally, the IF spent time debating matters about fairness that underpins social cohesion and trust. The vaccination policy and the supporting processes for its implementation could, if well-governed, effectively facilitate the socialisation of staff and students' expectations and assist in the drive to reach South Africa's herd immunity threshold and mitigate the barriers standing in the way of achieving it.

The IF participated in several interview processes for the appointment of senior management positions and confirmed that the interview processes were open, procedurally fair, and consistently rational.

In short, the IF has advised Council on a number of key issues, including the remit of the IF, promotion of gender centredness through the establishment of the Women's Forum, key transformation-related matters on HR policies, and procedures and appointments.

The members of the Institutional Forum in 2021 are listed in Table 6.

Table 6: Members of the Institutional Forum, 2021

Membership Category	Member
Chairperson	Prof ND Roos (until April 2021) Dr M Madiopé (from May 2021)
Two members of the University Management Council (UMC)	Dr M Madiopé (from May 2021)
	Ms L Griesel

Membership Category	Member
Two Council representatives	Dr NM Rammile (until June 2021) Ms KV Tlhabanelo (from June 2017)
	Mr ZL Futwa (until June 2021) Vacant (from June 2021)
Two Senate representatives	Prof P Mafora
	Prof ND Roos (until May 2021) Prof TG Neethling (from June 2021)
Two representatives of academic staff, other than Senate members	Dr JL Matthee
	Dr M Tlali
Two representatives of support staff	Mr T Kessah (until May 2021) Vacant (from May 2021 to July 2021) Ms CS de Lange (from July 2021)
	Ms JYJ Burjins
Two representatives of service employees	Mr TE Moeti (until July 2021) Ms LHA Molale (from 1 August 2021)
	Ms KJ Mtshali
Two representatives from the Institutional Student Representative Council (ISRC)	Mr K Lechoo (until March 2021) Mr J Thoka (from April 2021)
	Mr M Lehlohonolo (until March 2021) Mr S Mofokeng (from April 2021)
Two representatives of recognised trade unions	Ms A Lombard (UVPERSU)
	<i>Ad hoc</i> (NEHAWU)

2.2.7. Data governance and management

Aligned with POPIA, ICTS (Information, Communication and Technology Services) assumes accountability and responsibility for three data-related domains of the institution, being (i) the digital safeguarding of all institutional data (technology-based hosting, data loss prevention, and data backups, data at rest, data in transit), (ii) the ongoing management of an institutional access governance framework, and (iii) digital security.

Related to data governance, ICTS ensures that all institutional data is hosted in a digitally safe environment, that the data is digitally protected, and frequently maintained through backups. This is inclusive of all forms of institutional data, irrespective of the operational source (HR, finance, student data, logistical and estate data).

As part of the overarching data governance programme, ICTS ensures that institutional role players in the governance approach are well identified, are well enabled to perform the non-technical aspects of institutional data management, and that adequate checks and balances are in place to ensure end-to-end data governance practices, inclusive of governance policies, appointment and enablement of institutional data governors (data owners), data stewards, etc.

The digital operational domain of the university is postured around three critical operational domains (also referred to as operational cores) and all ICT services are tailored towards addressing the digital needs of each, of which system-to-system and also data integration is paramount to the design, deployment, and ongoing maintenance thereof. From an overarching business perspective, the three critical cores are (i) the academic

An electronic, protected, and legally compliant data management and retrieval system at the institution

core, (ii) the administrative core, and (iii) the research core. Here, the segregation into operational cores is based on the diversity of technologies (such as systems, platforms, and infrastructures) contained within the operational objective of each individual core.

Aligned hereto, each operational core is pivoted by a single mainstream system, effectively enabling the purpose of the specific core (anchoring system). In the academic core, the pivot system is the LMS (learning management system) referred to as Blackboard; arranged around the pivot system (per core) are smaller, fully integrated ancillary systems that enable the full digital requirements for that specific operational core. In relation to the academic core, these ancillary systems are systems such as anti-plagiarism systems, content management systems, invigilation systems, etc. In relation to the administrative core, the pivotal system is the ERP (enterprise resource planning) system surrounded by ancillary systems such as document management systems, etc., to support the operations of the PeopleSoft (HR, financial, and student administration) system.

Lastly, the third core in the UFS systems environment is the research core, which is enabled by a hardware solution referred to as the HPC (high-performance cluster, also known as the UFS supercomputer). Being a highly technical, hardware-driven platform, the HPC is supported by various research-linked software suites that are skewed towards high-end data analytics, data engines, etc.)

Important to note, is that each of these operational cores, and especially the academic core and the administrative core, are integrated in two ways, namely (i) functional integration and (ii) data integration. Functional integration refers to the manner in which transactions are passed from one system to another, which then operates in tandem as a single transactional engine, enabling different processes to support, for instance, the registration process, in conjunction with the linking curriculums and programmes, to a student or a student cohort.

Within the constraints of the academic core, functional integration implies that schedules, learning materials, interactive learning engagement, etc., can be linked to a specific student to support the specific academic programme, and also to interactively link learners to classes, the library, content stores, classrooms (virtual and face to face), but also to lecturers and other learning resources.

An electronic, protected, and legally compliant data management and retrieval system at the institution has the capacity to provide accurate, complete, and timely information to support the quality management of the core functions. All systems and all data of the UFS are managed under guidance of the legal and regulatory requirements of both the government and various technology frameworks related to digital security and access management practices. In this regard, ICT Services is tasked to digitally ensure that data are protected, kept in a manner to ensure retrieval of the data, regularly backed up, and maintained. Contained herein are practices aligned with the integration of data between systems, and the structured provision thereof to legal third-party operators that are part of the UFS outsourced business model.

2.3. Management

2.3.1. University Management Committee

The University Management Committee (UMC) is one of the university's institutional committees, convening eleven times during 2021. The UMC's mandate is prescribed by the Institutional Rules.

The UMC is accordingly responsible for the strategic management of the UFS with regard to its focus areas, key success factors, academic support services, and portfolios:

For finalisation

- Creation and filling of posts, and promotion of all permanent and full-time support services staff members at remuneration levels equal to those of professor, associate professor, or senior lecturer.
- Finalising all matters that cannot be concluded within certain management lines according to specific approved policy and procedures, and that fall outside the mandate of the Executive Committee of the Senate and the Senate.
- Establishing or terminating support services departments.

For recommendation to the Senate and Council

- Recommendations to the Council regarding the appointment of persons to support service posts with a remuneration level equal to or higher than that of senior professor.
- Should the policy stipulations also affect academic staff, relevant macro-institutional policy matters/policies are referred to the Council via the Senate to obtain clarity and for decision-making; otherwise, the policy recommendations are submitted directly to the Council for decision-making.

During 2021, the UMC – under the chairmanship of Prof FW Petersen – executed its mandate in, among others, the following ways:

- The Art Collection Management Policy was recommended to the Senate and the Council for discussion and approval.
- The Code of Conduct for the Institutional and Campus Student Representative Council(s), Student Parliament(s) and Campus Student Council(s) was recommended to the Senate and the Council for discussion and approval, with certain amendments.
- The 2021 Budget was supported and approved by the UMC.
- The upgrading of two positions was recommended to the Human Resources Committee of Council and thereafter to the Executive Committee of Council.
- The 2022 Budget was approved.
- A member of the UMC was appointed to serve on the Joint Task Team: Revision of the UFS Statute.
- Several appointments were approved by the UMC.
- The amendments to the Policy on Universal Access and Disability Support were recommended for approval by the Council.
- Several appointments (at executive level) were recommended for approval by the Council.
- Several interim POPIA policies were recommended to the Council.
- The extension of appointments (at senior level) was recommended to the Institutional Forum and the Council.
- The UMC considered the amended UFS Statute and submitted comments for consideration by the Council's Joint Task Team: Revision of the UFS Statute.
- The remit of the Institutional Multi-Stakeholder Group was approved, with amendments.
- The COVID-19 Regulations and Required Vaccination Policy was considered and supported by the UMC.
- The UFS Flexible Work Arrangement Policy was discussed in the Senior Leadership Group and the Human Resources Committee of Council for recommendation to the Council.
- The 2022 Budget was supported and recommended to the Finance Committee, the Audit, Risk and IT Governance Committee and to the Council for approval.

- A POPIA workshop was presented to the UMC members.
- The Institutional Audit Self-Evaluation Report to the Council on Higher Education was supported and recommended to the Council for approval.
- The 2021 Mid-year Performance Report to the Department of Higher Education and Training was supported and recommended to the Council for approval.
- The promotion of various staff members was approved by the UMC.

In conclusion, the UMC fulfilled its mandate in 2021, as laid down by the rules. The 2021 members of the UMC are listed in Table 7.

Table 7: Members of the University Management Committee, 2021

Membership category	Member
Rector and Vice-Chancellor (Chairperson)	Prof Francis Petersen
Vice-Rector: Research, Innovation, and Internationalisation	Prof Corli Witthuhn
Vice-Rector: Operations	Prof Prakash Naidoo
Vice-Rector: Academic	Dr Engela van Staden
Vice-Rector: Institutional Change, Strategic Partnerships and Societal Impact	Dr Molapo Qhobela (from August 2021)
Registrar	Mr Nikile Ntsababa
Dean: The Humanities	Prof Heidi Hudson
Dean: Law	Prof John Mubangizi
Dean: Economic and Management Sciences	Prof Hendri Kroukamp
Dean: Natural and Agricultural Sciences	Prof Danie Vermeulen
Dean: Health Sciences	Prof Gert van Zyl
Dean: Education	Prof Loyiso Jita
Dean: Theology and Religion	Prof Rantsoa Letšosa
Acting Dean: Student Affairs	Ms Nicole Morris (from February 2021 until June 2021)
Executive Director: Student Affairs	Mr Temba Hlase (from June 2021)
Campus Principal: South Campus	Dr Maria Madiope
Campus Principal: Qwaqwa Campus	Dr Martin Mandew
Director: Library and Information Services	Ms Jeannet Molopyane
Senior Director: Finance	Mr Chris Liebenberg
Senior Director: Human Resources	Ms Susan van Jaarsveld
Senior Director: Research Development	Dr Glen Taylor
Senior Director: Information and Communication Technology (ICT) Services	Dr Vic Coetzee
Senior Director: Centre for Teaching and Learning (CTL)	Dr Francois Strydom
Senior Director: Directorate for Institutional Research and Academic Planning (DIRAP)	Ms Liana Griesel
Senior Director: Physical Planning	Mr Nico Janse van Rensburg
Senior Director: Housing and Residence Affairs	Mr Quintin Koetaan
Senior Director: Protection Services	Mr Noko Masalesa
Director: International Affairs	Mr Cornelius Hagenmeier
Director: Communication and Marketing	Ms Lacey Loader
Director: Institutional Change and Social Justice	Prof Colin Chasi
Director: Community Engagement	Bishop Billyboy Ramahlele
Director: Student Marketing	Ms Nomonde Mbadi
Director: Postgraduate School	Prof Witness Mudzi
Acting Director: Institutional Advancement	Ms Pat Lamusse (from April 2021 until June 2021)
Senior Director: Institutional Advancement	Dr Russell Ally (from July 2021)

Membership category	Member
Director: KopsieSport	Mr DB Prinsloo
Kopsie Phahamisa Academy	Adv Shirley Hyland
President: Central Student Representative Council	Mr ST (Jerry) Thoka (Bloemfontein Campus)
	Mr S Mofokeng (Qwaqwa Campus)
In advisory capacity	Ms Anita Lombard (UVPERSU trade union)
	Mr Zenzele Mdletshe (NEHAWU trade union)
	Adv Elna van Pletzen (Deputy Registrar: Governance)
	Mr Anban Naidoo (Deputy Registrar: Student Academic Services)
	Adv Mbongeni Mateta (Deputy Registrar: Legal Services and Compliance)
	Prof Philippe Burger (Pro-Vice-Chancellor for Poverty, Inequality and Economic Development)

2.3.2 Report of Council on risk assessment and management of risk

Council is responsible for the process of risk management. The Risk Management Framework provides the foundation and organisational arrangements for the efficient operation of risk management through the application of a structured risk management approach and process. The risk management framework is informed by the university's strategic objectives and guided by the university's risk management philosophy. The university's risk philosophy is operationalised through a risk management policy and guidelines in which the risk management process, governance structures, responsibilities, and accountabilities are outlined.

The governance responsibility for risk management duties resides in the Audit, Risk and IT Governance Committee (ARIC). The ARIC assists the Council in discharging its duties to ensure the integrity of annual reporting and reviewing the effectiveness of the financial reporting process, the system of internal control and management of risks, the assurance process, and the process of monitoring compliance with laws and regulations.

The Institutional Risk Management Committee has been established as a committee of the Audit, Risk and IT Governance Committee to assist Council in discharging its duties relating to risks associated with the safety and welfare of all who work at or for the university, the integrity of the university's academic work, strategy, and reputation, and the appropriate use and safeguarding of material assets. The Institutional Risk Management Committee (IRMC) is governed by a remit and supported by the following structures:

- Support Service Risk Management Committee – risks of university operations, health, safety, and crime
- Academic Committee of Senate – risks of academic work
- Research Committee of Senate – risks of research
- Social Responsiveness Committee – risks of engaged scholarship

The IRMC convened four meetings during the period under review to specifically address risk issues. Minutes were kept of all IRMC meetings. The members of the IRMC collectively have the ability and experience to identify and manage risks and are knowledgeable regarding risk management in general.

Membership comprises the following:

- Rector and Vice-Chancellor (Chairperson)
- Rectorate members
- Two deans from faculties (Natural and Agricultural Sciences and Economic and Management Sciences)
- Two senior directors (Human Resources and Facilities Management)
- Chairperson of the Audit, Risk and IT Governance Committee
- Risk Unit (advisory), comprising the Senior Director: Finance, Deputy Director: Finance, and the Chief Officer: Risk Management
- Head of Internal Audit (advisory)

The IRMC may seek assistance from experts where appropriate, but the IRMC must be satisfied that such experts have no conflict of interest in relation to the matter under consideration.

During 2021, the focus of the IRMC was on mitigating risks relating to the COVID-19 pandemic. Accordingly, a Special Executive Group (SEG) has been established as the decision-making entity on the pandemic to respond to the risks related to the pandemic. COVID-19 was identified as a risk that negatively impacted the business continuity, and the IRMC decided to manage this risk as a separate item on the risk register. This focused approach has ensured that the related risks were identified, assessed, and mitigated in a coordinated manner. The Special Executive group was chaired by the Rector and Vice-Chancellor, Prof Francis Petersen, and included expertise in the areas of scenario planning, project management, virologists and/or epidemiologists, communication, and institutional culture. The COVID-19 risks were elevated from the SEG to the IRMC for monitoring and review.

The SEG approached the decisions and the associated risk from a four-dimensional approach, whereby risks were assessed on their likelihood, impact, interconnectedness, and velocity. Likelihood referred to the probability of the risk occurring, and impact to the effect the risk would have on the university, and both dimensions are part of the standard risk assessment model. The dimensions of interconnectedness and velocity have been added to mitigate this business continuity risk. Interconnectedness refers to the influences between risks, i.e., to what extent the occurrence of one risk will trigger the occurrence of other risks; with velocity, the risks most likely to occur following the occurrence of any other risks are considered.

Through the constitution of the SEG and the interactivity of task teams, a dynamic risk assessment approach has been established to minimise any negative implications for the institution (see Table 9).

The mandate of the IRMC was executed by reviewing the most significant institutional risks that would prevent the university from achieving its strategic objectives, including the COVID-19 business continuity risks, by reviewing risk owners responsible for implementing and embedding risk mitigation plans, assessing the adequacy of performance indicators and mitigation plans, and monitoring and evaluating the level of residual risk. The reviewed risks were presented to the Audit, Risk and IT Governance Committee (ARIC) on a quarterly basis for input and discussion. The chairperson of the IRMC has unrestricted access to the chairpersons of the ARIC, the Finance Committee, and Council to escalate and report on institutional risks.

All risks are identified, assessed, and mitigated at the primary source/division and escalated through the risk management structures. Risk identification stems from potential threats to the university's strategic objectives or events that could impede on the effective utilisation of opportunities. Risks are assessed by determining the likelihood of occurrence and impact should it materialise. The effectiveness of internal controls is taken into account to mitigate the risks and to calculate a residual risk rating per risk. Should risks be above the risk tolerance levels as set by Council, risk mitigation strategies are applied and monitored. Progress on the action plans is documented and key performance indicators are monitored by the objective owners.

While risks are escalated to the ARIC through the governance structures, this process does not allow the primary objective owner to abdicate the management and mitigation responsibilities. Risks are documented, assessed, and mitigation plans are constantly updated in an electronic risk management system. Council presents the risks in Table 9 as the institutional risks identified and is not aware of any current, imminent, or forecasted key risk that may threaten the sustainability of the public higher institution.

The ARIC reviewed the institutional risks put forward by the Academic Committee, Research Committee, Social Responsiveness Committee, and Support Services Risk Management Committee in October 2021 and the UFS Council approved the subsequently identified top institutional risks of 2021 in November. The identified risks are managed to improve the performance of specific strategic objectives. Table 8 shows the institutional risks with a residual assessment of 'high' and above. The risks in Table 8 should be considered together with the COVID-19 Risk Assessment to deduce a well-rounded perspective of the top institutional risks.

Table 8: UFS institutional risks 2021

Risk description	Risk classification		Summary on action plans	Action date
	2020	2021		
Share of income from advancement activities stagnates due to economic climate and our ability to raise funds.	High	High	<ul style="list-style-type: none"> Retain existing donors, renew lapsed donors, acquire new donors. Continuous staff training. Review IA structure to optimise fundraising capacity. Strategic approaches to SETAs and other high-probability prospects alongside partner departments such as DRD and Financial Aid. Multitasking is encouraged. Each fundraiser has prospects, including existing donors, lapsed donors, and new donors. Advancement is working with colleagues to attract international funding. 	2019-2023
Ineffective pedagogic relationship between students and lecturers impact student success rates, overall student experience, learning capability of students, and the satisfaction of the staff within the work environment.	High	Medium	<ul style="list-style-type: none"> The Khothatsa project recognises strong pedagogical relationship examples – this is presented in book form. Cyclic use of module evaluations. Academic Staff Development workshops that highlight the importance of sound pedagogical relationships. Include module evaluation. Module evaluation and/or CLASSE as part of teaching and learning portfolio evidence, and promotion. Use data from the Staff Experience and Perceptions of the Future of Teaching and Learning (SEP-TLF) to develop bespoke staff development interventions. The Curriculum Renewal Programme (CRP) has been developed and implemented. 	2019-2023
Inadequate growth in third-stream income relating to research contracts and the narrowing of national and international funding streams create over-reliance on first- and second-stream income to fund research projects.	High	High	<ul style="list-style-type: none"> Various strategies are being developed to diversify the sources of research income, e.g., <ul style="list-style-type: none"> faculty programmes to bring the UFS closer to industry; the development of research hubs; and actively marketing our research and technologies to industry through stakeholder engagement workshops, etc. Third-Stream Income Committee established to enable effective management at faculty level. Grant-writing workshops offered by the Postgraduate School to equip staff to apply for funding. Implement a contract management system to actively manage third-stream projects. Implement proposal development and proposal tracking modules on RIMS to improve success rates through tracking. Improve relationship with major funding authorities. Engaging with industries and forming strategic partnerships (spinout companies) that could generate passive income in future years. 	2019-2023
Inability to reduce the black-white student achievement gap could result in the decreased output of black graduates.	High	Low	<ul style="list-style-type: none"> New Learning and Teaching Strategy integrates aspects of the UFS student success strategy through the Siyaphumelela project. The Siyaphumelela project has been aligned with the focus on student success. Use of cyclic module evaluation. A case management system has been launched to monitor students at risk and refer them effectively to support. A student tracker and data analytics platform is put in place. The aim is to decrease the achievement gap by 1% per annum. 	2019 - 2023
Cyber (digital/information) security is a key challenge in the effectiveness of ICT in a modern-day, technology-driven organisation.	High	High	<ul style="list-style-type: none"> ICT Services has adopted the Critical Security Controls (CIS) framework, which is developed and maintained by SANS. The Critical Security Controls is a recommended set of actions for cyber defence that provide specific and actionable ways to stop today's most pervasive and dangerous attacks. The most profound controls implemented by ICT during 2021: <ul style="list-style-type: none"> Global Protect VPN Dual-factor authentication on various systems, which will also be extended to other systems in future DKIM and DMARC (email security) CASB cloud security on O365 ApexSQL – database activity monitor Backup encryption JAMF drive encryption on Apple devices File server auditing ImageNow retention and audit SSL decryption on gateway 	Reviewed on ongoing basis
Negative impact of COVID-19 on the business continuity of the university.	Medium	Medium	Due to the diversity and complexity of this risk, it is further explained in a separate table.	Reviewed on ongoing basis

Risk description	Risk classification		Summary on action plans	Action date
	2020	2021		
Interruptions in core business due to power outages on the Qwaqwa Campus.	Medium	High	<p>Short-term goals (tenders awarded, construction to start ASAP)</p> <p>Expand emergency power capacity</p> <ul style="list-style-type: none"> - SHU7 - Centralised kitchen - Offices at sports facility - 2 x new high-mast lighting <p>Medium-term goals (busy with planning, completion this year)</p> <ul style="list-style-type: none"> - UPS power for all network switches and Wi-Fi - CCTV cameras and electric fence - New generator(s) for residences to increase capacity <p>Long-term (only in 2022)</p> <ul style="list-style-type: none"> - Negotiations with Eskom, Municipality and NERSA - Establish our own microgrid 	2021- 2022
COVID-19 pandemic: financial sustainability of Housing and Residence Affairs.	Medium	High	<ul style="list-style-type: none"> - NSFAS students admitted on campus as well as students in the vulnerable categories should be targeted to occupy residence accommodation. - Engagement with NSFAS to direct students to residence accommodation instead of private accommodation facilities. - When integration of students is planned, the effect on the residences will be pertinently considered to ensure financial sustainability. - Students are also encouraged to vaccinate to ultimately increase the occupancy in residences. 	1 Jan 2021-31 Dec 2022
Affordability and sustainability of in-sourcing model.	Medium	High	<ul style="list-style-type: none"> - Managing the current supplier contracts to ensure that we remain within the terms and conditions. - Review the model for in-sourcing to ensure that it still meets the objectives. - WSF (engagement) meets on a quarterly basis with HR, Finance, and service providers – code of conduct. 	2021-2022

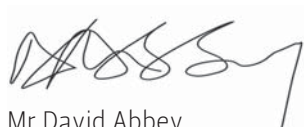
2.3.2.1. Update on the impact of COVID-19 on the business continuity of the university

The third and fourth waves of the COVID-19 pandemic passed through South Africa in 2021. During the second semester of 2021, the university continued with the emergency remote learning adopted in 2020, bringing only specific programmes back to campus – mainly in the Faculty of Natural and Agricultural Sciences, the Faculty of Health Sciences, and students identified in the vulnerable group. The provision of access to students returning to campus was managed through a system for the issuing of permits.

Increasing the number of students who could access campuses brought about new challenges. The COVID-19 Special Executive Group (SEG), as the decision-making entity to ensure business continuity, continued to mitigate risks relating to its mandate of

- ensuring that reliable information based on sound science is communicated and used in decision making;
- protecting the health, safety, and well-being of staff and students;
- successfully completing the academic year;
- 'No Student Left Behind' and 'No Staff Member Left Behind';
- financial sustainability; and
- exploring different pathways to complete the Academic Project.

Risks mitigated in relation to the pandemic during the second quarter of 2021 are presented in Table 9.



Mr David Abbey

Chairperson: Audit, Risk and Information
Technology Governance Committee of
UFS Council



Table 9: Impact of COVID-19 on the business continuity of the UFS

Strategic objectives of the UFS									
The COVID-19 pandemic impacts the business continuity of the university and the various functions it serves in society. Objectives of the UFS include the delivery of the Academic Project, which involves teaching, learning, and research to maintain, manage, and develop the physical and digital infrastructure – the engagement with external stakeholders (to foster societal impact), such as alumni, schools, government, industry, the private sector, commerce, donors, and philanthropic foundations. The COVID-19 pandemic therefore needs to be confronted as a complex, adaptive system in which each component affects the others with increasing flow-on consequences.									
Key Performance Areas									
The pandemic cuts across all the current strategic objectives of the university as it threatens business continuity. The effect on each key performance area is assessed and measured differently through task teams established for specific areas. The Special Executive Group, as the decision-making entity chaired by the Rector and Vice-Chancellor, Prof Francis Petersen, acts as the COVID-19 nerve centre, where all (7) task teams are coordinated.									
Special Executive Group Objectives									
Reliable information and communication	Health, safety, and well-being of staff and students		Successful completion of the academic year		'No student-left-behind'		Explore different pathways to complete the Academic Project		Financial sustainability
Reliable information for decision making	Communication to staff and students	Well-being / Mental health	Testing, screening, and cleaning	Academic calendar	Vulnerable students, students with disabilities	Improve student success and eradicate digital inequality	Quality assurance on teaching and learning and research	Continuation of research	Secure funding and austerity measures
<p>• Note: The risks identified below are colour-coded with the respective objective. Risks are assessed and mitigated individually, but to enable the user to form a complete view of the risk exposure for the institution, the overall risk assessment is given at the end.</p> <p>Risks identified</p>									
	Risk name	Risk impact	Likelihood	Impact	Effectiveness of internal controls	Residual risk	Progress on actions		
Well-being	Added academic pressure on staff through operating in the emergency remote teaching environment	The extension of the academic year in 2020, coupled with the shift to online registration and academic pressures in the midst of the pandemic, is overwhelming. External reviews done pointed out low staff morale in some faculties.	3	4	3	Medium	<ul style="list-style-type: none"> - The SEG Wellness task team leader, Dr M Madiope, was requested to reflect on alternative ways to identify the wellness-related needs of staff and students (i.e., not only through information received from the deans). - The DVC Academic, Dr EL van Staden, was requested to discuss the matter with deans to identify possible staff support needs. - The UFS has two dedicated units (Employee Wellness and Organisational Development, and Student Counselling and Development) that continuously provide a range of services and activities related to wellness, in order to assist and support staff and students, respectively; however, it remains up to staff to utilise the opportunities. - Student Counselling Services is dedicated to providing mental health support and has launched the #Mental Health Warrior Campaign in 2020 to assist students online. - There is a wide range of other units that provide particular support and resources that can also influence how well students will cope – such as CUADS and CTL. 		
Well-being	Psychosocial issues giving rise to mental health problems for students	The impact that the ongoing pandemic has on students' mental health and anxiety, coupled with the socio-economic challenges.	3	2	4	Medium			

Testing, screening, and cleaning	Non-compliance with COVID-19 safety protocols on campus, exposing the students unnecessarily	Classes resumed and the number of students allowed back on campus increased. Students experience 'COVID fatigue' and breach COVID-19 protocols in lecture rooms and residences. The spot-fining system implemented in 2020 is no longer effective in ensuring compliance with COVID-19 protocols on campus.	4	2	2	Low	<p>The UFS COVID-19 Social Compact has been adopted, which is the university community's call to action to recognise shared responsibility for our own health. The UFS COVID-19 Social Compact aims to</p> <ul style="list-style-type: none"> highlight the important role that staff and students play in the health and well-being of the university community; provide regulatory context; clearly communicate the behavioural expectations of all staff members and students; and outline the possible consequences of breaching this compact.
Academic calendar	The uniform approach by the Minister of Higher Education on the opening and closing of higher education institutions poses challenges on completion of the academic year	Universities operate autonomously within the higher education sector. The uniform and sudden closure of activities by the Minister during lockdown Level 4 created challenges for faculties with face-to-face teaching, assessments, and practicals.	3	2	3	Low	<ul style="list-style-type: none"> The Teaching and Learning Management group adopted the seven principles and adjusted the Blended Learning Plan 2021 to provide focus and direction in completing the academic year through Wave 3, lockdown Level 4. The principles guide face-to-face examinations, the use of computer laboratories, the library, clinical training, practicals, and support services needed. The application of these principles has proven to be successful in aiding planning to complete the academic year.
Eradicate digital inequality	Unavailability of laptops negatively affects the learning experience	NSFAS has undertaken to supply laptops to students but is slow to distribute, and laptops procured by the UFS for use by non-NSFAS students are not taken up by students.	3	3	3	Medium	<ul style="list-style-type: none"> Distribution of laptops by NSFAS has started. This process is administered by NSFAS, and the university has no input therein. Whether the specifications of the laptops are fit for purpose are yet to be determined. Having a device would be crucial to fully engage in the Blended Learning and Teaching Model in 2022.
Eradicate digital inequality	Slow uptake of laptops by non-NSFAS students	Digital inequality among students in terms of connecting devices put limitations on the learning experience of students.	3	3	3	Medium	<ul style="list-style-type: none"> The UFS has procured almost 3 000 laptops, which are available for distribution among non-NSFAS students. The laptops are available on an 18-month payment plan to assist students. The uptake of this offer is slow, and students continue to use their mobile phones to connect. In June 2021, DIRAP conducted an analysis to determine students' eligibility for a donated device from the UFS (R99_2021_DIRAP_BQ Vulnerable Students), where 44 students were identified to receive a donated device – only (38 / 72 % of these devices were taken up by students as at 13 Sept 2021.
Vulnerable students	First-time-entering students (FTE) are unfamiliar with the demands of online learning	FTE undergraduate students might be ill-prepared for online learning and the blended learning approach. Schools have struggled to adapt to the challenges of the pandemic, and they might find it difficult to navigate the learning management system (LMS) and the blended learning approach.	3	2	1	Low	<ul style="list-style-type: none"> CTL proposed criteria to identify vulnerable students. The vulnerable student group is invited back to campus where there is connectivity. The Blackboard Live Report of 07/09/2021 (week 36) indicated that 98% of undergraduate students are accessing BB-Learn on average. FTEN: Only 145 FTEN students have not yet accessed BB-Learn (in semester 2). Seniors: Only 266 senior undergraduate students for the same period.

Quality Assurance on T and Learning	Complexities around digital invigilation processes in the emergency remote learning model could compromise academic integrity	The university focused on the creation of low-tech accessible content to ensure that more students have access. Academic misconduct and dishonesty increased with the shift to online assessments. The overall success rates of modules also increased. While a clear correlation is not established, guarding the academic integrity is key to the institution. Digital invigilation software is very expensive, and students need the bandwidth and devices for effective utilisation, while the UFS will need the infrastructure to support it.	3	4	3	Medium	<ul style="list-style-type: none"> - With the creation of low-tech accessible content, the focus is on preventing dishonesty by improving the instructional design of assessments, and by capacitating lecturers with training and clear guidelines to deter academic misconduct and dishonesty. - This approach is currently not as effective, and alternatives are considered. - Academic dishonesty and misconduct are detected through 'Turnitin', a plagiarism programme through which academics are detecting misconduct themselves or when students report illicit collaborations. - The Undergraduate Plagiarism Policy has been developed to strengthen governance around plagiarism. - CTL discussed the matter with other universities at the Siyaphumela Conference in September 2021.
Quality Assurance on T and Learning	Slow turnaround time to resolve cases of academic misconduct and plagiarism	The steep increase in cases of academic misconduct and plagiarism has exhausted the capacity of the Directorate for Student Discipline and Mediation. The bottleneck created the impression that there is no consequence for these dishonest transgressions and allowed perpetrators to progress through the academic system without consequence.	2	3	3	Medium	<ul style="list-style-type: none"> - Rectorate approved the sourcing of additional capacity to improve turnaround time and alleviate the bottleneck in the system. - The Undergraduate Plagiarism Policy has been developed to strengthen governance around plagiarism. - Students are constantly advised against misconduct and dishonesty through notifications on the learning management systems.
Financial sustainability	Limiting the number of students on campus has decreased the rental income from tenants on the Thakaneng Bridge and other facilities	Limiting the number of students on campus automatically paralysed the economic activities on campus. The lockdown and strict access control resulted in tenants not being able to trade and not honouring rental commitments.	3	3	3	Medium	<ul style="list-style-type: none"> - The UFS had to accommodate tenants by giving rebates for months when there was no trade. - Most tenants did not survive the lockdown due to limited student numbers, leading to less recoverability of rental income. - Non-paying tenants were handed over for collection to minimise the credit risk for the UFS. - A claim for loss of rental income in 2020 was lodged with the insurer, but in 2021 the COVID-19 loss of income was excluded from the scope. - On 22 Sept 2021, the Rectorate approved a decision that facilities available for persons from outside the campus would only be available later in 2022 and would operate at limited capacity (50 people).
Financial sustainability	The limited number of students on campus resulted in a decline of accommodation income in residences	The limited number of students allowed back into residences, together with residences being used as quarantine facilities, resulted in the following low occupancy in 2021: Bloemfontein: 67% Qwaqwa: 37% South: 43%	5	3	3	High	<ul style="list-style-type: none"> - NSFAS students admitted on campus, as well as students in the vulnerable categories, should be targeted to occupy residence accommodation. - Engagement with NSFAS to direct students to residence accommodation instead of private accommodation facilities. - When integration of students is planned, the effect on the residences will be pertinently considered to ensure financial sustainability. - Students are also encouraged to vaccinate to ultimately increase the occupancy in residences.

Overall Risk Assessment				
Inherent risk (Likelihood x Impact)		Internal controls in place		Residual risk
2	3	3	18	Medium
Although the university is managing COVID-19 as meticulously as possible, other factors outside the control of the university impacts the spread of the virus, such as the pace of the vaccination process, the ability of government to limit the mutations of the virus to spread in the country, the ability to enforce lockdown restrictions, the compliance behaviour of individuals outside the university premises, etc. This directly impacts the spread of the virus within the university community.				

2.3.3. Report on internal administrative/operational structures and controls

The UFS maintains systems of internal control over financial reporting and the safeguarding of assets against unauthorised acquisition, use, or disposal of such assets. Such systems are designed to provide reasonable assurance to the university and Council regarding an operational environment that promotes the safeguarding of a public higher education institution's assets, and the preparation and communication of reliable financial and other information.

The internal control systems include documented organisational structures setting out the division of responsibilities, as well as established policies and procedures, including a Code of Ethics that is communicated throughout the organisation to foster a strong ethical climate and the careful selection, training, and development of its people.

Information systems utilising modern information technology are in use throughout the university. All of these have been developed and implemented according to defined and documented standards to achieve efficiency, effectiveness, reliability, and security. Accepted standards are applied to protect privacy and ensure control over all data, including disaster recovery and backup procedures. Password controls are strictly maintained, with users required to change passwords on a regular basis. Regular (monthly) reviews are conducted to ensure that there are no clashes of user-access rights, and that the basic internal control concept of division of duties is maintained. Where, for capacity reasons, an occasional clash does occur, sufficient manual controls are in place to ensure that these risks of clashes are mitigated. Systems are designed to promote ease of access for all users, and the systems are sufficiently integrated to minimise duplication of effort and ensure minimum manual intervention and reconciliation procedures. The development, maintenance, and operation of all systems are controlled by competent, sufficiently trained staff.

The use of electronic technology to conduct transactions with staff and third parties ensures that control aspects receive close scrutiny and that procedures are designed and implemented to minimise the risk of fraud or error.

The Internal Auditor monitors the operation of internal control systems and reports findings and recommendations to Management and Council through the Audit, Risk and IT Governance Committee. Corrective actions are taken to address control deficiencies and other opportunities for improving systems when identified. The Council, operating through its Audit, Risk and IT Governance Committee, provides oversight of the financial reporting process.

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

The UFS assessed its internal control systems as at 31 December 2021 in relation to the criteria for effective internal control over financial reporting described in its financial policy documents. Based on this assessment, the university believes that its systems of internal control over operational environment, financial and information reporting, and safeguarding of assets against the unauthorised acquisition, use, or disposal of assets, met these criteria on 31 December 2021.

The university conducted a review of its risk assessment document and, in conjunction with the internal auditors, developed a programme of internal audits to examine the systems, procedures, and controls in those areas considered as high risk.

With regard to other matters on the agendas of the Audit, Risk and IT Governance Committee, there were no outstanding items that exposed the university to loss arising from undue material risk.



Mr Victor Visser
Director: UFS Internal Audit



Mr David Abbey
Chairperson: UFS Audit, Risk and Information Technology
Governance Committee of UFS Council





3. PERFORMANCE REPORT



3.1. Report of Senate to Council

3.1.1. Overview of progress during 2021 with regard to the implementation of the UFS Learning and Teaching Strategy 2019-2024

In 2021, the UFS – like other institutions worldwide – continued with the changed approach to learning and teaching as delivered in the 2020 academic year. The continuation of emergency remote teaching (ERT) required that student support be adapted towards meeting the needs of the most vulnerable students. A dedicated process has been implemented to meet the challenges posed by the global COVID-19 pandemic. The pandemic also created an opportunity to reflect on what a ‘new normal’ in a post-COVID-19 world would look like. The key findings of learning and teaching on an institutional level show that the UFS has exceeded its total and undergraduate enrolment target for 2021. As in 2018-2020, this repeated trend relates to the returning undergraduate students who continued to exceed enrolment targets over the past few years. However, a cause for concern is the declining postgraduate enrolments, particularly the steady and consistent decline of enrolment in postgraduate qualifications below master’s, and to a lesser extent, a decline in master’s enrolment. Despite lowering the targets for both these study levels, the university did not reach its targets for enrolment in these qualification types. This raises questions about the navigability of pathways linking undergraduate and postgraduate studies and the need to open discussions to explore ways in which postgraduate studies could be advanced at the UFS. It is clear that the institution’s continuing focus on ‘Visibility and Impact’ is just as applicable in an internal context as it is in an external context, communicating opportunities and contributing to students’ academic pathways, building the reputation of the institution, and ensuring that it makes a difference in the lives of the communities it serves.

Demographically, the most notable change in the period under review is the continued increase in the number of students entering with an academic point score (APS) of between 30 and 36, and the decrease in the number of students entering with an AP score below 30. It is also positive to note the sizeable increase in the number of undergraduate graduates that the UFS has produced over the past five years, particularly from 2019 to 2020. However, if one considers the graduation rate, which is a more substantive way of viewing graduations related to enrolment, the UFS’ undergraduate graduation rate increased from 17% to 23% in 2021.

The UFS has made significant progress with success rates over the past ten years, with the general success rate improving by 12% between 2010 and 2021. Between 2019 and 2021, the overall institutional success rate improved by 1,4%, to 85% in 2021. While it is true that a concerted effort has been made to enable the completion of the 2021 academic year, with various adaptations to the teaching and assessment approach and practices from 2020, the size of the increase in success rates gives pause for reflection. This is especially important when considering the challenges that many of our students have experienced due to a lack of access to reliable internet and electronic devices, as well as the required digital skills to be successful in an online environment. Therefore, it is critical that the increase in the success rate be carefully interrogated to consider the implications for quality, integrity of assessments, and future approaches to learning and teaching.

The achievement gap between white and African students has substantially improved from 16% in 2010 to 9% in 2021. The reasons for this, together with the increase in undergraduate module pass rates in most departments of all faculties (including the Faculty of Education, which was the only faculty that have shown a decrease in success rates on faculty level), also needs to be better understood. It is likely that there are lessons to be learned from the learning and teaching approaches taken in 2020 and 2021 that can be replicated moving forward. However, it is also necessary to distinguish between which practices constituted the ‘emergency’ part of emergency remote teaching, and which practices can be taken forward as good quality practices for a new normal.

The number of undergraduate enrolments has increased in three faculties, namely Economic and Management Sciences, Health Sciences, and Theology and Religion, and slightly decreased in the other faculties over the past few years. Generally, this increase was accompanied by an increase in the number of undergraduate graduates. The undergraduate achievement gap between white and African students increased slightly in all faculties, except the Faculty of Humanities, with a slight improvement in 2021.

Adaptation to existing initiatives, as well as new initiatives emanating from the challenges posed in 2020 and 2021, have been aligned with the current UFS Learning and Teaching Strategy. New initiatives conceptualised and/or implemented in 2021 include defining blended learning and the implementation of such an approach on modular level. The quality assurance landscape, including the revision of the QA policy, mechanisms, and standard operating procedures, was reflected upon. A PQM (programme and qualification mix) viability instrument was devised and approved and is in the process to be implemented. Throughout the pandemic, the UFS continued to subject its academic programmes to an external review process and to reconceptualise the module evaluation instrument. To ensure that no student is left behind, the faculties – supported by CTL – have contributed to a seamless transition to a blended learning approach and methodology. This again demonstrated the institutional agility to adapt to new modes of delivery.

In 2021, the Academic Project came under scrutiny through the lens of digitalisation and innovation. This year marked the first year of implementation of the UFS Digitalisation Plan. The pace of technology advancement and innovation is not determined by plodding, consensus-oriented processes, but by technology curves that enable a doubling of capabilities every few years and a dedicated decision-making process. Shepherding a technical innovation into routine requires multi-disciplinary task teams to function optimally and be equipped with resources.

In 2017, during the development of its Integrated Transformation Plan (ITP), the UFS identified the management of its three campuses as an area of transformation that the university needed to focus on. This translated into the establishment of the Multi-campus Management Project. The aim of the project is to improve the relationship between the three campuses and the ability of the UFS to achieve its strategic objectives. The project now focuses on the review of the structures, the management of the campuses in an equitable way, and the PQMs so as to ensure that the UFS has an integrated and aligned model that fits the specific UFS context within the fit-for-purpose campus dynamics.

The Institutional Transformation Plan, as well as the Strategic Plan, recognised the importance of increasing third-stream income. During 2020, this was addressed through the approval of the Policy on Short Learning Programme Provisioning. However, some gaps in the consistent offerings of short learning programmes (SLPs) have been identified, and for this reason Senate approved the Procedural Directives for Short Learning Programmes in 2021 to assist with the offering of SLPs in a consistent and efficient manner. The establishment of an appropriate structure through the Kopsie Phahamisa Academy (KPHA) in 2020/21 supported the implementation of the policy.

From a quality enhancement perspective, it is important to highlight the central role that data and data analytics have played in ensuring that strategic decisions are evidence-led and data-driven. In 2021, the procurement process commenced to secure the services of a reputable service provider. The university has embarked on the establishment of a business intelligence (BI) framework.

The UFS is co-ordinating the iKudu project, an EU-funded, Erasmus+ Capacity Building in Higher Education project focused on transforming curricula through virtual exchanges towards internationalisation and decolonisation concepts. The project has been conceptualised to develop a contextualised South African

The Council endorsed the principles of ethics and leadership based on an ethical foundation.

concept of Internationalisation of the Curriculum (IoC), which integrates Collaborative Online International Learning (COIL) virtual exchanges. The concept will allow South African partner universities to become the country's leading higher education institutions in IoC, curriculum transformation, and COIL virtual exchanges. This flagship project has progressed exceptionally well in 2021 and held eight professional development training sessions, hosted four webinars, and has been promoted at 20 local and international conferences. A number of publications, including two journal papers, two peer-reviewed publications, and three articles were published.

To promote a culture of critical self-reflection that promotes continuous improvement, the academic committee commissioned research on the UFS study guides to determine how learning-centred the study guides are. The report presents a series of recommendations, and it is evident that the UFS has done well, although there are areas for improvement. Follow-up discussions to establish a more universal approach to study guide development and to determine the purpose of a study guide have been considered.

The following section addresses the specific performance areas as per the annual performance plan.

3.1.2. Improve student success and well-being (Goal 1)

The university has achieved its 2021 targets for seven of the ten indicators measuring its performance in relation to its goal of improving student success and well-being.

3.1.2.1 Increase student success and throughput rates and reduce the achievement gap (KPA 1.1)

The UFS performed well in the key performance area of increasing student success and throughput rates: It exceeded its targets in terms of graduate numbers for all qualifications (see Table 2), except for postgraduate graduates below master's level, which has been decreasing continuously since 2017 (see Figure 5) and the UFS did not achieve its 2021 target for this indicator. However, doctoral and master's graduates increased during the reporting year (2020 to 2021) by 56 and 235 graduates respectively.

The UFS has also achieved its targets in terms of total success rates and undergraduate throughput. As illustrated in Figure 6, the total success rate has improved steadily over the past five years, increasing by 3% since 2017. The undergraduate throughput rate increased by 2% from 2020 to 2021 and the UFS reached its target of 60% in 2021.

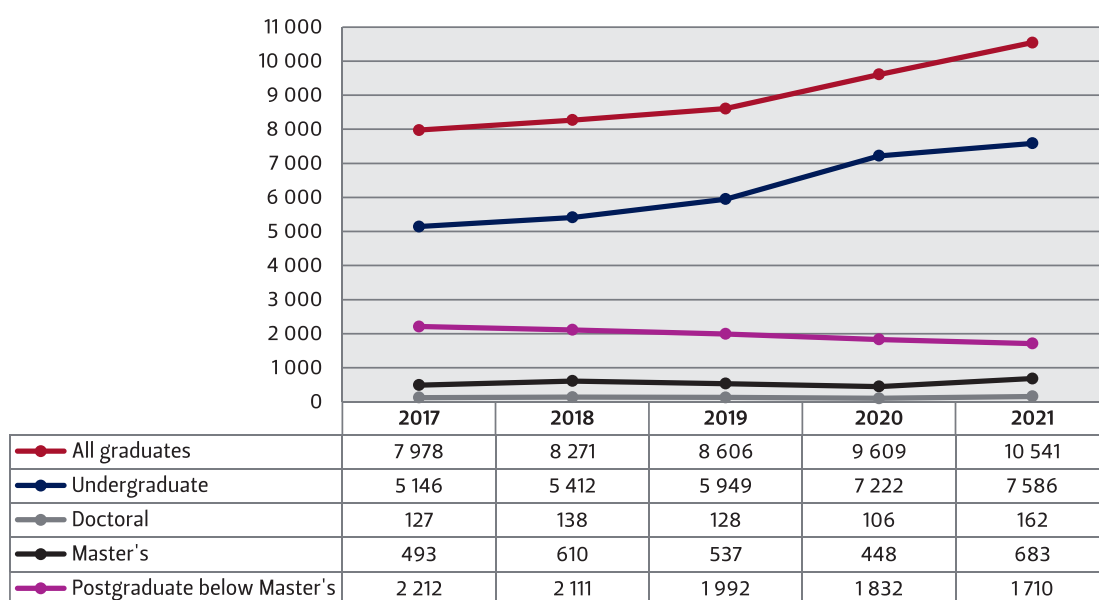


Figure 5: Graduates (headcount), 2017 to 2021 (KPA 1.1)

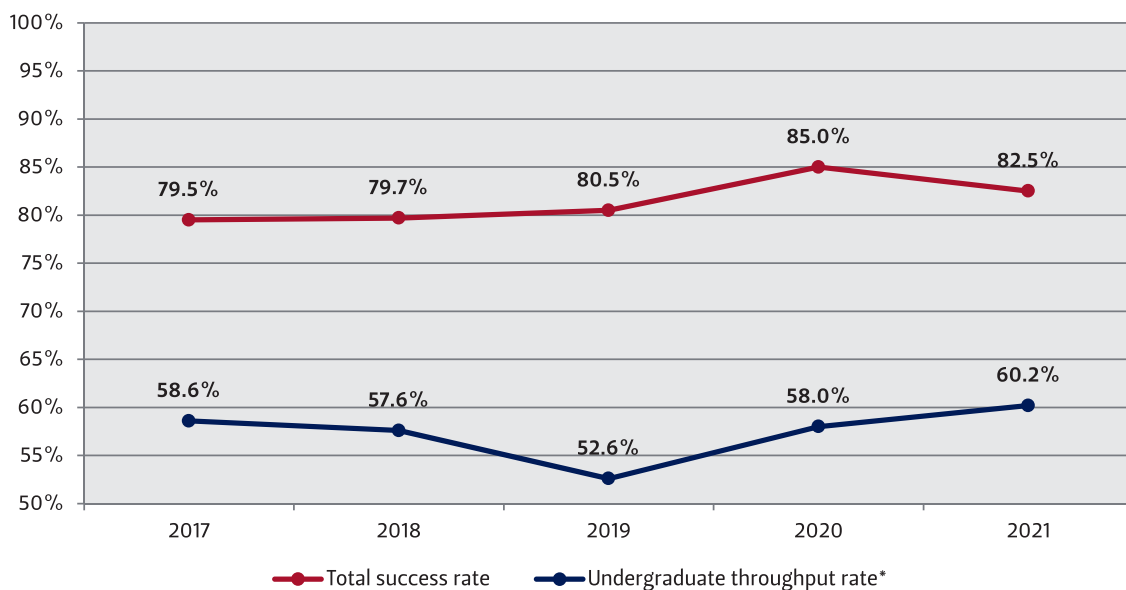


Figure 6: Student success rates, 2017 to 2021 (KPA 1.1)

The UFS continued to implement its Siyaphumelela project, including its Tshehetsa first-year student tracking project, in support of student success at the university during 2021. The overall aim of Siyaphumelela is to establish a more student-centred culture in South African universities; improve institutional capacity to collect and use student data; share experiences, innovations, and achievements; and foster collaboration on student success through national and regional networks. During 2021, the focus of the UFS was to respond effectively to the COVID-19 pandemic by ensuring the safety of students and staff, and to keep learning going. To this end, the UFS relied heavily on data analytics to identify vulnerable students who needed devices, or who needed to return to campus because of unconducive study environments. Furthermore, learning management system (Blackboard) analytics was used to track and contact students who were inactive on the system, in order to offer support.

The Tshehetsa Tracking Project is a key focus area within the Siyaphumelela project. It aims to use reactive, predictive, and informative analytics to track, predict, and inform the student success process. During 2021, the project used reactive analytics to identify and track vulnerable students. This informed interventions, such as referring students to academic advising, providing students with devices, or permits to return to campus if their study environments did not allow effective engagement with their studies. The development of the National Benchmark Test (NBT) algorithm was a significant contributor to support the placement of students in academic literacy modules. Foundational projects that will guide when and how we track and nudge students throughout their educational journeys are either underway or have been completed. As the environment or context changes, so will the conceptualisation and purpose of the Tshehetsa Tracking Project. However, the conceptual foundation should provide guidance and focus to the Siyaphumelela team.

Capacity for data analytics was improved during 2021 through webinars and training that promotes an evidence-based institutional culture, as well as the appointment of eight research assistants (all postgraduate students in relevant fields), to meet the growing demand within the teaching and learning context.

No Student Left Behind (NSLB), a data-driven and student-centred initiative, is an effort by the UFS to support undergraduate students' learning and teaching during the COVID-19 pandemic. Driven by the Central Academic Advising Office, NSLB comprises an analysis of students who are not participating on Blackboard. Advisers reach out to these students and either offer support or direct them to appropriate support structures. These students were also assessed by running a vulnerability assessment algorithm that was used in conjunction with other data

sources and students' own narratives to support arguments for allowing students back on campus. The vulnerability algorithm developed as part of NSLB shows students' marks declining in parallel with the number of risk factors identified. This is an important finding that will ensure that the Siyaphumelela team continues to implement and adapt the algorithm beyond the emergency remote teaching and learning response.

In order to further support student success in 2022, the UFS Siyaphumelela team will refocus on the initial goals for improving student success, including revisiting infrastructural and environmental requirements to keep advancing data analytics, data merging, analytic capacity building, and refining the project initiatives. The new UFS Business Intelligence strategy will contribute to several of these goals by upgrading the internal institutional infrastructure that supports data analytics. While preparing for a likely scenario where blended teaching and learning takes precedence over traditional face-to-face lectures, the UFS will focus on what it can learn from the quality and integrity of academic work that took place during emergency remote teaching and learning to inform future practice. This includes analyses and reflections on the success of different social groups. An important focus for the next year is to build capacity in Blackboard data use: from awareness of what is available and possible, to optimising both front and back-end data to inform practice and decisions.

The implementation of a translanguaging pilot project in the A_STEP tutorial programme started in 2021 in order to assist students in overcoming the language barrier caused by English as medium of instruction. Translanguaging was introduced in three modules in the Faculty of Law and one in Natural and Agricultural Sciences. This component is quite intricate to manage and 2021 should be seen as a learning curve – lessons on implementing the project have been learned and will assist the institution in rolling out the tutorials across a number of faculties and campuses during 2022.

3.1.2.2. Develop graduate attributes in curricular and co-curricular interventions (KPA 1.2)

Student perceptions on the development of their own graduate attributes increased by 4% over the reporting period (see Figure 7) and the UFS exceeded its key performance target for the development of graduate attributes in curricular and co-curricular interventions (KPA 1.2). This is mostly due to the continued implementation of the UFS Graduate Attributes Project, which aims to identify the desired graduate attributes for UFS graduates, contextualise rubrics, map these attributes to the UFS curriculum, and support lecturers in developing assignments that assess the graduate attributes. More than 70% of UFS modules were mapped against the articulated graduate attributes during 2021.

The LinkedIn Learning project for students was launched in 2021, with more than 1 000 students activating their licences in a week. By the end of 2021, 8 500 licences had been activated, 4 972 courses completed, and 124 532 videos completed. One module in Theology has incorporated LinkedIn Learning as a way of helping students acquire, practise, and master the identified graduate attributes. In addition, a five-module computer literacy orientation course was made available to all students during 2021. Various digital literacy frameworks were researched as part of the Digitalisation Implementation Plan during 2021 and the finalisation and implementation of a new framework will take place in 2022.

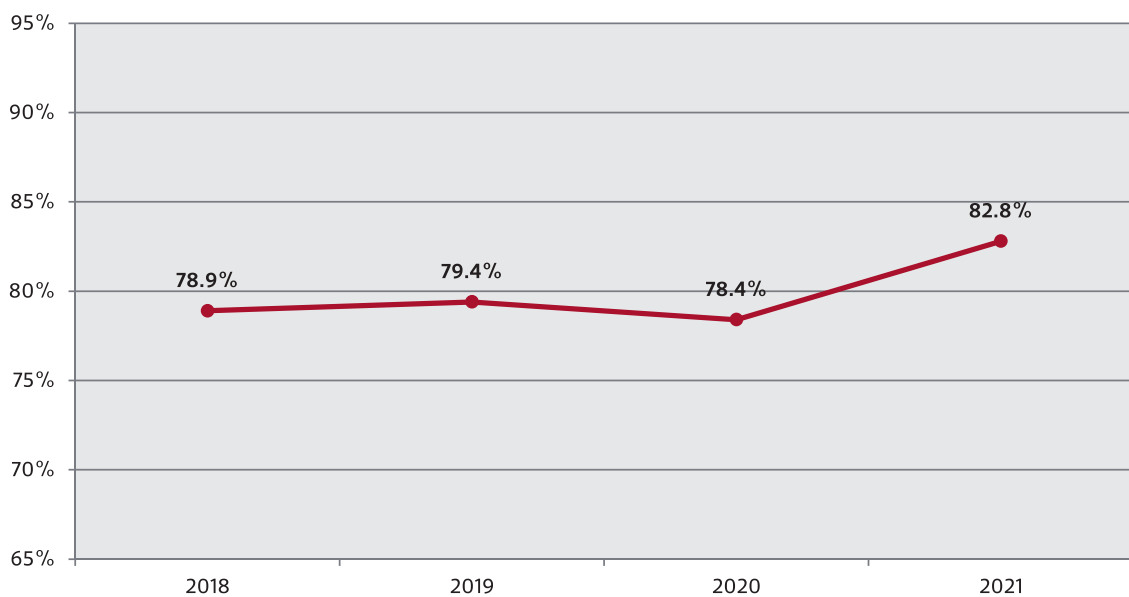


Figure 7: Student perceptions on development of graduate attributes (KPA 1.2)

3.1.2.3. Improve student safety and health issues (KPA 1.3)

Despite not having achieved the target of 75% for student perceptions of UFS support for student well-being, the indicator shows improvement since 2017 (see Figure 8), especially from 2020 to 2021 (5% increase). This suggests some progress over time in the UFS objective of improving student safety and health issues through improved student support. The UFS does not see the non-achievement as material. The pandemic has created its own challenges for the sector, and despite the move to blended modes of learning during 2021, the UFS continued to advance strategies to leave no student behind. The main priorities for 2022 in terms of student counselling and development are to empower students to have conversations about mental-health issues, to ensure an evidence-based approach in order to assess impact, to provide a space for intern psychologist training, to grow existing staff members' skill set, and to ensure the highest standard of service delivery on all three campuses.

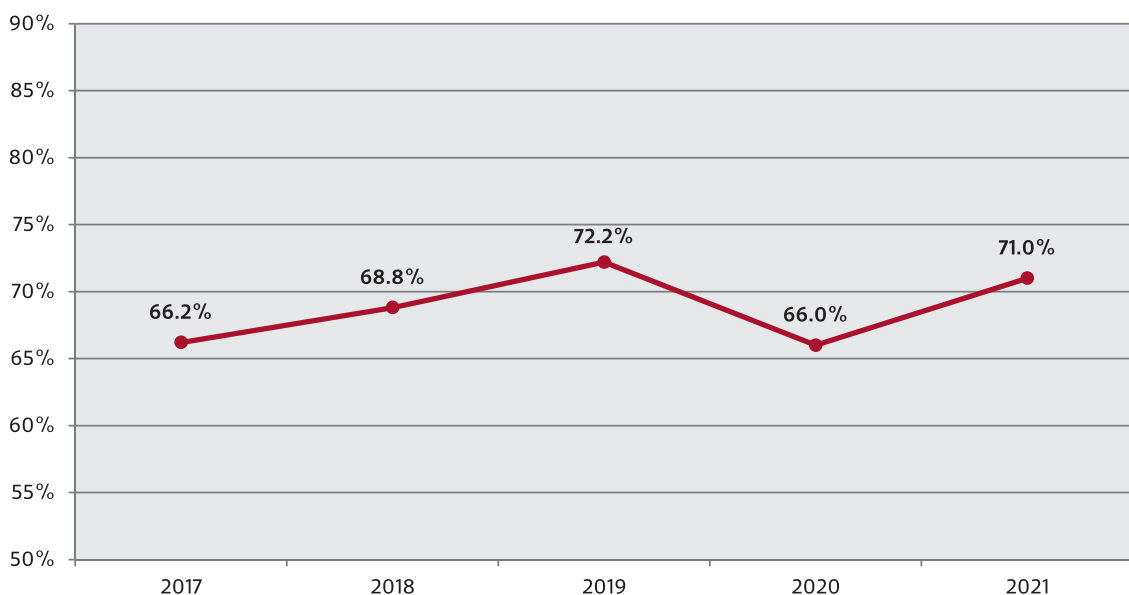


Figure 8: Student perceptions of UFS support for student well-being, 2017 to 2021 (KPA 1.3)

3.1.2.4 *Towards a world-class digital state-of-the-art library (VSP 2)*

Phase three of the Library Revitalisation Plan, which aims to establish UFS Library Services as a world-class digital state-of-the-art service, was at 100% completion at the end of 2021, meaning that the UFS achieved its target for this indicator. In addition, phases four and five of the renovation project are currently in progress at the Sasol Library ahead of schedule. It is envisaged that completion will be around mid-April 2022. To create storage space – since the printing provider could not be moved out of the Sasol Library – the basement boiler room was modified to create storage space for the collection, which includes the reference collection; the process is underway to relocate the collection to the new storage space. An online reference collection has been subscribed to for easy access anywhere, anytime. The plan for the TK Mopeli Library on the Qwaqwa Campus was shared and accepted for implementation. Final presentation of plans for the South Campus Neville Alexander Library is being awaited, at which time Library and Information Services may approve the implementation.

Also, as part of the Revitalisation Plan, an e-research unit – the UFS Digital Scholarship Centre – was established in the library system. A Centre Director has been appointed and the centre is fully operational, with the acquisition of the latest virtual and augmented reality added to the existing technologies.

3.1.3. Renew and transform the curriculum (Goal 2)

The UFS monitors nine indicators in three key performance areas to measure progress in renewing and transforming the curriculum. During 2021, the university met three of its targets for these indicators (see Table 2), i.e., undergraduate graduate headcounts in Animal Sciences, Life and Physical Sciences, and Teacher Education.

3.1.3.1. *Develop curricula that is locally relevant and globally competitive (KPA 2.1)*

As part of its quality assurance regimen, the UFS annually reviews a number of academic departments and programmes through a panel of external experts. The university has reviewed 97 programmes and departments since 2016, and 13 on average over the past five years. However, the UFS was unable to complete the targeted 15 external departmental/programme quality reviews (see Figure 9) during 2021 due to a number of factors. Despite the pandemic, the UFS went online and managed to continue with most of the planned reviews; this new modality has demonstrated greater efficiencies. Consequently, and in order to achieve its 2022 target, the UFS amended its review process to accommodate a hybrid approach (face-to-face and virtual engagements) and increased the capacity for external review in the relevant departments.

A sustained and relevant PQM (programme and qualification mix) is at the heart of the Academic Project. The external review process has brought to the light that much of the curriculum has been stuck in the past and needs to be reworked to reflect global thinking, but also to show sufficient respect for local understanding, experiences, and problems. To this end, the UFS continued its institutional decolonisation project during 2021, which was formalised in the Integrated Transformation Plan (ITP) of the institution. A transformed and decolonised curriculum aims to be globally competitive and locally relevant. It will reflect a variety of ways of knowing. It will engage students in their own learning and provide them with the necessary tools to access knowledge. A 'decolonised' curriculum will draw on locally relevant research and will reference global issues more comprehensively. It will include voices, developments, and scholarship – both locally and globally – that may have been excluded.

During 2021, the UFS – like many other universities – responded to calls for a responsive curriculum. The UFS prioritised a critical review of the Qwaqwa Campus PQM to ensure that the curriculum responds to contextual issues, empowering students to address future challenges, while at the same time remaining committed to giving students a diversity of voices. This was achieved through an open space of disciplinary and interdisciplinary curriculum engagement. The engagement resulted in an amended PQM for the Qwaqwa Campus.

Figure 10 shows a steady decline in foundation student intake in the first year since 2017; foundation student enrolments have decreased by almost 430 headcounts in the past year. Consequently, the UFS fell short of its 2021 target by 1 721 enrolments. However, it must be noted that the academic point score of matriculants applying to the UFS shows an upward trend, thus enabling students to enter mainstream programmes rather than foundation

programmes or higher certificates. The latter demonstrates that the UFS attracts students regionally to mainstream programmes as first choice. The new 2023 to 2025 enrolment plan to DHET has taken this into account.

These shortfalls may also indicate that renewed efforts/additional resources are needed to develop curricula that are locally relevant and globally competitive.

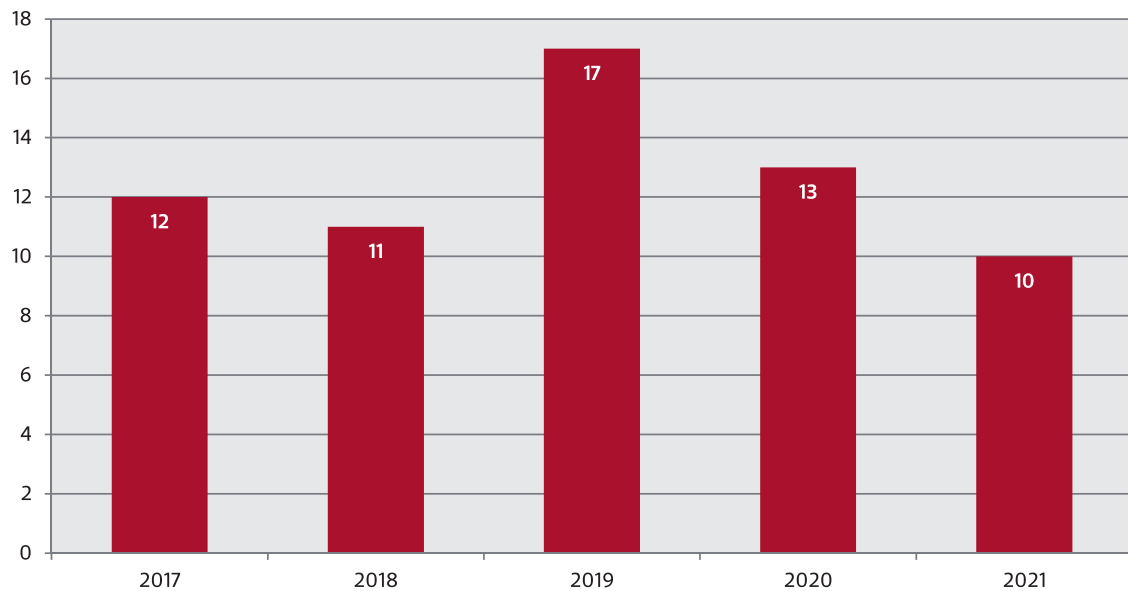


Figure 9: Number of academic departments/programmes reviewed by external panel, 2017 to 2021 (KPA 2.1)

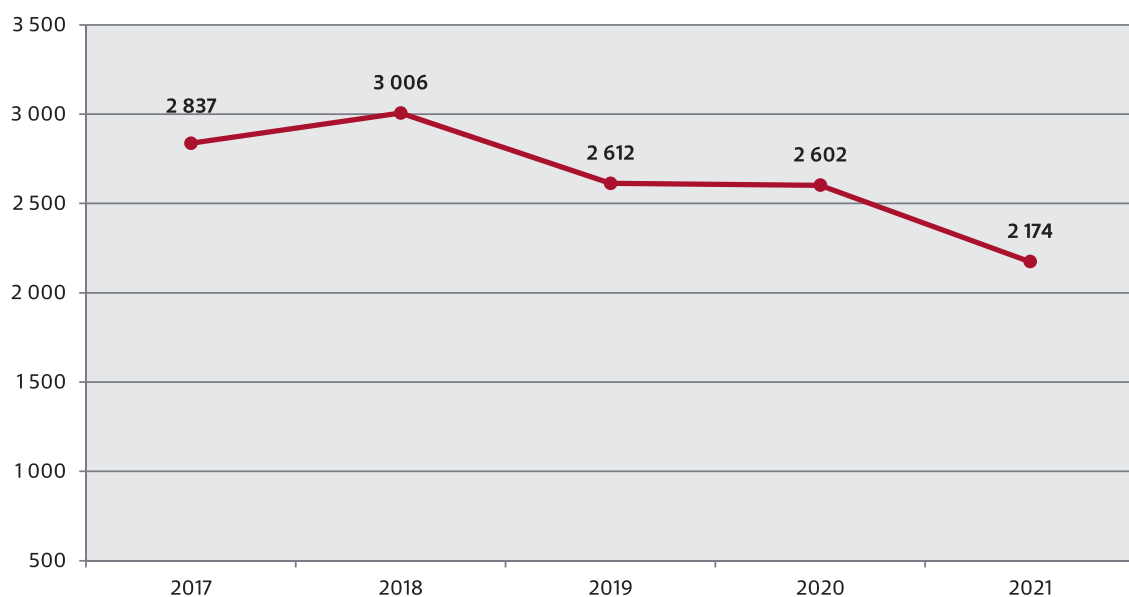


Figure 10: Foundation student enrolments (headcount), 2017 to 2021 (KPA 2.1)

3.1.3.2. Revise the structure of the curricula in terms of pathways and graduate employability (KPA 2.2)

As illustrated in Figure 11, Teacher Education graduates have increased significantly since 2019, while those in Animal Sciences have almost tripled during the year under review. Human Health graduates have also increased notably. Despite not having achieved all the targets set in this area (see Table 2), the increased graduate numbers in scarce skills areas suggest that the UFS is progressing in its efforts to revise the structure of the curricula in terms of pathways and graduate employability. Over-enrolment has been corrected in the new 2023 to 2025 enrolment plan to the DHET, and more strategies have been put in place to ensure that the UFS remains within its size and shape targets.

Despite not having achieved its target of 63% graduate employment for the 2021 graduating cohort, it is very encouraging that the preliminary data indicates an employment rate of 57,1% in 2021. This represents a 23% increase in the graduate employment rate since 2020, when the impact of the pandemic had an extremely detrimental impact on employment in South Africa and globally (see Figure 12). The UFS continues its efforts to improve graduate employability through, e.g., the establishment of faculty and department-based advisory boards. These boards include members from industry and the broader employment sector and is aimed at soliciting feedback from current and potential employers of UFS graduates. The UFS is also investing in a tracer study (graduate destination survey) and an employer survey to gather information on the employability of its recent graduates, with the aim of developing appropriate interventions based on evidence. Finally, the UFS Careers Office provides a range of services to UFS student job-seekers.

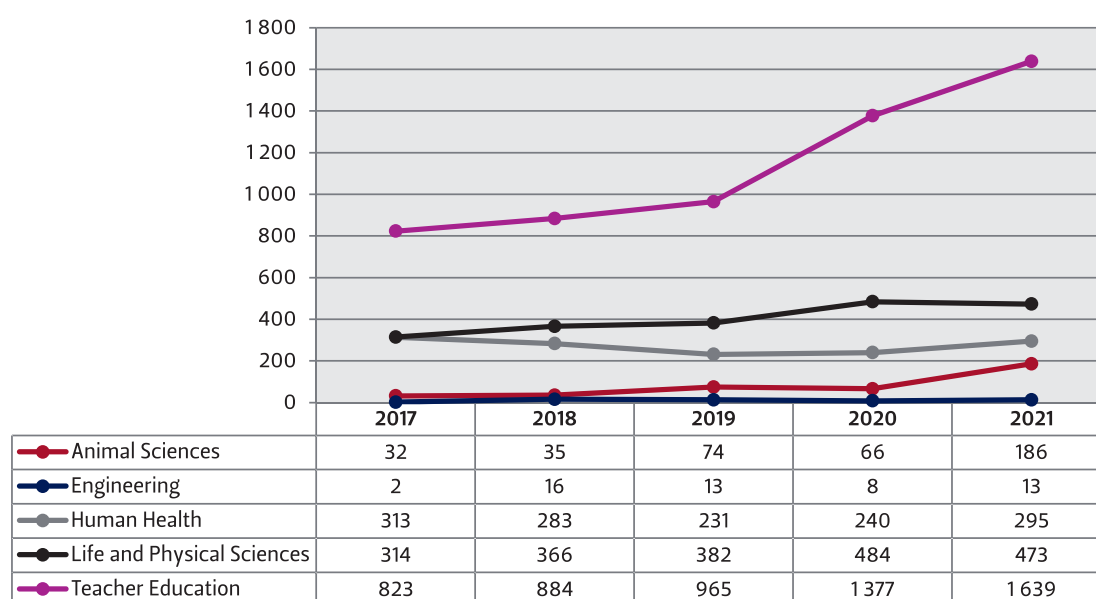


Figure 11: Undergraduate scarce-skills graduates (headcount), 2017 to 2021 (KPA 2.2)

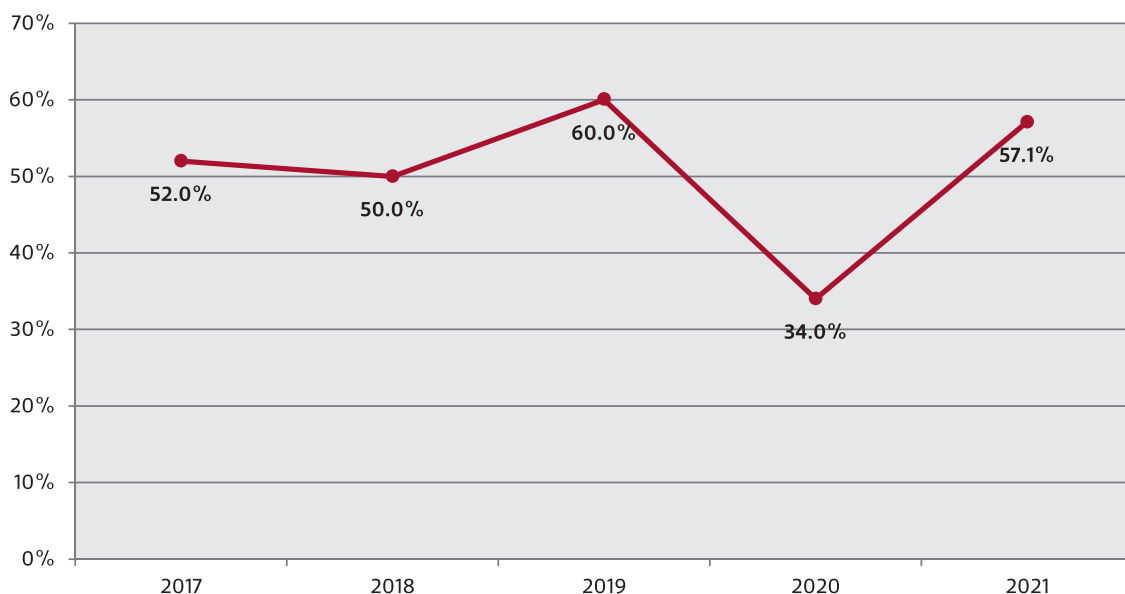


Figure 12: Graduate employment rate, 2018 to 2021 (KPA 2.2)

The digitalisation plan developed and approved in 2021 reaffirms that universities are subject to critical challenges regarding transformation in the digital era. These include unreliable internet and local infrastructures (particularly the problem of last-mile provisioning for many students); a lack of financial investment and maintenance to explore opportunities; and university culture being slow to adapt to new technologies.

These challenges were taken into account during the conceptualisation of the UFS' digitalisation journey. Running parallel with the digitalisation deliberations, and in line with a desire to respond to the 4IR, the UFS has appointed a task team, named the UFS4.0 Committee, to examine possible ways in which the institution could effectively develop required skills. The task team concluded that these are skills and competencies that generally cannot be reproduced by machines, including innovation and creativity; judgement and decision-making skills; and entrepreneurship. The UFS4.0 Committee noted that the UFS will need to consider the following key issues to prepare the university and its stakeholders for the 4IR:

- Continuously updating the curriculum
- Critically interrogating the methods of teaching and training
- Looking at the short learning programmes on offer
- Finding creative ways to integrate with industry partners
- Developing and training staff to keep up with the leading trends in their areas of expertise
- Supporting students to use English as the medium of instruction
- Supporting staff to teach in English as the medium of instruction

The UFS has created momentum through these aforementioned initiatives, and a number of activities are underway to align UFS teaching and learning processes with 4IR through digitalisation. The investment cost of transforming the UFS into a digitally centred university is high and places some constraints on the overall fiscus of the university. In total, an investment of R300 million is required over a period of three years to keep abreast of the adoption of new technology innovation within the higher education sector.

3.1.3.3. *Transform the pedagogic relationship between students and lecturers (KPA 2.3)*

The UFS monitors students' perceptions of advanced student-lecturer engagement as an indicator of progress in transforming the pedagogic relationship between students and lecturers. Following an encouraging increase in this indicator from 2017 to 2020, Figure 13 shows a notable decline from 2020 to 2021, meaning that the UFS did not achieve the 23% target set for 2021. However, this is not unexpected, given the continued impact of the pandemic on learning and teaching modalities during 2021. Institutional research shows that a significant share of UFS students find it difficult to interact with lecturers online. In order to address this, a record number of academic staff members participated in training sessions during 2021 to help them transform pedagogy from face-to-face format to low-tech, emergency remote format. These efforts continue as part of the Siyaphumelela project.

The UFS makes use of the New Generation of Academics Programme (nGAP) to further transform the pedagogic relationship. Since the inception of the nGAP programme in 2016, fifteen lecturers from designated groups have been appointed in four faculties – seven in Natural and Agricultural Sciences, three in Economic and Management Sciences, and two each in Health Sciences and the Humanities. During 2021, the Department of Higher Education and Training (DHET) approved a further five nGAP positions for the UFS as part of Phase 7 of the programme. One of the approved positions was in the Humanities, and four in the Faculty of Health Sciences. In addition, eight appointments were made under the Qhubeka Development Programme (QDP), located in the faculties of Theology and Religion, the Humanities, Education, and Health Sciences.

The implementation plan of the UFS Language Policy demonstrated significant movement during this reporting period and contributed directly to an improved pedagogical relationship between staff and students. Multilingualism is at the centre of the current UFS Language Policy. Multilingualism is conceptualised as a tool that leverages language richness to improve academic excellence and promote an inclusive institutional space. Multilingualism in the UFS policy entails the use of English as the primary medium of instruction. In contrast, Afrikaans, Sesotho, and isiZulu are used selectively in tutorials to support the achievement of greater levels of academic literacy and understanding of the epistemology of the discipline, mostly among undergraduate students. A strategic decision was taken by the Language Committee of Senate to ensure that implementation of multilingualism at the UFS takes an evidence-based approach. It is against this backdrop that four drivers have been identified to address and promote multilingualism at the UFS:

- The development of Sesotho and isiZulu as academic languages
- The incorporation of the practice and concept of multilingualism in the domain of teaching and learning
- The promotion of multilingualism as a social asset
- The development of English as a language of instruction.

A key highlight is the implementation of conversational models to ensure the academic development of African languages. In so doing, staff would be required to learn another vernacular. Language might not be acquired optimally via a conversational module, but it should be considered that UFS academic and support staff enrol for such a course to ensure that they are fluent in their mother tongue, as well as have basic competency in two other indigenous languages (Afrikaans / Sesotho / isiZulu).

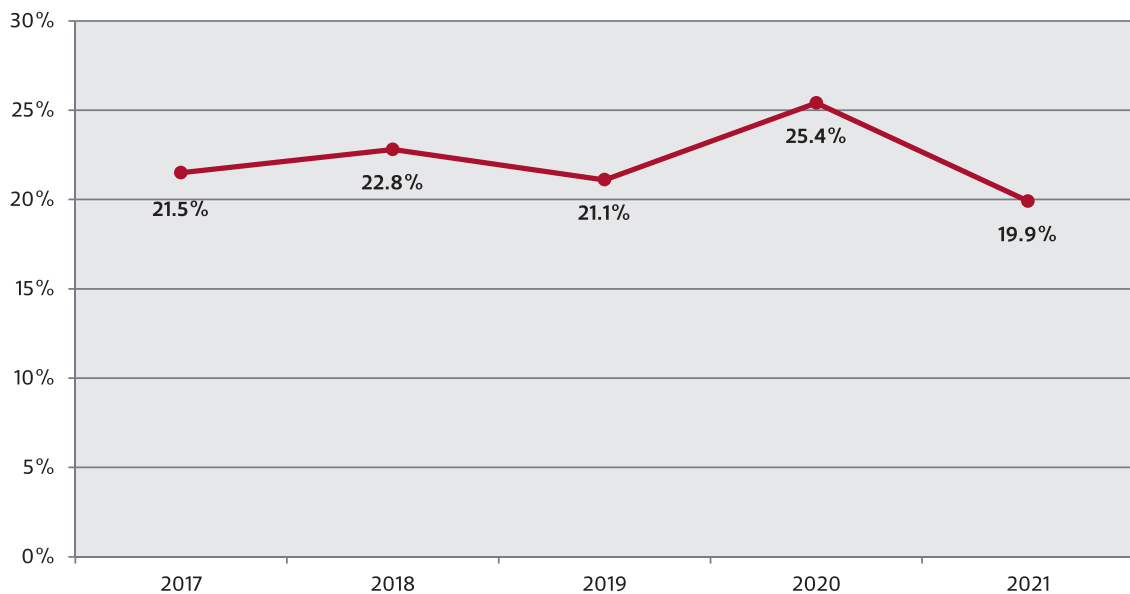


Figure 13: Perceptions of advanced student-lecturer engagement (KPA 2.3)

3.1.4. Overview of progress during 2021 with regard to the implementation of the UFS Research Strategy 2015 to 2022

The UFS 2015–2022 research strategy aims to address its research challenges by providing an institutional framework to drive the next phase of research development at the university. At its core, the strategy seeks to

- set the highest standards for undergraduate and postgraduate education;
- recruit the best and most diverse students and professors for the university;
- advance excellence in the scholarship of research, teaching, and public service;
- promote innovation, distinctiveness, and leadership in both academic and human pursuits; and
- establish transparent opportunities in lifelong learning for academic and support staff.

During the past year, UFS academics have been challenged to adapt their teaching and research activities to successfully complete the academic year despite the difficulties caused by the COVID-19 pandemic. The past year has provided many new and exciting opportunities. Academics reported that they had time to start, write, or finalise books and journal articles. They were provided with opportunities to apply for new sources of funding related to the pandemic, and they were able to connect with international scholars and attend international conferences through the many meeting platforms that were used to connect our world during this time.

The Postgraduate School rapidly responded to the national lockdown rules and continued its researcher training programme online. This included, among others, training in supervision, academic writing, research software, ethics, grant proposal writing, appropriate referencing, and copyright. Over the past two years, the school has successfully initiated the roll-out of the Graduate Research Management (GRM) system, with the aim of keeping track of postgraduates – from application to the university until completion of their studies. Currently, the progress of 750 postgraduate students is tracked on the GRM system. Larger numbers of postgraduate students will be included in the system in 2021 in order to provide better support to students during their postgraduate journey at the UFS.

Although recording research publication outputs for 2021 has not been finalised, all indications are that the total number of outputs continued to increase by around 220 units from the 2019 output. The UFS is not only increasing the number of research outputs, but also the quality of the outputs. This is confirmed by the number of outputs published in international journals and the number of books published by international publishing houses. The number of NRF-rated researchers increased from 188 in 2020 to 199 in 2021. Not only did the number of rated

researchers increase, the categories of NRF ratings (A, B, C, P and Y) also improved. During 2021, NRF-rated researchers at the UFS increased by 44 academics, including 6 in the A and B categories, and 18 in the P and Y categories. UFS academics received two A1 ratings, one A2 rating, and a successful P rating. In 2021, 34% of the rated researchers were represented by females and 23% of the NRF-rated scientists and scholars were black – a significant increase from the 8% black NRF-rated academics in 2016. The institution is also proud of the increase in the number of NRF-rated academics on the Qwaqwa Campus, which is contributing to the development of a senior academic cohort on this campus. As part of the UFS research strategy, it was possible to develop different areas of expertise by increasing the number of SARChI chairs at the UFS to six. Furthermore, additional research expertise was developed, and investments were made in Indigenous Knowledge Systems (IKS), Astrophysics, Philosophy, History, and the Afromontane Research Unit (ARU) on the Qwaqwa Campus, among others.

A proud initiative of the commercialisation activities in 2021 was the agribusiness development on the UFS Paradys Experimental Farm, where novel projects with potential commercial value are developed for successful commercialisation. The start-up companies include a brewery, cheese factory, large-scale mushroom production, and plant-growth stimulator production, grouped within a newly developed agribusiness park. Staff from the Department of Business Management are also getting involved, applying their expertise in the development of entrepreneurs and entrepreneurial activities. The academics from the Faculty of Economic and Management Sciences are involving their senior undergraduate and postgraduate students in developing the agri-processing business park as part of their curriculum and training.

The UFS is a highly internationalised university, and during 2021, new opportunities were created for the internationalisation of research activities. Academics have joined international online discussions, working groups, conferences, and meetings. Even though it was impossible to travel around the globe, they were perhaps more connected globally than in the past. The Office for International Affairs has not only led the internationalisation of research, but also a European Union (EU)-funded project on the internationalisation of the curriculum. This project allowed students at the UFS to join students around the world for classes presented by global academics in a programme that addresses transformation and decolonisation of the undergraduate curriculum.

Library and Information Services (LIS) is dedicated to supporting the research activities at the UFS and is in the process of revitalising the library infrastructure on all three university campuses. The dynamic LIS staff responded to the lockdown during 2021 by providing information services online to all students and academics. They reacted rapidly to the challenges caused by the pandemic, by leading a university project to provide e-textbooks to undergraduate students on the LIS platforms. During 2021, LIS established the Centre for Digital Scholarship and completed a policy on the management of research data recently approved by Council, which will be implemented in 2022 to increase the visibility and accessibility of research and research data. The Centre for Digital Scholarship is also responsible for housing the academic journals published as part of the KopsieJournals group of publications. The Online Journal System (OJS) provides a platform for these journals, making it easily accessible. Journal editors are supported in compiling these publications through software such as iThenticate, which assists in identifying non-original content in the submitted journal articles.

Despite the challenges presented by the global pandemic, the UFS has been able to implement various initiatives to support the research activities of staff and students, and to increase visibility and impact of research across study fields. Furthermore, academics were able to have a sustained impact on research outputs and national and international standing, building the institution as a research-led university.

The following section addresses the specific performance areas as per the annual performance plan.

3.1.5. Increase UFS contribution to local, regional, and global knowledge (Goal 3)

An inherent aspect of the Differentiated Research Strategy is to raise the profile and visibility of UFS research and to increase its research footprint.

Key goals to this end include

- growing strong local and global partnerships and networks;
- using innovative research for viable commercialisation;

- developing in-house journals for inclusion on the DHET-accredited journal lists; and
- communicating our research.

The UFS performed well in increasing its contribution to local, regional, and global knowledge during 2021, exceeding its targets for five out of seven performance indicators in this regard.

3.1.5.1. Focus resource allocation for research and innovation on UFS areas of strength and distinctiveness (KPA 3.1)

The university is focusing resource allocation for research and innovation on areas of strength and distinctiveness, demonstrated by the significant increase in the allocation of strategic research funds to developing research niche areas or hubs (see Figure 14). The niche areas and research hubs supported through these resources include the following:

- International Studies Group
- Higher Education Studies
- Astrophysics
- Physics
- Indigenous Knowledge Systems
- Cardiothoracic Surgery
- Plant Sciences
- School of Pathology
- Microbiology and Biochemistry
- Medical Physics
- Afromontane Research Unit (ARU)
- Centre for Human Rights
- Institute for Reconciliation and Social Justice
- Sociology
- SACN Chair, Department of Economics
- SANRAL Chair, School of Mathematics, Natural Sciences and Technology Education

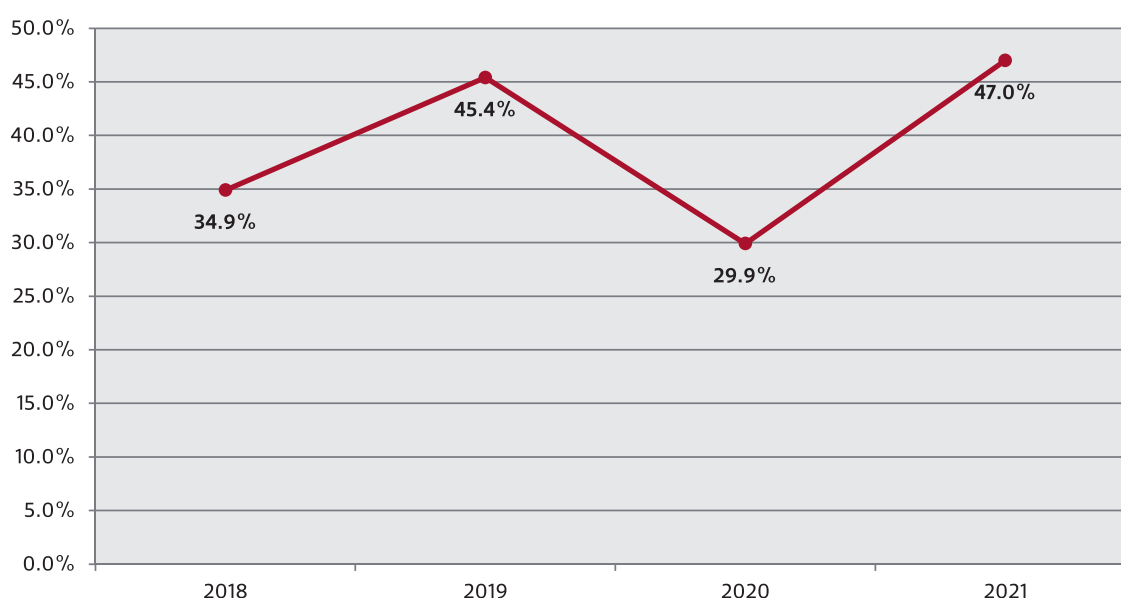


Figure 14: Differentiated research resource allocation, 2018 to 2021 (KPA 3.1)

The current Transformation of the Professoriate group members will continue until the end of 2022

3.1.5.2. Transform the profile and increase the diversity of UFS researchers (KPA 3.2)

Despite falling short of its 2021 target, Figure 15 shows an encouraging increase in the share of both black and female researchers holding a valid National Research Foundation (NRF) rating, suggesting slow but encouraging progress in efforts to transform the profile and increase the diversity of UFS researchers.

A range of special interventions were continued in 2021 to increase the diversity of UFS researchers, including targeted appointments and focused research capacity development and support. The Transformation of the Professoriate Mentoring Programme gained excellent momentum, with 73 scholars participating in the mentoring programme. The mentoring programme consists of two groups: the Future Professoriate Mentoring Group (FPMG) and the Emerging Scholars Accelerator Programme (ESAP). The first cohort of the ESAP came to an end at the end of 2021. Thirteen members of this first cohort advanced to the FPMG based on their ESAP performance. The FPMG had 43 members at the end of 2021, including 25 young academics who are on the cusp of NRF rating and promotion to the rank of Associate Professor. As a result of the outstanding progress of the first cohort of the mentoring programme during 2021, a second cohort of 30 ESAP scholars was selected in 2021. The group yielded six NRF-rated scholars in 2021; 18 participants were also successful with national and international funding applications; 20 received UFS or faculty excellence awards in teaching and learning, research, and engagement; and six have published books during 2021. The gender and race profile of the programme participants indicate that the majority of participants are African, with a significant share being African women, which suggests a promising future of a diverse cohort of excellent researchers at the UFS.

The current Transformation of the Professoriate group members will continue until the end of 2022, as it has been agreed with the group that the mentorship programme would support them for three years. The colleagues promoted to Associate Professor will stay on as mentors of the programme, while selected members of the ESAP will advance to the Future Professoriate Mentoring Programme once they have applied successfully for NRF rating or have reached agreed milestones, such as promotion to the rank of Associate Professor.

The Researcher Development Programme, based on the United Kingdom (UK) Vitae Research Development Framework, has been implemented to promote staff excellence in research. The Postgraduate School has implemented a research development programme aimed at assisting staff in completing their doctoral qualifications.

The UFS also continued to prioritise diversity appointments, employ targeted recruitment, and provide employment equity funding support during the reporting period. For example, the UFS requires that all positions at Chief Officer/Lecturer level and lower must reflect the provincial demographics, fully based on the breakdown of race, gender, and disability. This must be reflected in the shortlisting and ranking of candidates for the vacant positions. All appointments above Chief Officer/Lecturer that do not improve the UFS equity profile, require the relevant line manager to submit a detailed motivation as to why the department/faculty is unable to address the equity situation in their division. Consequently, 61,5% of new appointments in 2021 were made from the designated groups. The UFS workforce profile is shown in Table 10.



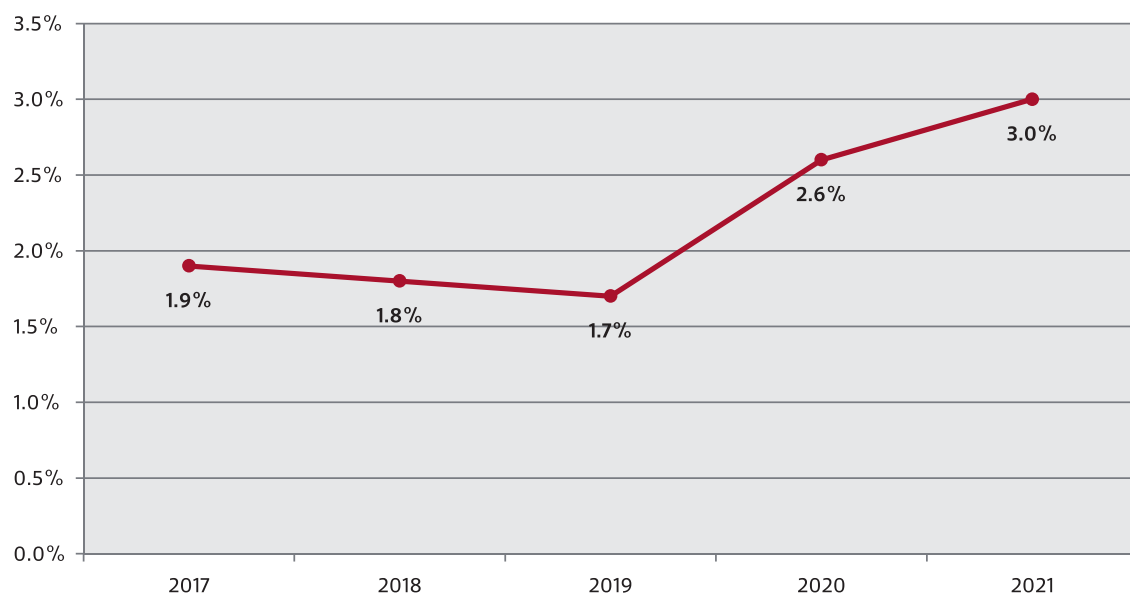


Figure 15: Share of NRF-rated researchers who are black and female, 2017 to 2021 (KPA 3.3)

Table 10: UFS workforce profile, December 2021

Occupational Levels	African male	Coloured male	Indian male	White male	African female	Coloured female	Indian female	White female	Foreign male	Foreign female	TOTAL
Top management	3	1	1	0	0	0	0	2	0	0	7
Senior management	5	2	0	8	1	0	0	3	0	0	19
Professionally qualified and experienced specialists and mid-management	19	5	3	102	19	5	1	81	23	4	262
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	170	35	9	222	179	53	13	421	44	17	1163
Semi-skilled and discretionary decision-making	165	35	2	49	301	112	7	215	3	6	895
Unskilled and defined decision-making	98	9	0	3	70	4	0	1	0	0	185
TOTAL PERMANENT	460	87	15	384	570	174	21	723	70	27	2 531
Temporary employees	117	9	4	110	201	18	7	107	34	13	620
GRAND TOTAL	577	96	19	494	771	192	28	830	104	40	3 151

3.1.5.3. Increase research impact and uptake (KPA 3.3)

The university has performed particularly well in terms of increasing the impact and uptake of its research: The rate of publication in international journals increased by 5% from 2020 to 2021; and the 2021 targets for per capita research output and total publication output were exceeded by 1.4 units per permanent academic, and 468.5 publication units, respectively (see Figure 16 and Table 2). These results are due to support initiatives that encourage

publication, including a reward system for authors and additional incentives for publication in international journals. In addition, the UFS has invested significantly in the appointment of postdoctoral and research fellows and in supporting staff members to complete doctoral qualifications, which further increases the institutional capacity for publication.

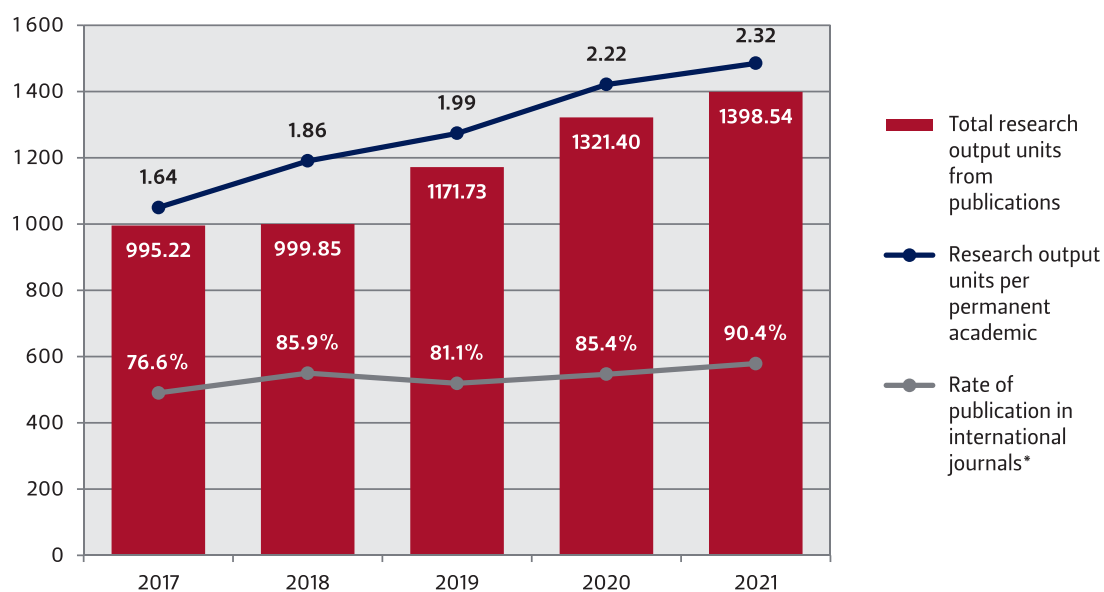


Figure 16: Research outputs, 2017 to 2021 (KPA 3.3)

3.1.5.4. VSP 3. Improve the Faculty of Health Sciences

The implementation of the Faculty of Health Sciences Turnaround Plan is also progressing well and by the end of 2021, 84,8% of the planned implementation targets have already been achieved, significantly exceeding the key performance indicator target in this area (see Table 2).

A close-out analysis was conducted towards the end of 2021 concerning Phase 1 of the turnaround plan, which demonstrated that 47 of the planned activities across the original phases had been completed. Some activities will, to some extent, never reach an end date due to its nature (e.g., stakeholder relationship building), and have hence been classified as ongoing. Those activities that have not met the original timelines have been re-categorised within Phase 2 and Phase 3. After reviewing all activities across all phases, progress was reconciled, and activities were prioritised into medium- and longer-term actions for 2022.

3.1.5.5. VSP 5. Establish a high-performance culture

The implementation of a new performance management system remains relatively slow, and the UFS did not achieve its target in this regard. However, as illustrated in Figure 17, it is encouraging to note that this indicator has increased by 14% from 2020 to 2021, following a hiatus on performance management processes implemented during the COVID-19 lockdown.

Several information sessions regarding performance management and setting standards were held for staff. An online Performance Management platform has been developed and the purpose is to provide staff members with an easily accessible online platform to educate them on the Performance Management process, but also to provide a 'one-stop' platform with the necessary resources.

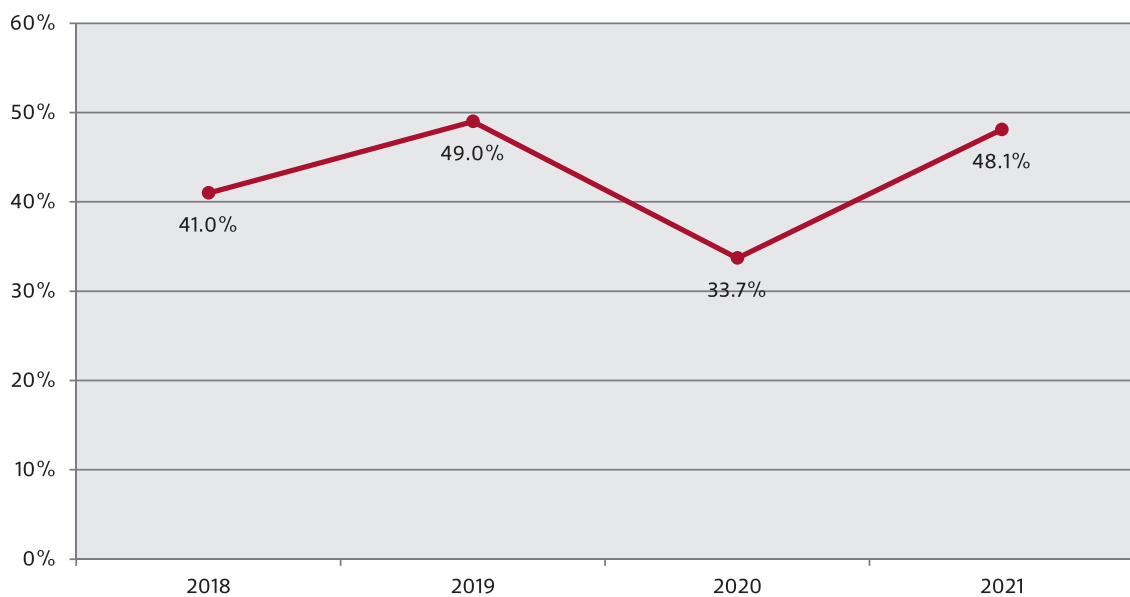


Figure 17: Implementation of new performance management system, 2018 to 2021 (Goal 3, VSP 5)

3.1.6. Overview of progress during 2021 with regard to the implementation of the UFS Engaged Scholarship Strategy 2018 to 2022

Engaged scholarship has emerged as a fundamental strategic pillar of the UFS' academic agenda and refers to the utilisation of our academic scholarly and/or professional expertise, with an intentional public purpose or benefit that has a direct or indirect impact on society.

Since the approval of the strategy, the focus of Engaged Scholarship has been to transition from a focus on community service and engagement to engaged scholarship. In this regard, the university conducted an external review of the Directorate for Community Engagement during 2021. The review made a number of recommendations that are currently being considered for implementation as part of this transition.

In addition, the UFS presented 77 service-learning-infused modules across its seven faculties during 2021. The university also continued to foster its 150 longstanding partnerships, of which 11 are flagships. These partnerships have allowed structured collaborative learning, enquiry, and co-creation of knowledge. The engagement focused on addressing pressing development challenges to bring about positive societal change, and to increase the institution's visibility and impact in the wider South African community.

As with other functions of the university, the COVID-19 pandemic had a significant impact on the work of the Directorate for Community Engagement. In this regard, most of the face-to-face community engagement activities could not take place, resulting in the adoption of a virtual participatory learning environment in collaboration with our community, business, and government partners.

The Directorate of Community Engagement (DCE) has further established a virtual Knowledge for Change (K4C) hub in partnership with the North-West University as the northern hub of the South African K4C hub. This hub falls under the mentorship of the United Nations Educational, Scientific and Cultural Organisation (UNESCO) Chair for Social Responsibility and Community-based Research. Knowledge for change initiatives has been aligned with and driven by the United Nations' Sustainable Development Agenda 2030, the government's National Development Plan, and the African Union Agenda 2063.

A pilot study of a community-university research partnership was launched as a community-based participatory research project to support one of the UFS flagship partnerships, with the intention of moving from the status of

a non-profit organisation to becoming a social enterprise. The study will be published in an upcoming book on engaged scholarship.

The DCE has also initiated an innovative e-engagement platform on which students can continue to engage with UFS community partners, and at the same time be assessed for their service learning and community engagement projects. This platform is primarily through radio broadcasts and virtual mode platforms such as podcasts. Examples include the podcasts produced by the Department of Psychology on topics such as grief and self-compassion. The Department of Nutrition and Dietetics presented topics on a healthy lifestyle and diet. Fourth-year students from the School of Nursing have engaged new mothers concerning post-natal care, and the School of Clinical Medicine has addressed the warning signs of burnout and preventative measures.

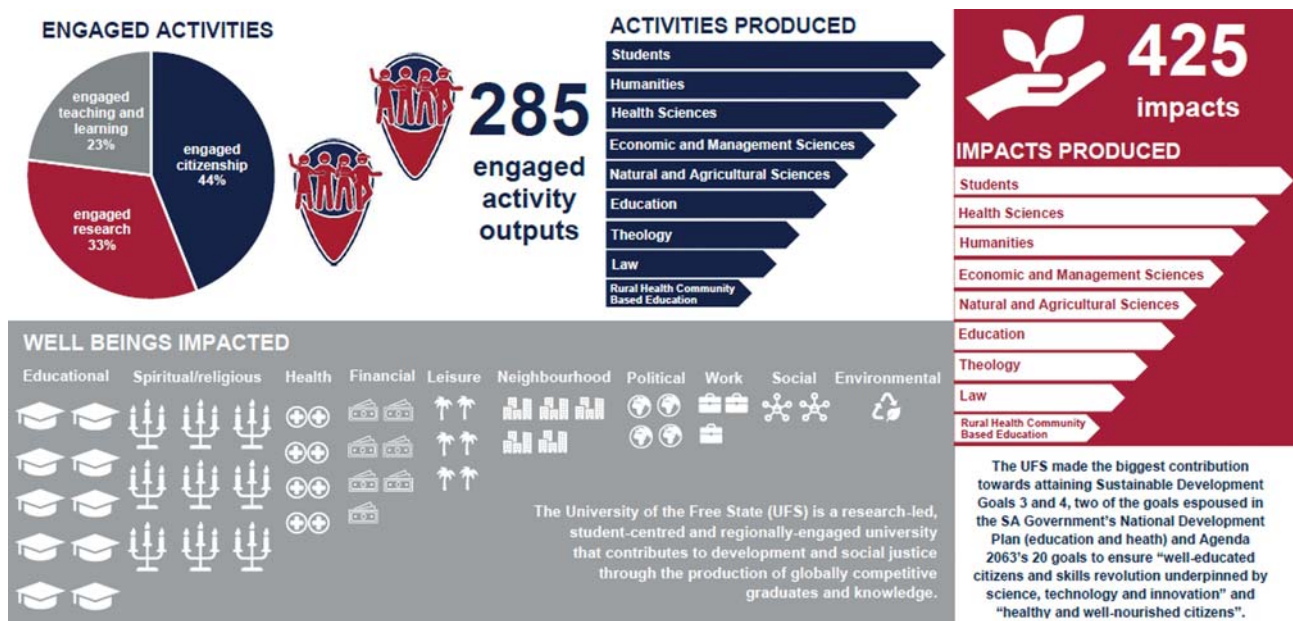


Figure 18: UFS Engaged Scholarship

The following section addresses the specific performance areas as per the annual performance plan.

3.1.7. Support development and social justice through engaged scholarship (Goal 4)

The UFS monitors three key performance indicators to measure its support for development and social justice through engaged scholarship, namely academics' participation in engaged scholarship, student participation in service learning, and resource allocation for engaged scholarship. During 2021, the UFS achieved its targets for two of these indicators.

3.1.7.1 Increase academic staff involvement in engaged scholarship and opportunities for students to engage in community-based education (KPA 4.1 and 4.2)

The university has achieved its 2021 target for academics involved in engaged scholarship (see Figure 19) and exceeded its target for students participating in service learning. The latter is especially encouraging, given the notable drop in service learning during 2021 as a consequence of pandemic lockdown (see Figure 20).

A number of initiatives have contributed to improved performance in this area during 2021. With regard to academic staff, the Institutional Guidelines for Performance Management have been established to include engaged scholarship criteria, and Performance Management Workbooks have been developed with these criteria in mind. Faculty-engaged scholarship strategies have been completed for most faculties. In support of both students and

staff, training workshops on engaged scholarship strategy and policy were presented to all faculties and to the Student Representative Council's portfolio for Civic and Social Responsibility. In addition, a Professional Development Programme for Engaged Scholarship (ESPDP) has been implemented for staff members, and Student Engaged Citizenship programmes and a University Engaged Citizenship programme have been launched. New structures for improved governance of and support for engaged scholarship have also been established, including engaged scholarship committees at faculty, campus, and Senate level, as well as an institutional Communities of Practice for Engaged Scholarship Committee. Finally, the UFS Directorate of Community Engagement provides platforms for student engagement by building and maintaining relationships with community organisations.

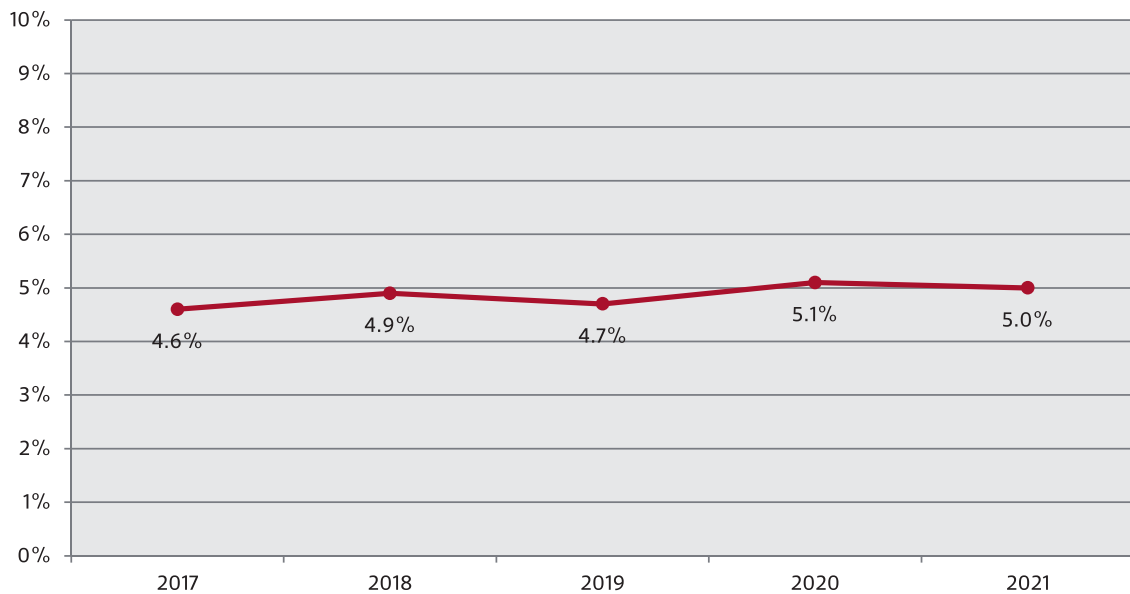


Figure 19: Academics' self-reported participation in engaged scholarship (KPA 4.1)

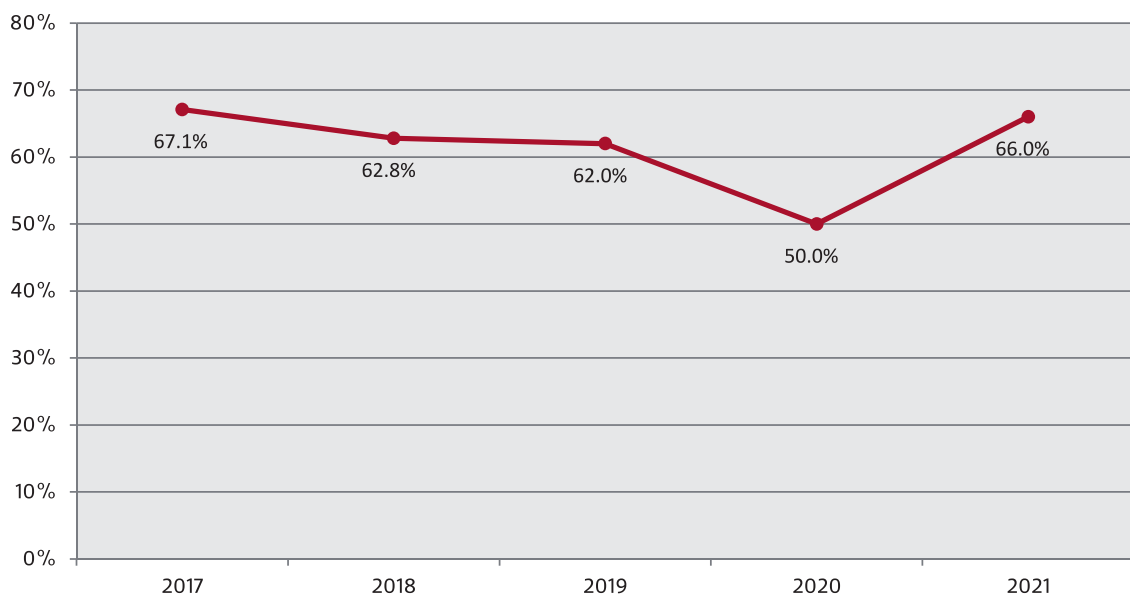


Figure 20: Students' self-reported participation in service learning (KPA 4.2)

3.1.7.2. Prioritise engaged scholarship in the UFS funding model (KPA 4.3)

The university did not reach its 2021 target of R1,5 million allocated to engaged scholarship activities from strategic funds (see Figure 21). This is ascribed to the low consumption of resources during 2021, and hence less new funds have been made available for 2021. Although the target has not been achieved, the UFS must demonstrate sound financial management principles and prioritisation in its funding model.

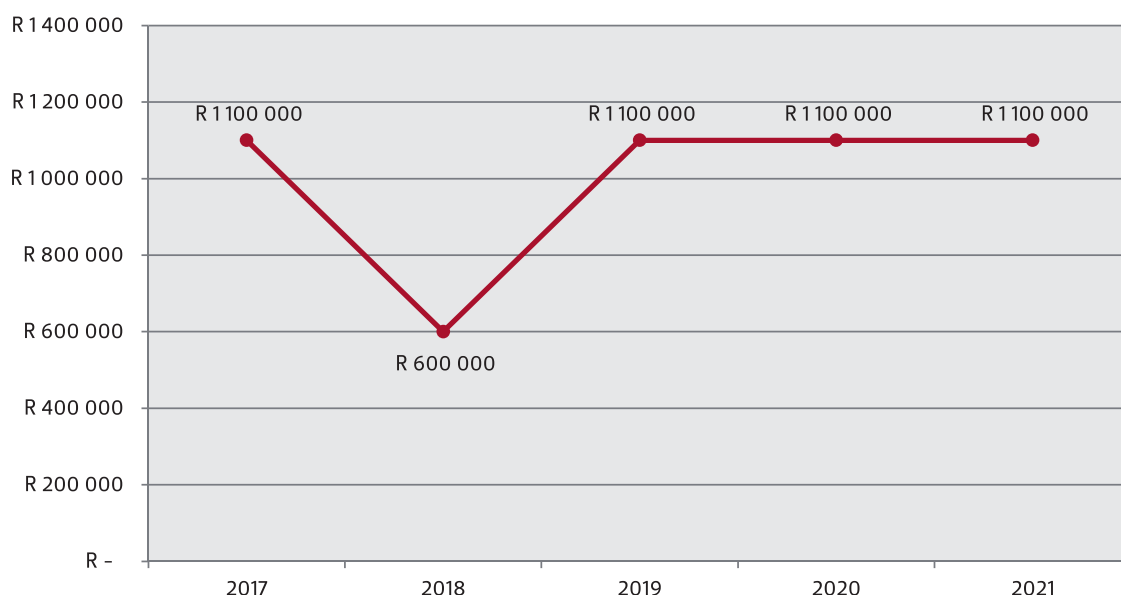


Figure 21: Engaged scholarship resource allocation (KPA 4.3)

3.2. Report of the Vice-Chancellor on Management and Administration

3.2.1. Increase the efficiency and effectiveness of governance and support systems (Goal 5)

Overall, the UFS performed fairly well during 2021 with regard to its indicators of efficiency and effectiveness of governance and support systems, having achieved or exceeded its targets for six of its 12 performance indicators.

3.2.1.1. Revise and update all UFS policies to reflect the transformative drive (KPA 5.1)

The management of the policy environment has improved dramatically, and at the end of 2021, the UFS had greatly exceeded its target, with almost 70% of UFS policies revised since January 2018 (see Table 1). A total of 43 regulatory documents were approved during 2021, including 14 institutional policies approved by the UFS Council (see Table 11). This is as a result of reprioritisation of strategies so as to fast-track the UFS governance, processes, and systems. The policy universe remains a key strategic driver for the UFS, as it forms the foundation of an effective and agile business architecture.

Table 11: Policies reviewed and approved by UFS Council, 2021

Name of policy	Date approved
Universal Access and Disability Support	19/03/2021
Art Collection Management Policy	19/03/2021
Research Data Management Policy	19/03/2021
Universal Access and Disability Support (amendment of position names and phrases)	18/06/2021
Policy of the University of the Free State on Responsible Research Conduct	18/06/2021
Information Security Policy	18/06/2021
Information Classification and Protection of Personal Information Policy	18/06/2021
Records Management Policy	18/06/2021
Information Governance Policy	18/06/2021
Policy of the UFS on Conflict of Interest by the Members of the UFS Council	18/06/2021
Policy of the University of the Free State on the Payment of Honoraria to external Council and external non-Council Committee Members	26/11/2021
Admissions Policy	26/11/2021
Quality Assurance Policy	26/11/2021
COVID-19 Regulations and Required Vaccination Policy	26/11/2021

3.2.1.2. Increase student participation in university governance structures (KPA 5.2)

Despite not having achieved the 75% target set for 2021, student attendance of institutional governance meetings has improved significantly since 2017, and by 2,2% in the period under review (see Figure 22).

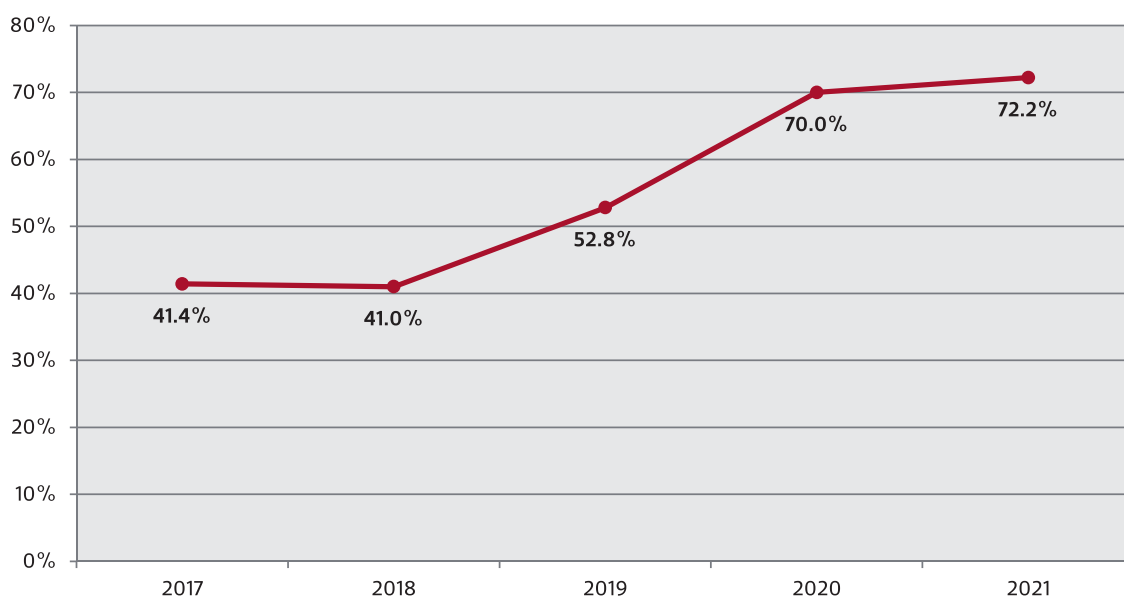


Figure 22: Student participation in governance structures, 2017 to 2021 (KPA 5.2)

3.2.1.3. Optimise the student life cycle from recruitment to graduation (KPA 5.3)

Enrolment management is also improving: The UFS has achieved its indicator targets for overall enrolment management, and in terms of first-time entering undergraduate enrolments and total enrolment headcounts (see Figure 23). In addition, the UFS has achieved its targets for total unweighted full-time equivalent (FTE) enrolments as well as weighted FTE enrolments/funded teaching input units (see Figure 24).

The university is, however, not doing well in terms of managing the share of enrolments according to major field of study, with continued over-enrolment in Education and the other Humanities since 2019, and subsequently under-enrolment in the critical disciplines of Business and Management, and Science, Engineering and Technology (see Figure 25). Concerted attention was provided during the mid-term revision of the UFS Enrolment Plan to correct deviations. In addition, more structures and monitoring systems have been put in place to introduce enrolment management during 2021, which realised overall performance regarding teaching input units and overall headcount enrolments, as noted. Offer management will be introduced from 2023 onwards so as to manage the size and shape, but also the UFS drive towards greater diversity.

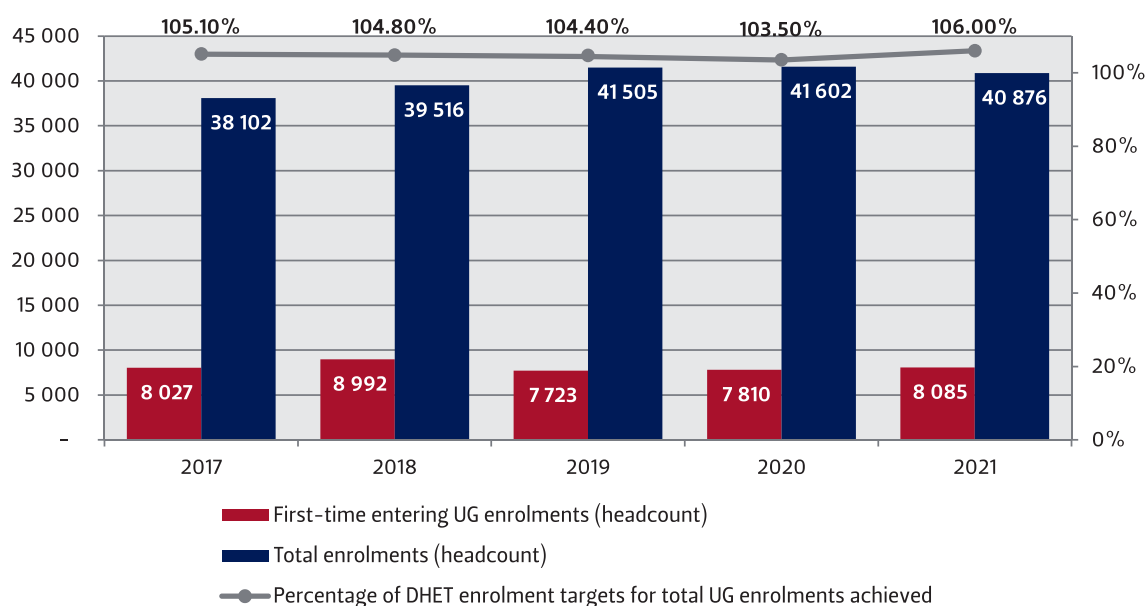


Figure 23: Enrolment management, 2017 to 2021 (KPA 5.3)

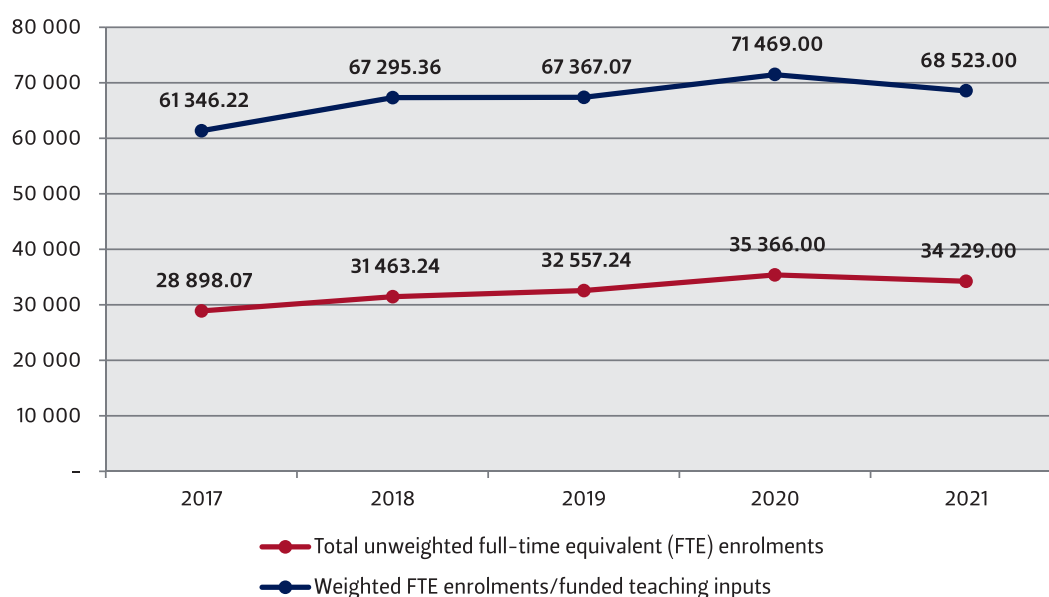


Figure 24: Full-time equivalent enrolments, 2017 to 2021 (KPA 5.3)

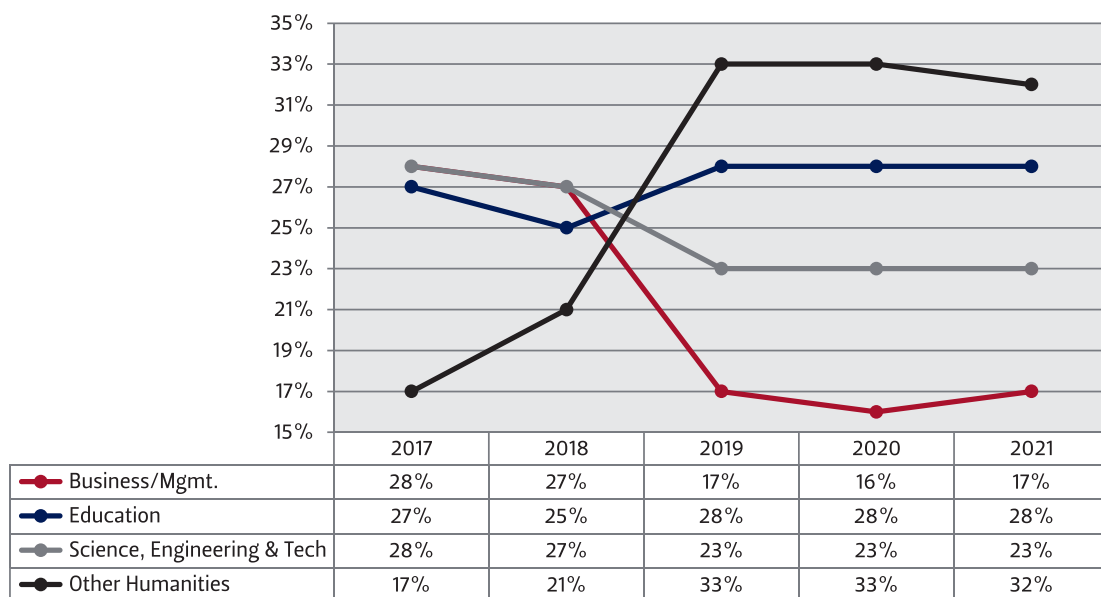


Figure 25: Share of total enrolments in major fields of study, 2017 to 2021 (headcount) (KPA 5.3)

3.2.1.4. Improve integration of data systems and credibility of management information (KPA 5.4)

Improving the integration of data systems and the credibility of management information are also progressing well, as evidenced by the fact that the share of graduate records with credit value errors at the first data run for the final HEMIS submission decreased from 30% in 2017 to 6% in 2021 (see Table 2).

The implementation of an institutional business intelligence (BI) strategy for the UFS began in 2021. This is a large-scale project that will change the way the UFS engages with data. This system will integrate data from multiple sources, expand the tools and skillsets of analysts, and will make real-time data available at multiple levels for effective use by decision makers. The BI strategy will not only improve data integration but will widen and accelerate access to data. This further implies automating processes that enable analysts to focus less on data management and more on innovative analytics.

3.3. Statement of Council on sustainability

3.3.1. Achieve financial sustainability (Goal 6)

The UFS monitors the share of income from third-stream sources, progress with refinement of the viability model, and the average percentage of baseline correction in tuition fees in order to measure progress towards achieving financial sustainability. During 2021, the university achieved its target for one of these key performance indicators, i.e., baseline correction in tuition fees (see Table 1).

3.3.1.1. Increase non-government-derived sources of income (KPA 6.1)

Despite institution-wide concerted efforts in this regard, the UFS is not succeeding in increasing the share of its total income derived from third-stream sources (see Figure 26). However, it is encouraging to note that the share of third-stream income derived from research contracts has increased significantly from 11,5% in 2018 to 29,4% in 2021. In 2021, the UFS invested in a dedicated structure and committee to focus predominately on third-stream income to contribute to the overall sustainability of the UFS.

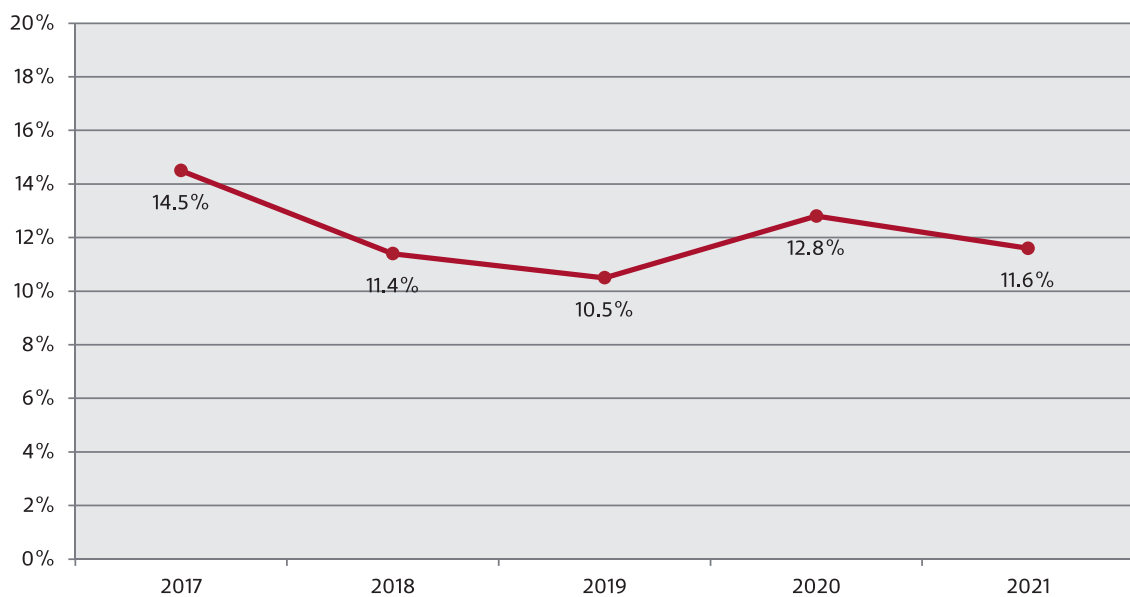


Figure 26: Share of income from third-stream sources, 2017 to 2021 (KPA 6.1)

3.3.1.2. Optimise the cost drivers in academic programmes and support service departments (KPA 6.2)

The UFS is refining a financial viability model aimed at optimising the cost drivers in academic programmes and support service departments. The UFS did not achieve its 2021 key performance target (see Table 1). However, substantial groundwork has been done within the academic domain. A programme and qualifications mix (PQM) viability model that directly contributes to financial viability has been developed and approved by Senate. This model is now in implementation. It will take at least five years for a programme to be phased out if not found viable. In addition, the UFS has established a task team to review and develop an academic human resource model, which aligns with DHET norms and new research in this area. The aim is to manage comparable staff-student ratios in the sector and the discipline to promote a quality learning experience for all students.

3.3.1.3. Correct the UFS tuition baseline (KPA 6.3)

The UFS succeeded in correcting the UFS tuition baseline in 2021 and exceeded its target for average percentage baseline correction in the fee pricing schedule (see Table 1).

3.3.2. Statement by Council on financial sustainability

Section 3.3.2 provides an oversight and review of the financial sustainability of the UFS during 2021. It does so through an oversight of performance in 2021, where applicable trends are sighted and a review of the results itself is made. This is to create an understanding and provide evidence of the going concern status of the UFS, which is the basis on which the consolidated and standalone financial statements are compiled. This section further derives all data from the financial statements prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) International Financial Reporting Interpretations Committee (IFRIC) interpretations and is prepared in the manner prescribed by the Minister of Higher Education, Science and Innovation in terms of the Higher Education Act no 101 of 1997, as amended by Act 54 of 2000. The aforementioned, read with the consolidated financial statements, concludes with the financial executive's statement on the 2021 financial results.

3.3.2.1 Achieve financial sustainability

Financial sustainability inherently assumes that the university will be able to provide the financial backbone to deliver on its mandate of teaching and learning, research, and engaged scholarship. The university uses a sustainability modelling, which parameters were set to analyse and review revenue and expenditure with the aim of maintaining sufficient funding levels for the three core educational pillars.

3.3.2.2 Overview of indicators

The sustainability model developed and used, consists of determinants for parameters set to fund, analyse, and review Council-controlled revenue and expenditure to maintain sufficient funding levels for the three core educational pillars of teaching and learning, research and innovation, and engaged scholarship. The financial results in the context of achieving, maintaining, and enhancing financial sustainability should thus be read as an integral part of the reports on the core educational pillars, bearing in mind the institutional impact of COVID-19 and the UFS' responses thereto.

Total Council-controlled income grew by only 6% per Figure 27, compared to the average of 10% in the preceding four years; this will be elaborated on per revenue component below.

Total Council-controlled expenditure decreased by 3% compared to the average growth of 6% in the preceding four years and is 400 basis points less than the 1% growth in 2020. The impact of COVID-19 and the UFS response thereto will be further explained in the relevant paragraphs below.

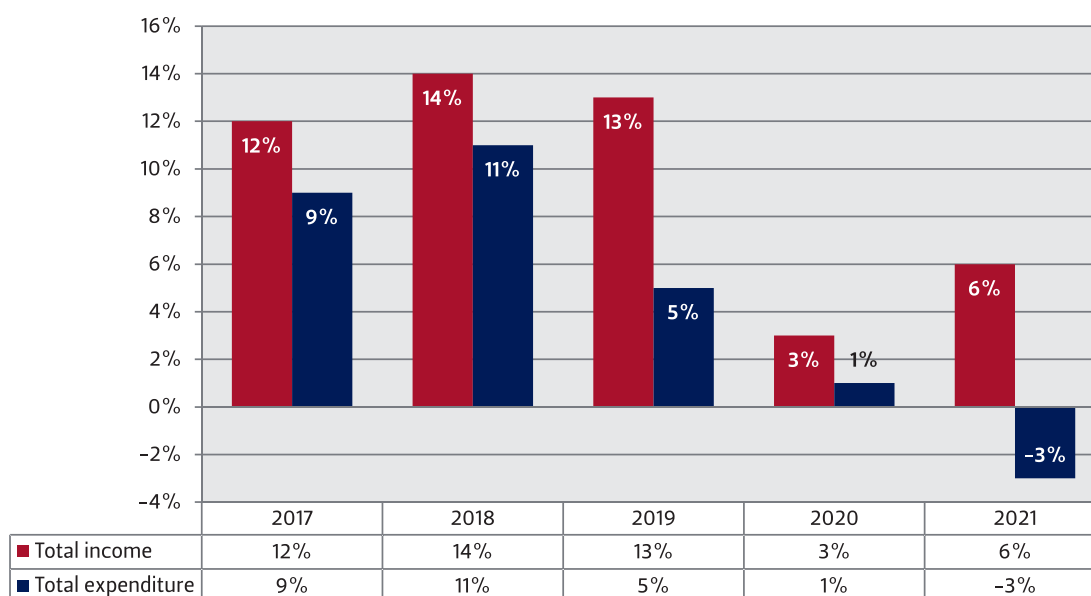


Figure 27: Council-controlled funds: Year-on-year changes on income and expenditure

3.3.2.3 Council-controlled Income (CCI)

CCI includes state appropriations, fees, sales of goods and services, private gifts, and other income. The figure depicted below presents the total income per revenue category.

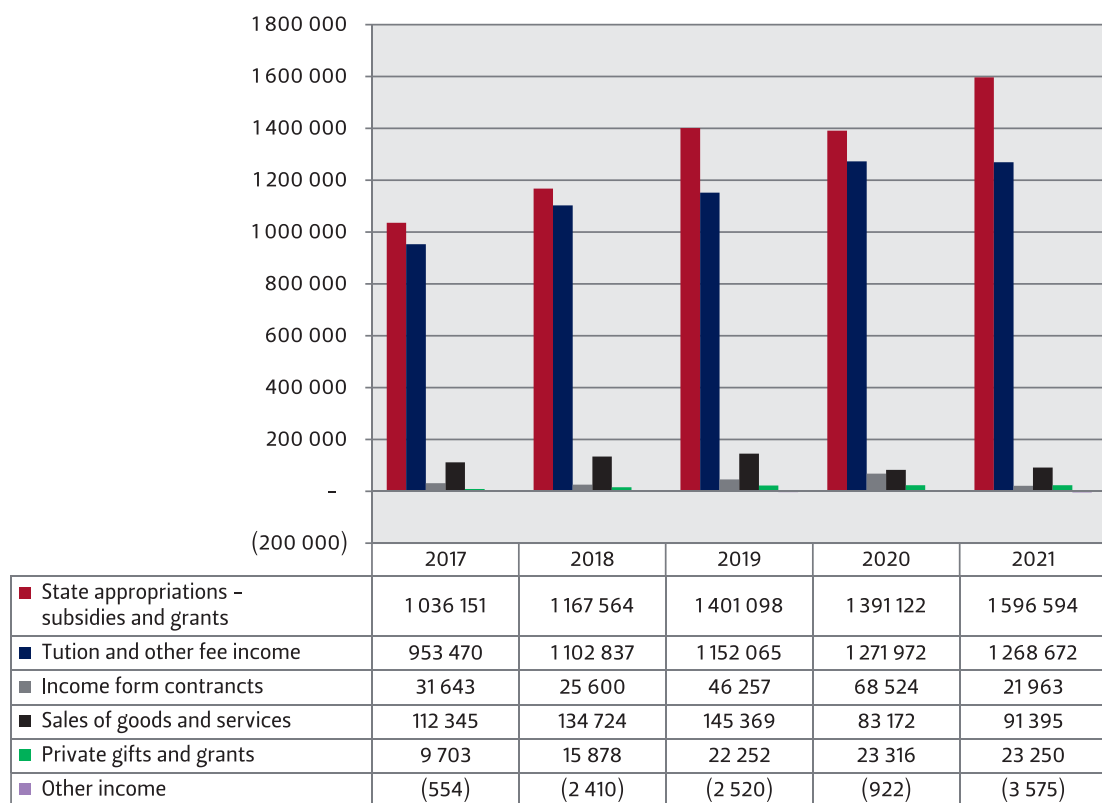


Figure 28: Council-controlled income

Table 12: Income as a percentage of Council-controlled income

Income: Total Income	2016/'17	2017/'18	2018/'19	2019/'20	2020/'21
State appropriations – subsidies and grants	48%	48%	48%	49%	53%
Tuition and other fee income	43%	44%	43%	45%	42%
Other	9%	8%	8%	6%	5%

3.3.2.4 State appropriations

The university block grant increased by R86,2 million compared to 2020. This represents an increase of 6% from 2020 and is mainly the result of a 3% increase in subsidised teaching input units, as per Figure 29 below.

The ratio of state appropriations to total income has increased to 53% in comparison to 49% in 2020.

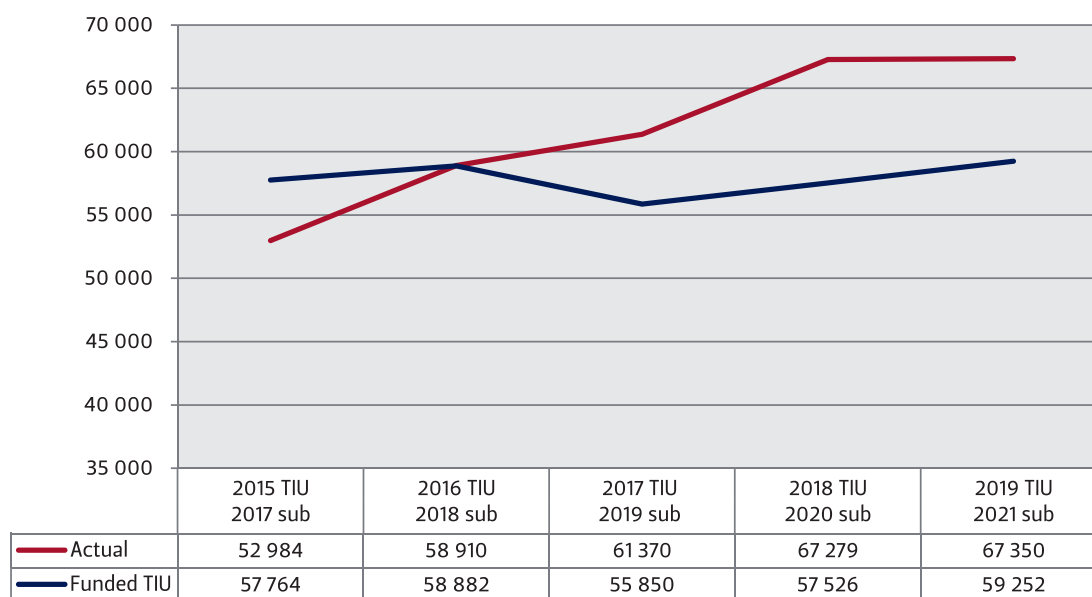


Figure 29: Funded teaching input units versus actual teaching input units

3.3.2.5 Tuition and other fee income

Total tuition and other fee income, although separately identifiable income streams, also became very dependent on students funded through NSFAS, as per Figure 30. Tuition fees charged to students dependent on NSFAS funding increased from R237 million in 2017 to R863,8 million in 2021. This increase represents a growth of 104% in the preceding four years, from 25% of tuition and other fee income in 2017 to 68% in 2021.

This presents a challenge to the objective of improving the proportion of self-paying students.

Students who qualified for the fee-gap grant when it was introduced and who are still in the system in 2021, were allocated an amount equal to the annual national agreed-upon increment.

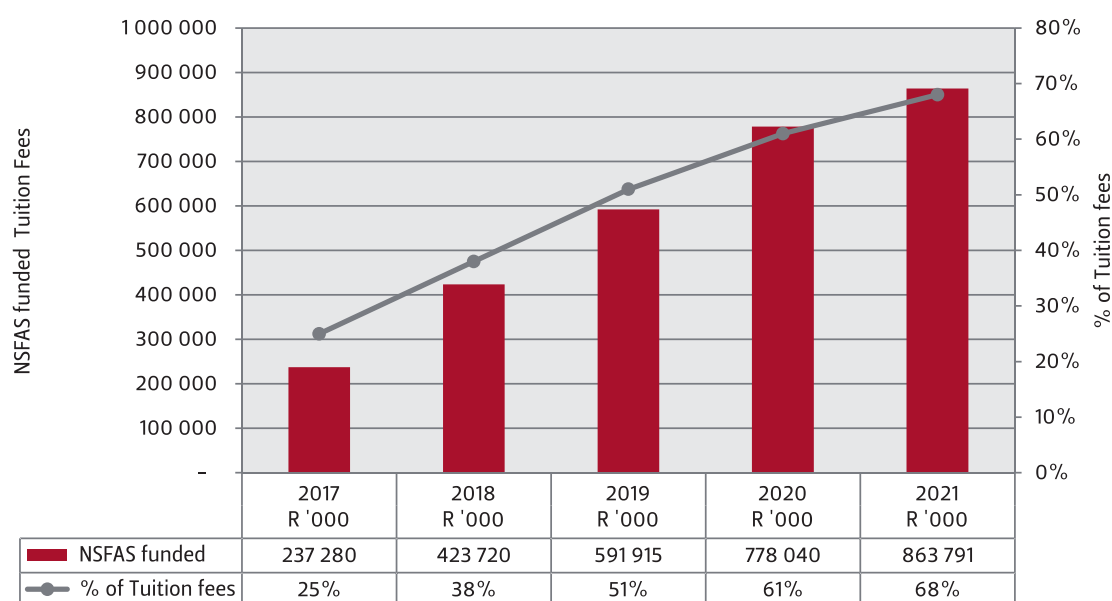


Figure 30: Tuition and other fee income from NSFAS-funded students

3.3.2.6 Council-controlled expenditure

Council-controlled expenditure consists mainly of personnel costs, operational expenditure, and depreciation and amortisation as per Figure 31.

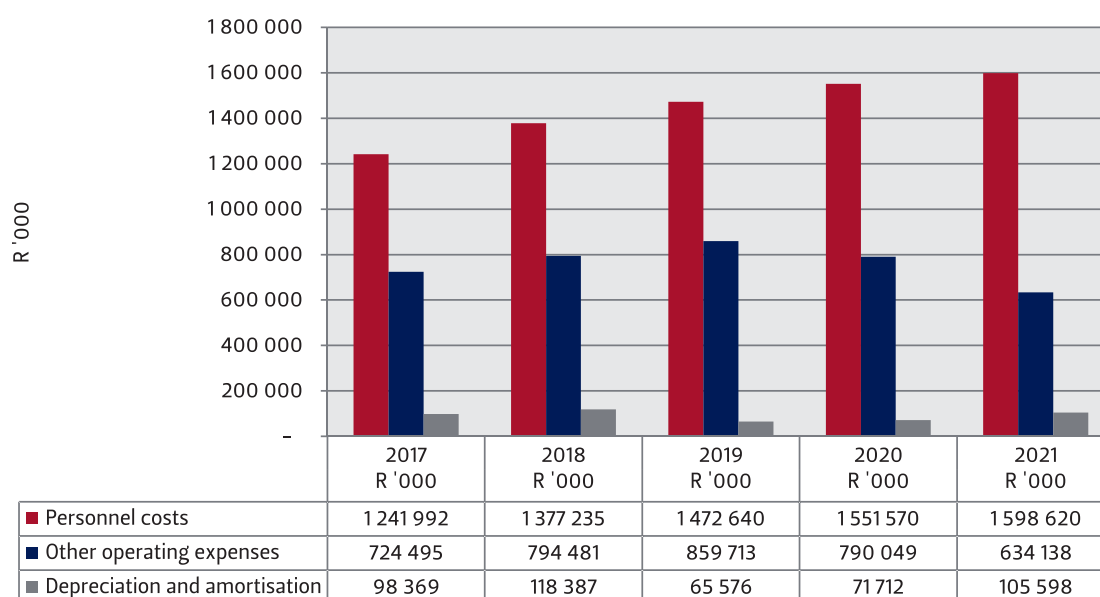


Figure 31 Council-controlled expenditure

The UFS has responded to the challenges presented by the COVID-19 pandemic by instituting austerity measures in 2020. Although these cost-containment measures continued into 2021, it was partially relaxed to stimulate growth and enable the UFS to invest where necessary to reach strategic objectives while complying with disaster management regulations. These cost-containment measures included limitations on expenses such as accommodation, expensive consumables, gifts for staff, international travel, including travel within the SADC. The changes in the ratio of expenditure to income further elaborated on below, should be considered in the context of the cost-containment measures introduced, as well as the fact that staff and students were only partially on campuses during 2021.

Table 13: Expenditure as a percentage of total income

Expenditure as % of total income	2017	2018	2019	2020	2021
Personnel costs	58%	56%	53%	55%	53%
Other operating expenses	34%	33%	31%	28%	21%
Depreciation and amortisation	5%	5%	2%	3%	4%

Personnel costs varied between 58% and 53% from 2017 to 2021, which is within the upper limit of the national benchmark. Through its financial sustainability budget model, the UFS was able to retain all its staff while responding to the challenges presented by the COVID-19 pandemic.

Operational expenditure gradually decreased to 21%, mainly as a result of the cost-curtailed measures introduced.

3.3.2.7 Specifically funded activities

Specifically funded activities, which funds are by nature restricted in use, include all activities associated with grants other than the institutional subsidy, research contracts, and other contracts.

3.3.2.8 Income from contracts for research and other activities

The UFS is a research-led, student-centred, and regionally engaged university. In order to enhance financial sustainability, one of its KPIs is to increase non-government-derived sources of income. Income from contracts for either research, teaching and learning, or other activities such as engaged scholarship, is seen as such sources.

Restricted in use, income and its associated expenditure may only be incurred in line with the accompanying terms and conditions as defined by the agreement with funders. Therefore, consideration was given to contract income to include both Council-controlled and restricted income. Income from contracts decreased by 10% (R27,5 million) from the previous year to R260 million in 2021. This mainly comprise a decrease of 23% (2020-2021) in contracts from other activities, and an increase in income from contracts for research by 14% (2020-2021).

The current economic climate and the impact of COVID-19 made it difficult to grow this income stream.

3.3.2.9 Earmarked grants

Earmarked grants are grants received from the Department of Higher Education and Training for a specific strategic intent. Included in earmarked grants during 2021 are the clinical training grant, university capacity-development grant, and foundation grant.

Due to financial restrictions, no further awards were received from DHET during 2021 for the new generation of academics grant and the infrastructure and efficiency grant. The aforementioned are the main contributors to the decline in earmarked grants received from the DHET, as demonstrated in Figure 5 below.

Figure 32 below further demonstrates the ratio of the earmarked grants compared to the block grant allocation from DHET.

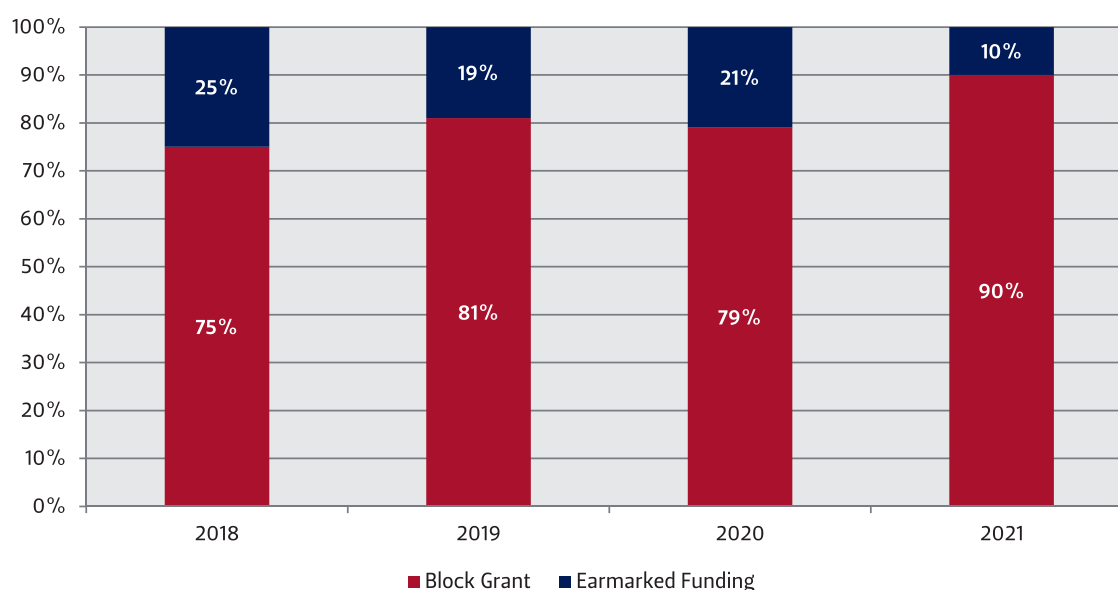


Figure 32: UFS block grant versus earmarked funding

3.3.2.10 Cash flows

The university has generated sufficient levels of cash through its operational activities in order to maintain investment activities and service debt. The university received a substantial payment from NSFAS in late December 2021 – unfortunately not in time to invest these funds in accordance with the approved investment principles, which resulted in unusually high cash levels at year-end.

A measurement of free cash flow from all revenue streams is the cash that the university produces through its operations, less the cost of expenditure on assets. The university only receives its first subsidy payment in April of each year and must therefore utilise free cash to cover the first quarter of the academic year, together with the first payments made by students to enrol within an academic year. The significant decrease in the number of self-paying students significantly reduced the cash amounts received in this term. The free cash flows declined steadily from 3 months in 2015 to 1.95 months in 2019. This increased to 3.17 months in 2020 and 2021, mainly as a result of austerity measures implemented. If no other payments are received in terms of student fees or if subsidies are paid late, it will result in the UFS having to use reserves to bridge possible cash shortfalls and perform in terms of its mandate as a public university. We do, however, caution regarding the sensitivity of this positive increase in free cash flows once cost-containment measures are revisited to encourage the Academic Project of the UFS.

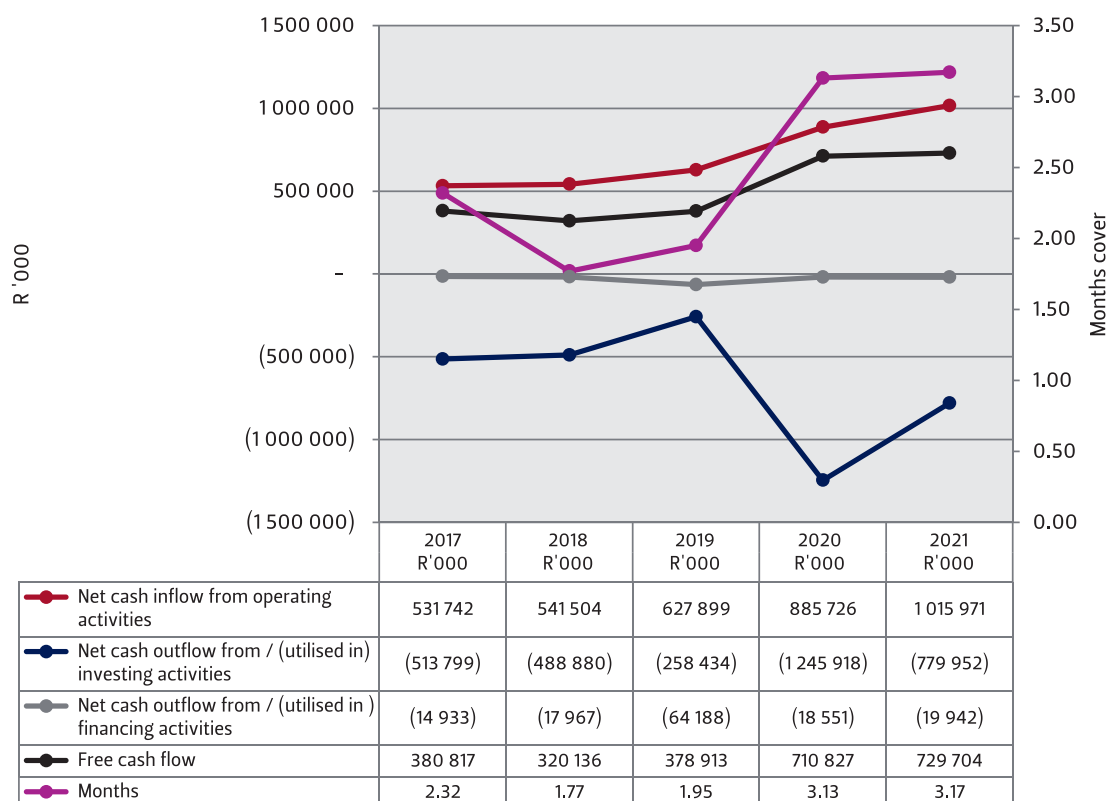


Figure 33: Sum of cash flows and free cash flows

3.3.3 Statement from the financial executive on the financial results

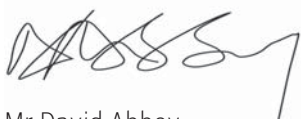
The Public Audit Act of 2004 as amended (Act), prescribes the Auditor-General to be the external auditor of the university. The audit is currently performed by PricewaterhouseCoopers, who are also responsible for the external audit under the auspices of the Auditor-General in accordance with the requirements of the Act. Section 28(1) of the Act requires the external auditor to reflect such opinions and statements as may be required by any legislation applicable to the university, but this must reflect at least an opinion or conclusion on

- (i) whether the financial statements of the university fairly present, in all material respects, its operations and cash flow for the period ending on 31 December of each year, in accordance with the applicable financial framework and legislation;
- (ii) the university's compliance with any applicable legislation relating to financial matters, financial management, and other related matters; and

(iii) the reported information relating to the performance of the university against predetermined objectives. The governance and management of the UFS provides assurance for financial sustainability, and the UFS has received unqualified audit reports in all of the periods included in this report.



Mr Louis von Zeuner
Chairperson: Finance Committee of UFS Council



Mr David Abbey
Chairperson: Audit, Risk and IT Governance
Committee Committee of UFS Council



Mr Chris Liebenberg
Senior Director: UFS Finance Department



Dr Willem Louw (until 30 September 2021)
Chairperson: UFS Council



Prof Francis Petersen
Rector and Vice-Chancellor, UFS



Mr David Noko (from 1 October 2021)
Chairperson: UFS Council



4. STATEMENT OF COUNCIL ON TRANSFORMATION



UKUBIZANA
CENTRE

4.1. Transformation Report

4.1.1. Integrated Transformation Plan work streams

The 2021 implementation of the UFS Integrated Transformation Plan (ITP) focused on the revised deliverables as per observations made by the external ITP review panel in 2020. It is important to note that the ITP was revised in 2020 and some new deliverables were introduced, which were implemented in 2021. Since the review, excellent progress has been recorded across the 13 work streams, as illustrated in Figure 27 below.

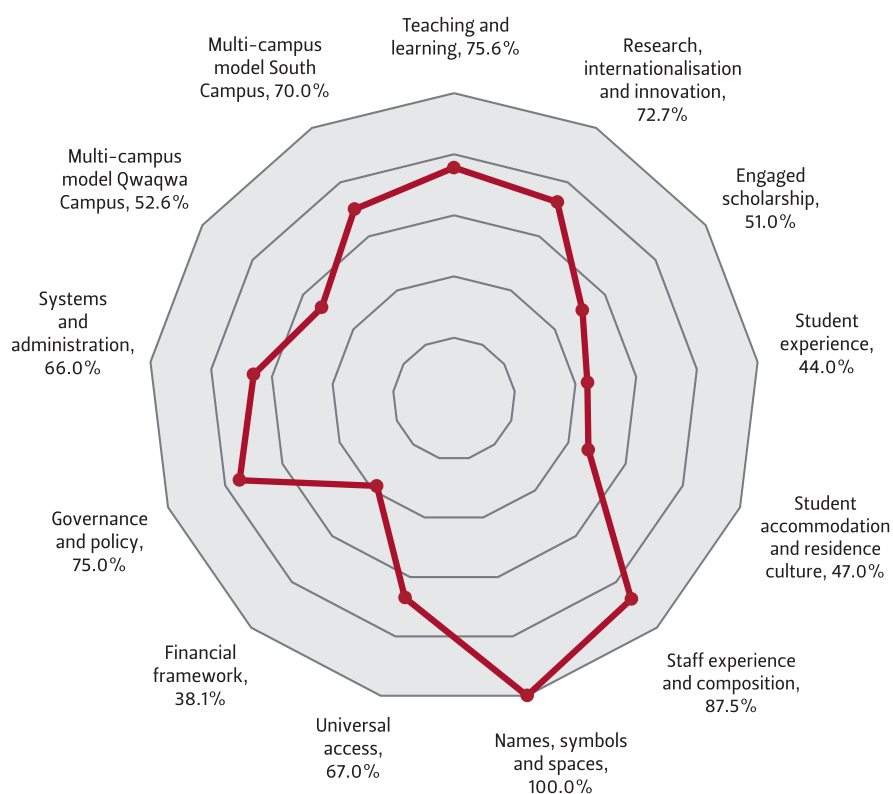


Figure 34: Overview of UFS Integrated Transformation Plan progress, 2021

4.1.1.1. Teaching and learning

Good progress was recorded in this work stream. Proposed UFS graduate attributes have been clarified, and the intentional mapping and integration of these attributes into curricula and co-curricula are underway. In relation to increasing the implementation of a pedagogy peer-review mechanism, the mechanism has been integrated into the Learning and Teaching portfolio, and workshops have been held in all faculties. In order to reconceptualise academic staff development, continuous professional development, reward and promotion, a new approach to academic staff development is being refined and the CPD system is being built. Although the learning and teaching portfolio is part of promotion, further refinement is needed to ensure optimal alignment between academic staff development, continuous professional development, and promotion and reward. The work stream hosts the annual Multilingual Mokete, and in 2021 it was implemented successfully.

Substantial progress has been made during 2021 regarding the decolonisation of the curricula at the UFS. The UFS executive has approved a project plan and methodology to combine the SER report, the appointment of an independent external expert to assist the UFS with a review, and the development of a position statement in consultation with the broader university community.

To improve the quality of student learning and decrease the achievement gap, enhancing the quality of student learning continued in 2021 with the refinement of online platforms. The Curriculum Renewal Programme has also been successfully launched. Although the achievement gap narrowed in 2020, preliminary analyses suggest that it might widen in 2021. The achievement gap is carefully monitored in Siyaphumelela meetings, where appropriate measures are being developed to address the gaps.

The table below shows a slight upward trend for the UFS from 7,8% in 2020 to 9% in 2021 regarding its achievement gap. However, the UFS has progressed well over the reporting period from 2016, showing an improvement from 10,8% to 9% in 2021.

Table 14: Achievement Gap, 2016 to 2021

Years	White	Black	Total	Achievement Gap
2016	90,1%	79,4%	82,0%	10,8%
2017	89,7%	78,1%	80,3%	11,6%
2018	89,4%	77,9%	79,8%	11,5%
2019	90,7%	79,4%	80,9%	11,3%
2020	95,3%	87,5%	88,3%	7,8%
2021	92,7%	83,7%	84,5%	9,0%

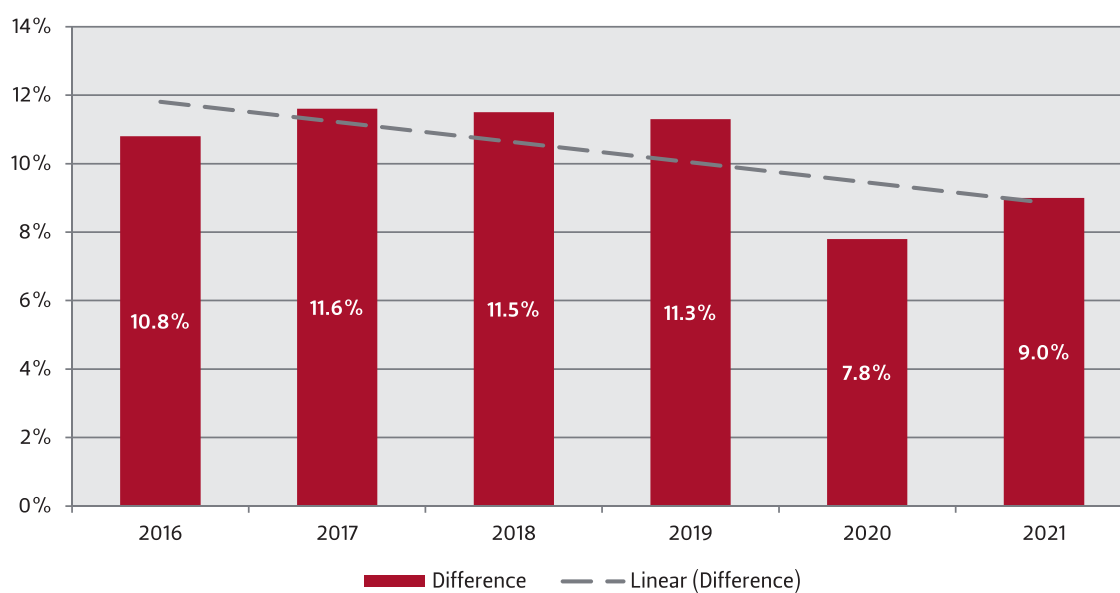


Figure 35: Achievement Gap 2016 to 2021

The UFS graduate attributes have been clarified to all faculties. The Graduate Attribute Project has made significant progress using the funds allocated by the ITP fund. The development of a learning analytics approach to teaching and learning is an ongoing exercise, even though the pandemic has delayed it. The roll-out of BI has been approved institutionally.

4.1.1.2. Research, internationalisation, and innovation

Excellent progress has been recorded in this work stream. The research institutes and their mandates have been evaluated and research strategies developed. Alignment of the research-capacity pipeline – from undergraduate programmes to postgraduate research training to academic staff development – is progressing well, focusing on the development of researchers, with a specific focus on black researchers. The UFS CHE Doctoral Review Improvement Plan was approved in September 2021, supporting the development of postgraduate students who can do research and contribute to society, thereby enhancing institutional visibility and impact.

The implementation plan of the strategy for SARCHI chairs to develop into research centres/niche areas and to attract additional funding, and for innovation and technology transfer – including spin-out technology, licensing agreements, and patents – was monitored and evaluated. In order to develop and implement a plan to expand national research collaboration, the seventh Call for the CUT and UFS Joint Research Programme 2021-2022 was released, and grants were awarded.

4.1.1.3. Engaged scholarship

The work stream has made limited progress with its deliverables. However, it must be noted that the work stream underwent leadership changes during the first seven months of 2021.

4.1.1.4. Student experience

The work stream's deliverables were largely revised, in line with observations made by the ITP review panel in 2020. In relation to student governance and leadership, pre-election training for student governance structures was conducted on all three campuses between August and September 2021. The Gender Equality and Anti-Discrimination Office implemented a number of initiatives during the reporting year, inter alia, the Women's Day dialogue featuring Carol Bouwer, the Amnesty International collaboration discussion and reflection, a continuation of the SCD and GEADO gender-based violence (GBV) awareness sessions, and PRIDE awareness on all three campuses.

To monitor and evaluate the implementation of the sexual harassment and sexual assault strategy and policy, a remit has also been drafted for a Gender Equity and Anti-Discrimination Advisory Committee, while the draft policies on Gender-Based Violence, Sexual Harassment and Assault, and Anti-Discrimination are currently in the consultation process. A plan has been developed to monitor and evaluate the implementation of the Integrated Sport Strategy. A draft policy on GBV, Sexual Harassment and Assault, and Anti-Discrimination was developed and consulted in 2021. Student Affairs continues to implement research recommendations from the institutional culture study. A first-year student experience strategy has been developed and the First-Year Student Experience Committee met monthly in order to prepare for 2022.

4.1.1.5 Student accommodation and residence culture

The work stream had four deliverables revised during the ITP review in 2020. The original deliverables are in the completion phase. In relation to developing and implementing a strategy towards gender-inclusive housing (GIH), engagements with student communities started in 2019 and continued in 2020; however, with the advent of COVID-19, implementation has been suspended. A meeting committee was established in August 2021 to develop the implementation plan, with the decision to introduce GIH in January 2023.

Due to the pandemic, there was a shift in focus from the college framework to general student life and well-being, both on and off campus, which delayed implementation of the strategy to create residences with an academic focus. Furthermore, due to the restructuring of Student Affairs and the realignment of reporting lines, Residence Life and Student Communities will be reporting to HRA from January 2022. This, together with the accreditation/verification drive of off-campus accommodation, will enable us to bring off-campus accommodation closer to the UFS by creating clusters that will become part of the day residence organisations. Student and Learning Communities will then represent off-campus accommodation much better than before.

The pandemic also delayed the development and implementation of an approach to student accommodation. The off-campus accommodation accreditation slowed down in 2020 as the Municipality was not able to approve the relevant by-law; as a result, landlords could not apply for rezoning. The by-law was approved in October 2021 and will provide the necessary municipal legislative support to enforce the by-law together with the standards required in 2022.

4.1.1.6. Staff experience and composition

The work stream has completed several deliverables and the remaining deliverables are near completion, apart from the development and implementation of an integrated staff development approach. In relation to developing and implementing the Flexible Working Model, the HR Flexible Work Arrangement Policy was submitted for final approval during 2021.

To study institutional culture, Human Resources conducted the 2021 Employee Engagement Survey. The Exit Interview process, implemented since 2018, has also continued. The questionnaire was reviewed in 2021 to include the UFS narrative of quality, impact, and care.

4.1.1.7. Names, symbols and spaces

The work stream achieved the deliverables set out in the ITP. Continuation of some of the initiatives from the work stream is being implemented and monitored through the relevant institutional structures, for example, by the Naming Committee, a joint subcommittee of Council and Senate.

4.1.1.8. Universal access

The work stream has progressed well towards achieving its deliverables. In relation to the integration of data from students and staff with disabilities on all UFS campuses, DIRAP was in contact with DHET, which confirmed that the codes are being investigated, but are not in use yet. Therefore, the codes are not officially used in reporting at the moment. As soon as an official update has been received, DIRAP will implement accordingly. The alignment of all the policies that refer to universal access is ongoing.

To monitor and evaluate the implementation of the Student Mental Health Policy, and the Policy on Universal Access and Disability Support for Students with Disabilities, the Red Couch Manual training for staff was scheduled for November 2021. In addition, a short learning programme (SLP) has been developed to assist in training internal and external stakeholders in Universal Design in Learning and in lieu of individual training workshops with different departments due to capacity constraints. The task team will also develop a video to assist in the roll-out of the training workshops.

Developing and implementing guidelines for teaching material (including digital material) depends on the roll-out of the university's digitalisation plan and the Centre for Teaching and Learning's (CTL) study guide and learning material project. An implementation plan has been developed for the integrated sport strategy. See Student Experience work stream above for advocacy and awareness initiatives.

4.1.1.9. Financial framework (size and shape)

The work stream's deliverables were revised after an ITP Review in 2020. During 2021, good progress was made towards the new deliverables, with the completion of a model for the allocation of strategic funding. A review of departmental fee structures in the context of national alignment, affordability, class size, and departmental contribution neared completion in 2021, while reviews of (i) policies around high-level opportunities for third-stream income (including cost-recovery mechanisms and rules around surplus generation); and (ii) the rules for unspent budgets, savings of funds, and potential surplus generation and deployment of funds to support core business were initiated. Work also started on the development of exit strategies for all marginal courses, programmes, and projects; the development of an insourcing strategy; and the management of small modules and class sizes for efficiency.

4.1.1.10 Governance and policy

Excellent progress in this work stream has been recorded for most deliverables. In relation to implementing a guiding framework for policy development, the final draft of the Implementation Plan for the Policy Framework was approved by the Rectorate in September 2021. Training sessions started and the SharePoint site was developed. The signing-off of approved policies by the Rector was implemented as well as communicated via the *Digest* – an internal communication platform.

To design, revise, and redevelop policies with the relevant policy owners, letters were sent out to renew various policies among members of the executive team. An Institutional Forum (IF) induction workshop was conducted in support of the reconstitution and capacitation of the forum in order to ensure its functionality. The remits of the Council committees were reviewed for alignment with the King IV recommendations; the Constitution of the Convocation Executive was developed; and the Convocation members of Council were appointed as part of a review of the UFS committee structure to ensure transformative drive and diversity.

4.1.1.11. Governance, systems, and administration

The work stream has completed most deliverables. The clean-up of all old data and module catalogues is ongoing; a Head of Transcript Services was appointed, and an internal audit was completed in August 2021.

4.1.1.12. Multi-campus model: Qwaqwa Campus and South Campus

The work streams are progressing well towards achieving set deliverables, particularly in completing comprehensive reviews of the infrastructure needs of both campuses and strengthening campus governance and accountability. The South Campus PQM review, the development of a South Campus open distance learning and foundation programmes strategy, and a unique academic signature on this campus also progressed well during 2021. Developing a postgraduate focus on sustainability sciences for the Qwaqwa Campus requires renewed efforts.

4.1.2. Advance an institutional culture that demonstrates the values of the UFS (Goal 7)

In order to advance a culture that demonstrates the UFS values, the university has operationalised an Institutional Multi-Stakeholder Group (IMG) that is responsible for the identification of interventions in relation to institutional culture. During 2021, the IMG met three times, revised its remit and membership, and discussed violent student protests on UFS campuses, naming and renaming processes, and the multi-campus management model.

The UFS monitors the implementation of its universal access and language policy plans in order to measure its progress towards an institutional culture that demonstrates its values. As noted in Figure 27, 67% progress has been made with regard to universal access (as reported through the ITP), meaning that the UFS has exceeded its performance target in 2021. Progress in this area is reported in Section 4.1.1.8 above.

The new Language Policy Implementation Plan was operationalised during 2021 and very good progress was recorded: the UFS exceeded its 50% implementation target for 2021 and was nearing 75% implementation by the end of the reporting year (see Table 1). Four drivers have been identified to address and promote multilingualism at the UFS, namely

- the development of Sesotho and isiZulu as academic languages;
- the incorporation of the practice and concept of multilingualism in the domain of teaching and learning;
- the promotion of multilingualism as a social asset; and
- the development of English as a language of instruction.

A draft action plan for compiling multilingual academic glossaries has been established, glossaries have been developed and, moving forward, the work on glossaries will be incorporated with digital lesson voice-overs, given the importance of a multilingual academic term bank as a learning resource to accommodate the self-learning nature of these voice-overs. Digital lesson voice-overs have been implemented in the faculties of Theology and Religion, the Humanities, and Natural and Agricultural Sciences.

Following the request by the ISRC to explore a way to improve the position of Sesotho and isiZulu at the UFS, these two languages are being promoted through conversational courses in UFSS (UFS Student Success Skills Module – a compulsory module for students from all study fields) for first-year students. In addition, the Afrikaans conversational course and the South African Sign Language course will also be promoted here, with the aim of motivating students to learn one of these languages. In addition, the Department of African Languages offers six conversational modules for the Faculty of Education. These will also be available as optional modules for the Humanities from 2022, and an isiZulu conversational module will be offered for Education and the Humanities from 2022.

The Initiative for Creative African Narratives (iCAN) entered its fourth iteration in 2021, and 285 student-written short stories were sourced from all three campuses. The vast majority (89%) were written in English, and research is currently being done on why students choose to write in English rather than their mother tongue. The iCAN further produced Project Fundza in collaboration with Student Support Services, where copies of the student books are donated to rural high school libraries, and an iCAN writer talks to learners about the experience of being a Kopsie through the eyes of a student. This initiative has reached seven schools across the Free State and Mpumalanga.

This year, the Multilingual Mokete was hosted online and focused on providing a Qwaqwa feel to activities. However, items from all three campuses were on offer in the form of short stories, poems, songs, dance routines, a virtual student art exhibition, panel discussions on multilingualism, and eulogies of late writers. In total, there were 24 activities featuring eight languages that visitors to the Mokete website could access.

English Academic Literacy courses for Law, Natural and Agricultural Sciences, Education, the Humanities, Health Sciences, and Economic and Management Sciences were implemented as part of the development of English as language of instruction. The Postgraduate School also successfully launched its Writing Space initiative in 2021, presenting academic writing workshops and providing consulting services.

The image shows two handwritten signatures side-by-side. The signature on the left is 'Dr Willem Louw' and the one on the right is 'Mr David Noko'.

Dr Willem Louw (until 30 September 2021)
Mr David Noko (from 1 October 2021)
Chairperson: UFS Council

The image shows a handwritten signature, 'Prof Francis Petersen'.

Prof Francis Petersen
Rector and Vice-Chancellor, UFS



5. CONCLUSION

This annual report provides an accurate reflection of the university in a context of fundamental transformation, realignment, growth, and development during the COVID-19 pandemic.

It is a matter of satisfaction and pride, that – despite the flexible arrangements regarding staffing, working from home, the flexible mode of delivery, and the concomitant adjustments and adaptations that had to be made – the university has produced a solid performance for the 2021 academic and reporting year, ensuring another successful year of inspiring excellence and transforming lives through quality, impact, and care.



APPENDICES

Appendix 1: Audited Annual Financial Statements 2021

Appendix 2: Code of conduct for the UFS Council and members of the Council

Appendix 3: UFS Code of Conduct

Appendix 4: Policy of the UFS on conflict of interest by the members of the UFS Council

Appendix 5: UFS Council meeting minutes 2021

Appendix 1:

Annual Financial Statements 2021

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CHAIRMAN OF THE COUNCIL	Dr. W. Louw
RECTOR AND VICE-CHANCELLOR	Prof. F.W. Petersen
POSTAL ADDRESS	PO Box 339 Bloemfontein 9300
STREET ADDRESS	Nelson Mandela Drive Bloemfontein 9301
AUDITOR	PricewaterhouseCoopers Inc. Registered Auditor Bloemfontein
BANKER	ABSA Bank

The council is responsible for the preparation, integrity and fair presentation of the consolidated and stand alone financial statements of the University of the Free State. The consolidated and stand alone financial statements, presented on pages 115 to 196, have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Minister of Education as prescribed by the Higher Education Act, 1997 (Act No. 101 of 1997), as amended, and include amounts based on judgements and estimates made by management. The council also prepared the other information included in the annual report and is responsible for both its accuracy and consistency with the consolidated and stand alone financial statements

The going concern basis has been adopted in preparing the consolidated and stand alone financial statements. The council has no reason to believe that the University of the Free State will not be a going concern in the foreseeable future based on forecasts and available cash resources. The viability of the University of the Free State is supported by the financial statements.

The consolidated and stand alone financial statements have been audited by the independent accounting firm, PricewaterhouseCoopers Inc., who were given unrestricted access to all financial records and related data, including minutes of meetings of the council and all its committees. The council believes that all representations made to the independent auditor during their audit were valid and appropriate.

APPROVAL OF THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS

The consolidated and stand alone financial statements set out on pages 115 to 196 were approved by the council on 24 June 2022 and signed on its behalf by:



Rector and Vice-chancellor
Prof FW Petersen



Chairman of the Council
Mr D. Noko



Senior Director: Finance
Mr CR Liebenberg

Independent auditor's report to the Council and the Minister of Higher Education, Science and Innovation on the University of the Free State

Report on the audit of the consolidated and stand alone financial statements

Opinion

We have audited the consolidated and stand alone financial statements of the University of the Free State and its subsidiaries (the group) set out on pages 115 to 196, which comprise the consolidated and stand alone statements of financial position as at 31 December 2021, the consolidated and stand alone statements of profit or loss and other comprehensive income, the consolidated and stand alone statements of changes in funds, and the consolidated and stand alone statements of cash flows for the year then ended, as well as notes to the consolidated and stand alone financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and stand alone financial statements present fairly, in all material respects, the consolidated and stand alone financial position of the group as at 31 December 2021, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Higher Education Act and the Regulations for reporting by Public Higher Education Institutions, 2014, issued in terms of the Higher Education Act of South Africa, 1997.

Basis for opinion

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

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (Including International Independence Standards).

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

Responsibilities of the Council for the consolidated and stand alone financial statements

The Council is responsible for the preparation and fair presentation of the consolidated and stand alone financial statements in accordance with International Financial Reporting Standards and the requirements of the Higher Education Act of South Africa, 1997 and the Regulations for reporting by Public Higher Education Institutions, 2014, issued in terms of the Higher Education Act of South Africa, 1997, and for such internal control as the Council determines is necessary to enable the preparation of consolidated and stand alone financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated and stand alone financial statements, the Council is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the council either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

PricewaterhouseCoopers Inc.,
61 Second Avenue, Westdene, Bloemfontein, 9301, P O Box 818, Bloemfontein, 9300
T: +27 (0) 51 503 4100, F: +27 (0) 51 813 1700, www.pwc.co.za

Chief Executive Officer: L. S. Machaba
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682

Auditor's responsibilities for the audit of the consolidated and stand alone financial statements

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

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

Report on the audit of the annual performance report

Introduction and scope

In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, we have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. We performed procedures to identify material findings but not to gather evidence to express assurance.

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

We evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objective presented in the University's annual performance report for the year ended 31 December 2021:

Objective	Page in the annual performance report
Objective 1 - Improve student success and well-being	15

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

We did not identify any material findings on the usefulness and reliability of the reported performance information for this objective:

- Objective 1 – Improve student success and well-being;

Report on the audit of compliance with legislation

Introduction and scope

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

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

Procurement and contract management

Members of staff or employees did not in writing before they were appointed or assumed office, declare any business that may raise a conflict or a possible conflict of interest with the public higher education institution concerned in contravention of section 34(4)(a) of the Higher Education Act.

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

Other information

The Council is responsible for the other information. The other information comprises the information included in the document titled "*2021 University of the Free State Annual Report to the Minister of Higher Education, Science and Innovation*". The other information does not include the consolidated and stand alone financial statements, the auditor's report and the selected objective presented in the annual performance report that has been specifically reported in this auditor's report.

Our opinion on the consolidated and stand alone 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 on it.

In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and stand alone financial statements and the selected objective 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Internal control deficiencies

We considered internal control relevant to our audit of the consolidated and stand alone financial statements, reported performance information and compliance with applicable legislation; however, our objective was not to express any form of assurance on it. We did not identify any significant deficiencies in internal control.

Other reports

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

Audit-related services and special audits

As requested by the University, the following agreed upon procedures engagements were conducted:

Entity name / engagement	Purpose of the engagement	Status of engagement	Period covered
Department of Higher Education and Training - Infrastructure Grant	Agreeing of expenditure to contracts and supporting documentation.	Report issued	1 April 2021 to 31 March 2022
Department of Higher Education and Training - Financial data submission	Agreeing of financial data to the consolidated and stand alone financial statements.	Report issued	1 January 2021 to 31 December 2021
National Research Foundation Grants (Other NRF - Awards)	Agreeing of expenditure against grant contracts and supporting documentation.	Report issued	1 January 2021 to 31 December 2021
National Research Foundation Grants (SARAO - Awards)	Agreeing of expenditure against grant contracts and supporting documentation.	Report issued	1 January 2021 to 31 December 2021
Department of Higher Education and Training - Published research articles / Research Output Certificates (ROC)	Agreeing of research outputs of published articles to supporting documentation and personnel records.	Report issued	1 January 2021 to 31 December 2021
Department of Higher Education and Training - Clinical Research Funding	Agreeing expenditure on the grant to supporting documentation.	Report issued	1 April 2021 to 31 March 2022
Department of Higher Education and Training – University Capacity Development Grant	Agreeing of expenditure to supporting documentation.	Report issued	1 January 2021 to 31 December 2021
Department of Higher Education and Training - Foundation Programme	Agreeing of expenditure to supporting documentation.	Report issued	1 April 2021 to 31 March 2022
Department of Higher Education and Training – New Generations of Academics Programme (nGAP)	Agreeing of expenditure to supporting documentation.	Report issued	1 April 2021 to 31 March 2022

Entity name / engagement	Purpose of the engagement	Status of engagement	Period covered
Department of Higher Education and Training - COVID-19 Responsiveness Grant	Agreeing of expenditure to supporting documentation.	Report issued	1 April 2021 to 31 March 2022
National Student Financial Aid Scheme (NSFAS)	Agreeing student information used in NSFAS payments and disbursements to supporting documentation.	Report issued	1 January 2021 to 31 December 2021

PricewaterhouseCoopers Inc.
PricewaterhouseCoopers Inc.

Director: CJ Hertzog

Registered Auditor

Bloemfontein, South Africa

27 June 2022

The examination of controls over the maintenance and integrity of the University's website is beyond the scope of the audit of the financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Annexure – Auditor’s responsibility for the audit

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

Consolidated and stand alone Financial statements

In addition to our responsibility for the audit of the consolidated and stand alone financial statements as described in this auditor’s report, we also:

- identify and assess the risks of material misstatement of the consolidated and stand alone 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 and stand alone financial statements. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the University of the Free State and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated and stand alone financial statements about the material uncertainty or, if such disclosures are inadequate, to modify our opinion on the consolidated and stand alone financial statements. Our conclusions are based on the information available to us at the date of this auditor’s report. However, future events or conditions may cause the University to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the consolidated and stand alone financial statements, including the disclosures, and determine whether the consolidated and stand alone financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Communication with those charged with governance

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.

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2021 (all amounts in R'000)

Group		2021				2020						
		Notes	Council controlled Unrestricted	Specifically funded activities Restricted	SUB - TOTAL	Student & staff accommodation Restricted	TOTAL	Council controlled Unrestricted	Specifically funded activities Restricted	SUB - TOTAL	Student & staff accommodation Restricted	TOTAL
TOTAL INCOME			2 998 298	402 801	3 401 100	142 052	3 543 151	2 837 183	466 944	3 304 126	180 315	3 484 441
	State appropriations – subsidies and grants	6.	1 596 594	78 582	1 675 176	-	1 675 176	1 391 122	167 950	1 559 072	-	1 559 072
	Tuition and other fee income	7.	1 268 672	3 067	1 271 739	141 381	1 413 120	1 271 972	(3 022)	1 268 949	179 180	1 448 130
	Income from contracts	8.	21 963	310 831	332 793	-	332 793	68 524	294 885	363 409	-	363 409
	Sales of goods and services	9.	91 395	(2 305)	89 090	671	89 761	83 172	(4 577)	78 594	1 135	79 729
	Private gifts and grants	10.	23 250	11 018	34 268	-	34 268	23 316	12 908	36 224	-	36 224
	Miscellaneous income / (expense)	11.	(3 575)	1 608	(1 967)	-	(1 967)	(922)	(1 201)	(2 123)	-	(2 123)
TOTAL EXPENDITURE			2 338 355	519 199	2 857 554	127 975	2 985 529	2 413 331	384 042	2 797 373	116 099	2 913 472
	Personnel costs	12.	1 598 620	218 959	1 817 579	45 874	1 863 453	1 551 570	198 318	1 749 888	44 618	1 794 507
	Other operating expenses	13.	634 138	289 868	924 006	82 100	1 006 107	790 049	176 689	966 738	71 481	1 038 219
	Depreciation and amortisation	18.1; 18.2; 18.3	105 598	10 371	115 969	-	115 969	71 712	9 035	80 747	-	80 747
OPERATING SURPLUS /(LOSS) FOR THE YEAR			659 943	(116 398)	543 545	14 077	557 622	423 851	82 902	506 753	64 216	570 969
	Other income		520 401	30 584	550 985	-	550 985	485 382	25 529	510 911	1	510 912
	Interest and dividends	14.	267 315	16 992	284 307	-	284 307	237 910	7 769	245 679	1	245 680
	Investment income		253 086	13 468	266 554	-	266 554	247 472	17 779	265 251	-	265 251
	Share of net profit /(loss) from associate accounted for using the equity method		-	124	124	-	124	-	(20)	(20)	-	(20)
	Administration cost on financial assets	15.	(21 473)	(666)	(22 139)	-	(22 139)	(17 839)	(1 957)	(19 796)	-	(19 796)
	Interest paid on loans	17.6	-	(1 602)	(1 602)	(20 228)	(21 830)	-	(4 621)	(4 621)	(20 232)	(24 854)
Net surplus for the year before market value adjustments on investments			1 158 871	(88 082)	1 070 789	(6 151)	1 064 638	891 395	101 852	993 247	43 985	1 037 232
	Revaluation of investments to market value at year end	17.4	769 208	3 186	772 394	-	772 394	(955)	(123)	(1 078)	-	(1 078)
Net surplus for the year before income tax			1 928 079	(84 896)	1 843 183	(6 151)	1 837 032	890 439	101 729	992 168	43 985	1 036 153
	Income tax expense	16.	-	10 258	10 258	-	10 258	-	9 903	9 903	-	9 903
NET SURPLUS / (LOSS)			1 928 079	(74 638)	1 853 441	(6 151)	1 847 290	890 439	111 632	1 002 071	43 985	1 046 056
OTHER COMPREHENSIVE INCOME												
Items that will not be reclassified to profit or loss												
	Recognition of post-retirement group life actuarial gains /(loss)	18.6.4	(446)	-	(446)	-	(446)	(1 332)	-	(1 332)	-	(1 332)
	Recognition of post-retirement medical actuarial gains	18.6.3	7 594	-	7 594	-	7 594	106 705	-	106 705	-	106 705
	Recognition of post-retirement pension actuarial gains /(loss)	18.6.2	100 760	-	100 760	-	100 760	(22 116)	-	(22 116)	-	(22 116)
TOTAL COMPREHENSIVE SURPLUS FOR THE YEAR			2 035 987	(74 638)	1 961 349	(6 151)	1 955 198	973 697	111 632	1 085 329	43 985	1 129 313

University		2021				2020						
		Notes	Council controlled Unrestricted	Specifically funded activities Restricted	SUB - TOTAL	Student & staff accommodation Restricted	TOTAL	Council controlled Unrestricted	Specifically funded activities Restricted	SUB - TOTAL	Student & staff accommodation Restricted	TOTAL
TOTAL INCOME			2 998 298	326 846	3 325 144	142 052	3 467 196	2 837 183	394 204	3 231 387	180 315	3 411 702
	State appropriations – subsidies and grants	6.	1 596 594	78 582	1 675 176	-	1 723 477	1 391 122	167 950	1 559 072	-	1 559 072
	Tuition and other fee income	7.	1 268 672	3 067	1 271 739	141 381	1 413 120	1 271 972	(3 022)	1 268 949	179 180	1 448 130
	Income from contracts	8.	21 963	238 068	260 031	-	260 031	68 524	219 080	287 604	-	287 604
	Sales of goods and services	9.	91 395	7	91 401	671	92 072	83 172	124	83 295	1 135	84 430
	Private gifts and grants	10.	23 250	7 122	30 372	-	30 372	23 316	10 073	33 389	-	33 389
	Miscellaneous income / (expense)	11.	(3 575)	-	(3 575)	-	(3 575)	(922)	-	(922)	-	(922)
TOTAL EXPENDITURE			2 338 355	405 071	2 743 426	127 975	2 871 401	2 413 331	271 154	2 684 485	116 099	2 800 584
	Personnel costs	12.	1 598 620	143 771	1 742 391	45 874	1 788 265	1 551 570	128 343	1 679 914	44 618	1 724 532
	Other operating expenses	13.	634 138	261 300	895 438	82 100	977 538	790 049	142 811	932 860	71 481	1 004 340
	Depreciation and amortisation	18.1; 18.2; 18.3	105 598	-	105 598	-	105 598	71 712	-	71 712	-	71 712
OPERATING SURPLUS /(LOSS) FOR THE YEAR			659 943	(78 225)	581 718	14 077	595 795	423 851	123 050	546 902	64 216	611 118
	Other income		520 401	28 555	548 956	-	548 956	485 382	22 801	508 183	1	508 184
	Interest and dividends	14.	267 315	16 173	283 488	-	283 488	237 910	6 325	244 235	1	244 236
	Investment income		253 086	12 258	265 344	-	265 344	247 472	16 495	263 968	-	263 968
	Share of net profit /(loss) from associate accounted for using the equity method		-	124	124	-	124	-	(20)	(20)	-	(20)
	Administration cost on financial assets	15.	(21 473)	(603)	(22 076)	-	(22 076)	(17 839)	(1 928)	(19 767)	-	(19 767)
	Interest paid on loans	17.6	-	-	-	(20 228)	(20 228)	-	-	-	(20 232)	(20 232)
Net surplus / (loss) for the year before market value adjustments on investments			1 158 871	(50 273)	1 108 598	(6 151)	1 102 447	891 395	143 923	1 035 318	43 985	1 079 302
	Revaluation of investments to market value at year end	17.4	769 208	-	769 208	-	769 208	(955)	-	(955)	-	(955)
NET SURPLUS / (LOSS)			1 928 079	(50 273)	1 877 806	(6 151)	1 871 654	890 439	143 923	1 034 362	43 985	1 078 347
OTHER COMPREHENSIVE INCOME												
Items that will not be reclassified to profit or loss												
	Recognition of post-retirement group life actuarial gains / (loss)	18.6.4	(446)	-	(446)	-	(446)	(1 332)	-	(1 332)	-	(1 332)
	Recognition of post-retirement medical actuarial gains	18.6.3	7 594	-	7 594	-	7 594	106 705	-	106 705	-	106 705
	Recognition of post-retirement pension actuarial gains / (loss)	18.6.2	100 760	-	100 760	-	100 760	(22 116)	-	(22 116)	-	(22 116)
TOTAL COMPREHENSIVE SURPLUS / (LOSS) FOR THE YEAR			2 035 987	(50 273)	1 985 714	(6 151)	1 979 562	973 697	143 923	1 117 620	43 985	1 161 604

		GROUP		UNIVERSITY	
		2021	2020	2021	2020
Notes		R ' 000	R ' 000	R ' 000	R ' 000
ASSETS					
Non-current assets					
Property, plant and equipment	18.1	1 773 188	1 593 290	1 723 338	1 544 622
Investment property	18.2	18 685	19 285	25 879	26 479
Intangible assets	18.3	4 742	6 034	4 742	6 034
Financial assets at fair value through profit or loss (FVPL)	17.4	6 291 644	5 034 946	6 266 839	5 014 912
Investment in subsidiary	24.3	-	-	116 707	96 707
Investment in associates	24.3	174	50	174	50
Student and other loans	17.2	1 018	1 018	44 905	52 801
Retirement benefit surplus	18.6.2	197 911	88 081	197 911	88 081
Deferred tax asset	18.8	46 610	37 902	-	-
Total non-current assets		8 333 972	6 780 606	8 380 495	6 829 687
Current assets					
Financial assets at fair value through profit or loss (FVPL)	17.4	2 803 426	2 273 818	2 800 233	2 270 750
Inventory	18.4	7 234	8 043	7 234	8 043
Biological assets	18.5	5 122	5 930	3 018	3 018
Trade and other receivables	17.1	340 116	383 470	331 962	368 887
Cash and cash equivalents	17.3	282 418	74 768	278 566	62 490
Total current assets		3 438 316	2 746 029	3 421 013	2 713 187
Total assets		11 772 288	9 526 635	11 801 508	9 542 874

		GROUP		UNIVERSITY	
	Notes	2021 R ' 000	2020 R ' 000	2021 R ' 000	2020 R ' 000
FUNDS AND LIABILITIES					
Funds and reserves					
Unrestricted funds – Education and general		5 875 081	4 735 761	5 889 424	4 750 103
Unrestricted use funds		1 445 855	1 185 211	1 445 855	1 185 211
Unrestricted designated funds		4 429 226	3 550 550	4 443 569	3 564 892
Restricted funds – Education and general		470 890	595 333	595 047	690 757
Funds for specific purposes		349 744	451 895	349 744	451 895
Trust and endowment funds		121 147	143 438	245 303	238 862
Restricted funds – Residences		133 968	140 320	133 968	140 320
Financial instruments at Fair value through profit and loss reserves		1 482 893	710 499	1 476 367	707 159
Fixed assets fund Property plant and equipment		1 791 873	1 612 575	1 749 217	1 571 101
Total funds and reserves		9 754 707	7 794 489	9 844 023	7 859 441
Non-current liabilities					
Borrowings	17.6	191 957	187 450	187 736	187 450
Post employment medical obligation	18.6.3	452 523	423 495	452 523	423 495
Post employment group life insurance obligation	18.6.4	24 552	24 108	24 552	24 108
Accrued leave provision	18.6.1	147 189	176 865	147 189	176 865
Total non-current liabilities		816 221	811 918	812 000	811 918
Current liabilities					
Trade and other payables	17.5	942 063	594 975	894 986	557 962
Deferred tax liabilities	18.8	8 799	10 348	-	-
Deferred income	18.7	228 274	295 169	228 274	295 169
Accrued leave provision	18.6.1	22 225	19 735	22 225	18 384
Total current liabilities		1 201 360	920 227	1 145 485	871 515
Total funds and liabilities		11 772 287	9 526 634	11 801 507	9 542 874

Group	Description	Notes	Total	Accumulated fund	Designated	SUB - TOTAL	Funds for specific purposes	Trust and endowment funds	SUB - TOTAL	Residence fund	Financial instruments at FVPL reserves	Fixed assets fund PPE	SUB - TOTAL
	Balance at 31-12-2019		6 659 767	890 675	2 957 988	3 848 663	332 203	151 256	483 458	96 665	711 578	1 519 403	2 327 646
	Net surplus / (loss)		1 046 056	294 536	595 904	890 439	132 951	(21 319)	111 632	43 985	-	-	43 985
	Reallocation of financial assets at fair value through profit or loss to designated reserves		-	-	955	955	-	123	123	-	(1 078)	-	(1 078)
	Reallocation of funds		-	-	18 275	18 275	(18 275)	-	(18 275)	-	-	-	-
	Other additions (1)		5 409	-	836	836	-	4 574	4 574	-	-	-	-
	Fixed asset reallocation		-	-	(106 665)	(106 665)	5 017	8 804	13 821	(329)	-	93 172	92 843
	Recognition of post-retirement group life actuarial gains / (losses)	18.6.4	(1 332)	-	(1 332)	(1 332)	-	-	-	-	-	-	-
	Recognition of post-retirement medical actuarial gains	18.6.3	106 705	-	106 705	106 705	-	-	-	-	-	-	-
	Recognition of post-retirement pension actuarial gains / (losses)	18.6.2	(22 116)	-	(22 116)	(22 116)	-	-	-	-	-	-	-
	Balance at 31-12-2020		7 794 489	1 185 211	3 550 550	4 735 761	451 895	143 438	595 333	140 320	710 499	1 612 575	2 463 395
	Net surplus / (loss)		1 847 290	260 644	1 667 435	1 928 079	(52 469)	(22 169)	(74 638)	(6 151)	-	-	(6 151)
	Reallocation of financial assets at fair value through profit or loss to designated reserves		-	-	(769 208)	(769 208)	-	(3 186)	(3 186)	-	772 394	-	772 394
	Reallocation of funds		-	-	27 094	27 094	(27 094)	-	(27 094)	-	-	-	-
	Other additions (1)		5 020	-	774	774	-	4 246	4 246	-	-	-	-
	Fixed asset reallocation		-	-	(155 327)	(155 327)	(22 588)	(1 182)	(23 770)	(201)	-	179 298	179 098
	Recognition of post-retirement group life actuarial gains / (losses)	18.6.4	(446)	-	(446)	(446)	-	-	-	-	-	-	-
	Recognition of post-retirement medical actuarial gains	18.6.3	7 594	-	7 594	7 594	-	-	-	-	-	-	-
	Recognition of post-retirement pension actuarial gains / (losses)	18.6.2	100 760	-	100 760	100 760	-	-	-	-	-	-	-
	Balance at 31-12-2021		9 754 707	1 445 855	4 429 226	5 875 081	349 744	121 147	470 890	133 968	1 482 893	1 791 873	3 408 735

(1) Profit on realisation of trust funds, funds for designated use.

The above consolidated statement of changes in funds should be read in conjunction with the accompanying notes



UNIVERSITY OF THE FREE STATE

Stand alone statement of changes in funds for the
year ended 31 December 2021 (all amounts in R'000)

University												
Description	Notes	Total	Accumulated fund	Designated	SUB - TOTAL	Funds for specific purposes	Trust and endowment funds	SUB - TOTAL	Residence fund	Financial instruments at FVPL reserves	Fixed assets fund PPE	SUB - TOTAL
Balance at 31-12- 2019		6 692 428	890 675	2 972 330	3 863 005	332 203	223 316	555 518	96 665	708 114	1 469 125	2 273 904
Net surplus / (loss)		1 078 347	294 536	595 904	890 439	132 951	10 972	143 923	43 985	-	-	43 985
Reallocation of financial assets at fair value through profit or loss to designated reserves		-	-	955	955	-	123	123	-	(1 078)	-	(1 078)
Reallocation of funds		-	-	18 275	18 275	(18 275)	-	(18 275)	-	-	-	-
Other additions (1)		5 409	-	836	836	-	4 574	4 574	-	-	-	-
Fixed asset reallocation		-	-	(106 664)	(106 664)	5 017	-	5 017	(329)	-	101 976	101 647
Recognition of post-retirement group life actuarial gains / (losses)	18.6.4	(1 332)	-	(1 332)	(1 332)	-	-	-	-	-	-	-
Recognition of post-retirement medical actuarial gains	18.6.3	106 705	-	106 705	106 705	-	-	-	-	-	-	-
Recognition of post-retirement pension actuarial gains / (losses)	18.6.2	(22 116)	-	(22 116)	(22 116)	-	-	-	-	-	-	-
Balance at 31-12- 2020		7 859 441	1 185 211	3 564 893	4 750 104	451 895	238 862	690 757	140 320	707 159	1 571 101	2 418 581
Net surplus / (loss)		1 871 654	260 644	1 667 435	1 928 079	(52 469)	2 196	(50 273)	(6 151)	-	-	(6 151)
Reallocation of financial assets at fair value through profit or loss to designated reserves		-	-	(769 208)	(769 208)	-	-	-	-	769 208	-	769 208
Reallocation of funds		-	-	27 094	27 094	(27 094)	-	(27 094)	-	-	-	-
Other additions (1)		5 020	-	774	774	-	4 246	4 246	-	-	-	-
Fixed asset reallocation		-	-	(155 327)	(155 327)	(22 588)	-	(22 588)	(201)	-	178 116	177 915
Recognition of post-retirement group life actuarial gains / (losses)	18.6.4	(446)	-	(446)	(446)	-	-	-	-	-	-	-
Recognition of post-retirement medical actuarial gains	18.6.3	7 594	-	7 594	7 594	-	-	-	-	-	-	-
Recognition of post-retirement pension actuarial gains / (losses)	18.6.2	100 760	-	100 760	100 760	-	-	-	-	-	-	-
Balance at 31-12- 2021		9 844 023	1 445 855	4 443 569	5 889 424	349 744	245 303	595 047	133 968	1 476 367	1 749 217	3 359 552

(1) Profit on realisation of trust funds, funds for designated use.

The above consolidated statement of changes in funds should be read in conjunction with the accompanying notes

		Group		University	
	Notes	2021 R' 000	2020 R' 000 Restated	2021 R' 000	2020 R' 000 Restated
Cash flow from operating activities					
Cash generated from operations	20	1 005 093	880 879	1 015 971	885 726
NET CASH INFLOW FROM OPERATING ACTIVITIES		1 005 093	880 879	1 015 971	885 726
Cash flow from investing activities					
Investment income less cost of finance					
Interest income	14	139 164	72 318	138 959	71 645
Administration cost financial assets	15	(22 139)	(19 796)	(22 076)	(19 767)
Purchase of property, plant and equipment and cost of patents	18.1	(298 828)	(175 751)	(286 267)	(174 899)
Inflow of grant income designated for the purchase of property, plant and equipment	18.7	48 300	76 587	48 300	76 587
Purchase of property, plant and equipment and cost of patents relating to grants	18.7	(48 300)	(76 587)	(48 300)	(76 587)
Payments on lease liabilities		(879)	(217)	-	-
Purchase of financial assets	17.4	(2 993 777)	(3 177 219)	(2 993 777)	(3 177 219)
Proceeds on disposal of financial assets	17.4	2 390 012	2 063 582	2 390 012	2 063 582
Proceeds on disposal of assets	18.1	1 307	(119)	281	119
Proceeds on disposal of trust funds		5 020	5 409	5 020	5 409
Investment in subsidiary		-	-	(20 000)	-
Loans repaid by related parties		-	-	20 000	-
Loans granted to related parties		-	-	(12 104)	(14 789)
NET CASH OUTFLOW FROM / (UTILISED IN) INVESTING ACTIVITIES		(780 119)	(1 231 792)	(779 952)	(1 245 918)
Cash flow from financing activities					
Repayments on borrowings	20.2	(21 544)	(23 172)	(19 942)	(18 551)
Increase in borrowings	20.2	4 221	-	-	-
NET CASH OUTFLOW FROM / (UTILISED IN) FINANCING ACTIVITIES		(17 324)	(23 172)	(19 942)	(18 551)
Increase / (decrease) in cash and cash equivalents		207 650	(374 085)	216 077	(378 743)
Cash and cash equivalents at beginning of year		74 768	448 853	62 490	441 233
Cash and cash equivalents at end of year	12	282 418	74 768	278 566	62 490

Note:

Cash flow resulting from the disposal and purchase of financial assets and investment returns were restated to reflect only cash flows on the short term investment portfolio classified as cash and cash equivalents.

The above consolidated and stand alone statements of cash flows should be read in conjunction with the accompanying notes.

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Notes to the financial statements

1 General information

The financial statements were authorised for issue by the Council on 24 June 2022.

The University of the Free State is a Public University established under the Higher Education Act no 101 of 1997, as amended by Act 54 of 2000. The University of the Free State is domiciled in South Africa and the operations and principal activities of the University relate to education, research and community service, based on its vision and mission.

The financial statements is for the group, consisting of the University of the Free State and its subsidiaries.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated annual financial statements are set out below. Where an accounting policy relates to separately disclosed transactions or balances, it is included under that specific note. These policies are consistently applied for all years presented, unless otherwise stated.

2.1 Basis for preparation

The consolidated and stand alone financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), International Financial Reporting Interpretations Committee (IFRIC) interpretations and are prepared in the manner prescribed by the Minister of Higher Education and Training in terms of the Higher Education Act no 101 of 1997, as amended by Act 54 of 2000. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The consolidated and stand alone financial statements have been prepared under the historical cost basis, except where otherwise specified in the individual accounting policy notes in the financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the University's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 21.1 "Critical accounting estimates and judgements."

The presentation currency of the University is South African Rands. All amounts are rounded to the nearest thousand Rand.

2.1.1 Going concern

The University's forecast and projections, taking account of reasonably possible changes in operating circumstances, show that the University should be able to operate within its current financing.

Council has a reasonable expectation that the University has adequate resources to continue in operation existence for the foreseeable future. The University therefore continues to adopt the going concern basis in preparing its annual financial statements.

3. Changes in accounting policies and disclosures

3.1 New and amended standards adopted by the University.

The group has applied no new standards and amendments for the first time for their annual reporting period commencing 1 January 2021.

3.2 Standards, amendments and interpretations to existing standards effective after 1 January 2021

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

4. Segment reporting

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 Statement of Comprehensive Income of these financial statements is in terms of the guidelines prescribed by the Department of Higher Education and Training.

How are the numbers calculated?

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5. Statement of profit or loss and other comprehensive income: separate activities

The format of the statement of profit or loss and other comprehensive income is designed to disclose separately:

- the utilisation of resources that are under the absolute control of the Council (Council controlled Unrestricted);
- the utilisation of those resources which are prescribed in terms of the legal requirements of the providers of such resources (Specifically funded activities restricted); and
- the provision of accommodation for students and / or staff (Student and Staff accommodation restricted).

General accounting policies pertaining to the statement of profit or loss and other comprehensive income:

Council controlled unrestricted

Included in council controlled unrestricted income, is designated unrestricted income. Although the funds are under the control of council, they are designated for specific purposes. In all instances any such income is recognised as income in the financial period when the University is entitled to use those funds. The funds will not be used until some specified future period or occurrence and are held in an appropriate fund until the financial period in which the funds can be used.

Income on assets representing restricted funds

Investment funds are pooled and the investment income is apportioned to the various participating funds in proportion to their balances. Interest, dividends and other income received or due on assets representing endowment is recognised via profit or loss to the respective funds.

Interdepartmental income

interdepartmental income and expenditure are eliminated.

6. State appropriations: Subsidy and grant income

Accounting policy:

State subsidies and grants for general purposes are recognised as income in the financial year to which the subsidy relates.

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the University will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are offset against the carrying amount of the relevant asset and unspent government grants relating to property, plant & equipment are presented as deferred income in the balance sheet.

	Group		University	
	2021	2020	2021	2020
	R ' 000	R ' 000	R ' 000	R ' 000
State subsidy for general purpose assistance	1 483 676	1 245 180	1 483 676	1 245 180
Earmarked grants	191 500	313 892	191 500	313 892
	1 675 176	1 559 072	1 675 176	1 559 072

There are no unfulfilled conditions or other contingencies attached to the subsidies and grants that have been recognised above, some of which are classified as restricted income. Also refer to note 18.7 for deferred revenue relating to government grants.

7. Tuition and other fee income

Accounting policy:

Tuition and other fee income is only recognised when the amount can be measured reliably and future economic benefits will flow to the group. Also refer to note 22.2.2.1 for the accounting policy on measuring expected credit losses.

As per IFRS 15, a five-step process must be applied before revenue can be recognised:

- identify contracts with students.
- identify the separate performance obligation
- determine the transaction price
- allocate the transaction price to each of the separate performance obligations, and
- recognise the revenue as each performance obligation is satisfied.

Area of significant management judgement and estimation

The group uses its judgement to determine what performance obligations in contracts with students are and if this obligations are satisfied to recognise revenue in accordance to the accounting policy stipulated above. When the registration of a student is finalised income is recognised on tuition fees and accommodation. Judgement is also used to allocate the transaction price over the performance obligations. Although the academic year of the UFS have been extended to February 2021, all performance obligations relating to the relevant income classes have been met at 31 December 2020. The academic year have not been extended in 2021.

	Group		University	
	2021	2020	2021	2020
	R ' 000	R ' 000	R ' 000	R ' 000
Tuition fees	1 250 103	1 249 480	1 250 103	1 249 480
Student accommodation	143 645	181 255	143 645	181 255
Income from short learning programmes	19 372	17 395	19 372	17 395
	1 413 120	1 448 130	1 413 120	1 448 130
	# of students		# of students	
	2021		2020	
Number of students enrolled at the university	41 306		42 025	
Number of students utilising hostel accommodation on campus	4 317		6 292	

- Refer to note 13 relating to the accounting treatment of internal bursaries that is reflected as a discount on tuition fees.

8. Income from contracts

Accounting policy:

As per IFRS 15, a five-step process must be applied before revenue can be recognised:

- identify contracts with customers
- identify the separate performance obligation
- determine the transaction price of the contract
- allocate the transaction price to each of the separate performance obligations, and
- recognise the revenue as each performance obligation is satisfied.

Bundled goods or services that are distinct will be separately recognised, and any discounts or rebates on the contract price will be allocated to the separate elements.

Research and other income

In addition to the accounting policies under note 5, in certain instances contracts are received for specific purposes with a contractual outcome and the funding does not allow for the retention of any of the capital or any of the profit by the Group. Unspent income is treated as income in advance in the statement of financial position, and is returned to the sponsor at the end of the contract period as required. The balance of the restricted funds on contract close-out will become unrestricted if all obligations in terms of the contract have been met, and where the requirement to return such funds to the sponsor has been waived. These funds are then utilised to support ongoing research. Actual work performed method is used to account for research and other contracts. In addition, judgements are required when recognising and measuring any variations or claims on each contract.

Research and other expenditure relating to contracts

Research and other expenditure relating to contracts is recognised as an expense when incurred. Costs that are directly attributable to the development of intangible assets are capitalised. Refer to note 18.3 for additional disclosures.

Income from clinical research contracts

Revenue from clinical research contracts is therefore recognised over time based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The group considers this method an appropriate measure of the progress towards complete satisfaction of the performance obligations.

The group becomes entitled to invoice customers for research based on achieving a series of performance related milestones. When a particular milestone is reached the customer is sent a relevant statement of work and an invoice for the related milestone payment. The group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the cost-to-cost method then the company recognises a contract liability for the difference.

Area of significant management judgement and estimation

The group uses its judgement to determine what performance obligations in contracts are and if this obligations are satisfied to recognise revenue in accordance to the accounting policy stipulated above. Judgement is also used to allocate the transaction price over the performance obligations, where this is not explicitly specified in contracts.

Income from contracts

for research

from third parties

from the NRF

for clinical research contracts

for other activities

Group		University	
2021	2020	2021	2020
R ' 000	R ' 000	R ' 000	R ' 000
117 984	103 387	117 984	103 387
59 796	45 657	59 796	45 657
58 187	57 730	58 187	57 730
84 006	76 316	-	-
130 804	183 707	142 047	184 216
332 793	363 409	260 031	287 604

Financing components

It is not the practice of the group to provide finance facilities. The group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

9. Sales of goods and services

Accounting policy:

As per IFRS 15, a new five-step process must be applied before revenue can be recognised:

- identify contracts with customers
- identify the separate performance obligation
- determine the transaction price of the contract
- allocate the transaction price to each of the separate performance obligations, and
- recognise the revenue as each performance obligation is satisfied.

Income is generally recognised at the fair values of the amounts of goods or services received or receivable with consideration of the 5 step approach above. Income is shown net of value-added tax, returns, rebates and discounts. Income derived from occasional sales and services are thus recognised in the period in which the performance obligations are met. Performance obligations are generally met when the services or the goods are delivered. A receivable is recognised when the services are rendered or the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

No warranties or related obligations for the group exist.

Sales of goods and services

	Group		University	
	2021 R ' 000	2020 R ' 000	2021 R ' 000	2020 R ' 000
Letting of facilities	10 417	3 618	12 110	8 828
Transport income	2 723	5 323	2 723	5 323
Other trade revenue *	65 241	51 211	70 669	52 390
Income from sale of academic notes	1 548	6 483	1 548	6 483
Miscellaneous	9 832	13 093	5 022	11 406
TOTAL	89 761	79 729	92 072	84 430

*Other trade revenue relate mostly to entrepreneurial income from for instance laboratories and page fee income on academic publications.

Financing components

The group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

10. Private gifts and grants

Accounting policy:

Donations and gifts are recognised upon receipt when the funder can be specifically identified. When not identified, the receipts are treated as a liability and subsequently allocated to revenue when the funder can be identified and it can be determined if any conditions should be met. Donations in kind are recognised at fair value.

	Group		University	
	2021 R ' 000	2020 R ' 000	2021 R ' 000	2020 R ' 000
General donations	23 718	23 363	23 718	23 363
Donations for bursaries and scholarships	10 550	12 861	6 654	10 026
	34 268	36 224	30 372	33 389

11. Other income

Accounting policy:

Profit on disposal of property, plant and equipment

Gains and losses on disposals are determined by comparing proceeds with carrying amount. The gains or losses are recognised when the ownership of the assets is transferred. These gains or losses are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

Gain on revaluation of biological assets

Refer to note 18.5 for the accounting policies relating to biological assets.

Profit / (loss) on disposal of property, plant and equipment
Gain / (loss) on revaluation of biological assets

Group		University	
2021	2020	2021	2020
R ' 000	R ' 000	R ' 000	R ' 000
(3 545)	(1 782)	(3 565)	(922)
1 578	(340)	(10)	-
(1 967)	(2 123)	(3 575)	(922)

12. Personnel costs

Accounting policy:

Personnel costs are charged to the Statement of profit or loss when related services are rendered.

Salaries and wages
Academic professionals
Other personnel
Employee benefits
Total salaries and wages

Group		University	
2021	2020	2021	2020
R ' 000	R ' 000	R ' 000	R ' 000
833 683	767 465	833 683	767 465
981 249	932 493	911 354	866 259
48 521	92 604	43 228	90 733
1 863 453	1 792 561	1 788 265	1 724 457

Average monthly number of people employed by the University* during the year:

	2021 Number	2020 Number
Full time – Lecturing	1 080	1 025
Full time – Support	1 660	1 671
Part time – Lecturing	1 085	1 082
Part time – Support	1 552	1 826
	5 377	5 604

* The numbers disclosed do not include people employed on the joint staff establishment of the Free State Department of Health or employees of the subsidiaries.

12.1 Remuneration of Executive Management

The following information is provided in compliance with the Higher Education Act (Act 101 of 1997, as amended) and the regulations for Annual Reporting by Higher Education Institutions (section 7.4). Remuneration of executive staff is based on the cost of employment to the university.

		2021	2020
		R ' 000	R ' 000
Remuneration of executive management relating to the University			
Name	Designation		
Petersen FW, Prof	Rector and Vice-Chancellor	5 288	4 808
Qhobela, M. Dr	Vice-Rector: Institutional Change, Strategic Partnerships and Societal Impact (from 1 August 2021)	1 081	-
Lenkabula P, Prof	Vice-Rector: External Relations (to 31 December 2020)	-	2 646
Van Staden E, Dr	Vice-Rector: Academic	2 967	2 666
Witthuhn RC, Prof	Vice-Rector: Research and Internationalisation	2 725	2 591
Naidoo P, Prof	Vice-Rector: University Operations	2 882	2 572
Ntshababa N, Mr	Registrar	2 862	2 421
Madiope M, Dr	Dean: South Campus	1 796	1 643
Mgolombane P, Mr	Dean: Student affairs (to January 2021)	155	1 742
Hlasho, T. Mr	Executive Director: Student affairs (from 1 July 2021)	1 157	-
Mandew M, Dr	Qwa-Qwa Campus Principal	2 089	1 989
Kroukamp HJ, Prof	Dean: Economic and Management Sciences	1 955	1 861
Van Zyl GJ, Prof *	Dean: Health Sciences	1 147	1 147
Hudson H, Prof	Dean: Humanities	2 022	1 860
Muganbizi JC, Prof	Dean: Law	1 924	1 767
Vermeulen PD, Prof	Dean: Natural and Agricultural Sciences	2 109	1 895
Jita LC, Prof	Dean: Education	2 408	1 912
Letsosa R.Prof	Dean: Theology	1 906	1 806
Total remuneration of Executive Management		36 473	35 326

* also appointed on the joint staff establishment of the Free State Department of Health. (Remuneration excluded)

No lump sum payments in excess of R0.250m was made during 2021 or 2020 to an executive staff member of the University of the Free State.

The following table represents the disclosure required in terms of IAS 24 in respect of key management:

	Group		University	
	2021	2020	2021	2020
Compensation of key management	R ' 000	R ' 000	R ' 000	R ' 000
Short-term employee benefits	39 270	38 228	32 334	31 663
Post-employment pension and medical benefits	4 139	4 033	4 139	3 663
Total compensation paid to key management personnel	43 409	42 261	36 473	35 326

The post-employment pension and medical benefits reflected above for key management represents payments made to the University's retirement fund.

Payments for attendance at meetings of the Council and its Committees or any directors meetings

Remuneration to council and committee members were implemented from 2020. The amount of R1400 per meeting is payable to a council member, R1800 to the Deputy chair of council and R2000 to the Chairperson of Council. To date most members waived the option of remuneration. No directors of any subsidiaries receive remuneration for attendance of directors meetings.

Members of Council and committees

- Reimbursement of expenses and remuneration.

55	75	55	75
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13. Other operating expenses by nature

Accounting policy:

Expenses are recognised as expenses are incurred. Services are thus recognised when satisfactorily performed and expenses relating to products when the product was delivered and the rights relating to ownership was transferred.

The following items are included:

	Group		University	
	2021	2020	2021	2020
	R ' 000	R ' 000	R ' 000	R ' 000
Supplies and services	680 043	786 827	654 293	759 064
Cost of maintenance services	94 490	90 197	92 203	84 707
Cost of small alterations	5 418	4 902	5 418	4 902
Research and development expenditure	164 231	88 960	164 231	88 960
Bursaries *	59 319	63 997	59 319	63 892
Auditor's remuneration	2 606	3 336	2 074	2 815
- Audit fee	2 126	1 971	1 828	1 695
- Other special investigations and special reports	479	1 365	246	1 120
Total other operating expenses	1 006 107	1 038 219	977 538	1 004 340

- * Bursaries, excluding bursaries funded by third party contracts. Bursaries to the amount of R65,637m (2020: R 57,759m) is included in Research and development expenditure, as these related to research specific bursaries. Please refer to the table below for a more detailed analysis on bursaries paid by the institution. Internal bursaries to the value of R140,757m (2020: R30,195m) were recognised in accordance to IFRS 15 as a discount on tuition fees.

2021 Bursary analysis

	Bursaries funded from the Internal funds	Bursaries funded from contracts with stakeholders	Bursaries funded by the NRF	Alternatively funded bursaries	Total
Post graduate bursaries	62 504	12 138	32 826	2 044	109 512
Undergraduate bursaries	18 157	20 120	-	42 164	80 441
Academic Merit bursaries	60 096	-	-	-	60 096
	140 757	32 257	32 826	44 208	250 049

2020 Bursary analysis

	Bursaries funded from the Internal funds	Bursaries funded from contracts with stakeholders	Bursaries funded by the NRF	Alternatively funded bursaries	Total
Post graduate bursaries	19 166	10 672	33 499	3 962	67 299
Undergraduate bursaries	13 595	13 606	-	27 151	54 352
Academic Merit bursaries	30 195	-	-	-	30 195
	62 956	24 278	33 499	31 112	151 846

14. Interest and dividends

Accounting policy:

Interest income:

Interest is recognised on a time allocation basis, taking account of the principal outstanding and the effective interest rate over the period to maturity, when it is determined that such income will accrue to the University mainly relating to outstanding student debt and trade debtors. When impairment of a debtor occurs, the University reduces the carrying value to the recoverable value. The recoverable value represents the future cash flow, discounted as interest over time. Interest income on loans in respect of which impairment has been recognised is recognised at the original effective interest rate.

Interest income on financial assets at amortised cost (held-to-maturity investments and loans and receivables) calculated using the effective interest method is recognised in the statement of profit or loss as part of other income.

Dividend income:

Dividends are received from financial assets measured at FVPL. Dividends are recognised as other income in profit or loss when the right to receive payment is established.

	Group		University	
	2021	2020	2021	2020
	R ' 000	R ' 000	R ' 000	R ' 000
Interest income	225 008	160 156	224 422	159 055
Dividend income	59 299	85 524	59 066	85 181
Total interest and dividend income	284 307	245 680	283 488	244 236

Refer to note 24.4 for detail on interest income and dividend income from related parties.

15. Administration cost of financial assets

Accounting policy:

Expenses relating to the administration cost of financial assets are recognised as expenses when the related services were performed.

Investment management fees	22 139	19 796	22 076	19 767
Total administration cost financial assets	22 139	19 796	22 076	19 767

16. Income Tax

Accounting policy:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the group and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Area of significant management judgement and estimation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

No provision for normal South African income tax was made for the University, as the University is exempt in terms of section 10(1)(cA)(i) of the South African Income Tax Act. All income taxes disclosed below relate to Farmovs Pty Ltd, a wholly owned subsidiary of the University.

Income tax expense

Major components:

Current

Local income tax

Deferred

Deferred tax

Total income tax expense / (income)

Group	
2021	2020
-	13
(10 258)	(9 903)
(10 258)	(9 903)

Reconciliation of tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Statutory rate	28.00%	28.00%
Fixed assets adjustment	0.00%	-0.28%
Exempt portion	-28.00%	-27.72%
Effective tax rate	0.00%	0.00%

The differences between the statutory and effective tax rate relates to fixed asset adjustment and other minor differences.

17. Financial assets and financial liabilities

This note provides information about the group's financial instruments, including:

- an overview of all financial instruments held by the group
- specific information about each type of financial instrument
- accounting policies
- information about determining the fair value of the instruments, including judgements and estimation uncertainty involved.

The group holds the following financial instruments

		Group		University	
		2021	2020	2021	2020
Notes		R ' 000	R ' 000	R ' 000	R ' 000
Financial assets					
Financial assets at amortised cost					
Student and trade receivables	17.1	340 116	383 470	331 962	368 887
Student and other loans	17.2	1 018	1 018	44 905	52 801
Cash and cash equivalents	17.3	282 418	74 768	278 566	62 490
Financial assets at fair value through profit or loss (FVPL)	17.4	9 095 070	7 308 764	9 067 071	7 285 662
Financial liabilities					
Liabilities at amortised cost					
Trade and other payables **	17.5	908 613	567 051	862 805	530 039
Borrowings	17.6	191 957	187 450	187 736	187 450

** Excluding non-financial liabilities

The group's exposure to various risks associated with the financial instruments is discussed in note 22. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

Accounting policy:

Classification

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss.

The group reclassifies debt investments when and only when its business model for managing those assets changes. (Also refer to note 21.3)

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

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

Equity instruments

The group subsequently measures all equity investments at fair value. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable.

Impairment

The group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 22.2.2 for further details.

Subsequent measurement

The measurement at initial recognition did not change on adoption of IFRS 9, see description above.

Subsequent to the initial recognition, loans and receivables and held-to-maturity investments were carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at FVPL were subsequently carried at fair value. Gains or losses arising from changes in the fair value were recognised as follows:

- for financial assets at FVPL – in profit or loss within other gains/(losses)
- for available-for-sale financial assets that are monetary securities denominated in a foreign currency – translation differences related to changes in the amortised cost of the security were recognised in profit or loss and other changes in the carrying amount were recognised in other comprehensive income
- for other monetary and non-monetary securities classified as available-for-sale – in other comprehensive income.

Details on how the fair value of financial instruments is determined are disclosed in note 19.

When securities classified as available-for-sale were sold, the accumulated fair value adjustments recognised in other comprehensive income were reclassified to profit or loss as gains and losses from investment securities.

Impairment

The group assessed at the end of each reporting period whether there was objective evidence that a financial asset or group of financial assets was impaired. A financial asset or a group of financial assets was impaired and impairment losses were incurred only if there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) had an impact on the estimated future cash flows of the financial asset or group of financial assets that could be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost was considered an indicator that the assets are impaired.

Assets carried at amortised cost

For loans and receivables, the amount of the loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that had not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset was reduced and the amount of the loss was recognised in profit or loss. If a loan or held-to-maturity investment had a variable interest rate, the discount rate for measuring any impairment loss was the current effective interest rate determined under the contract. As a practical expedient, the group could measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreased and the decrease could be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss was recognised in profit or loss.

Impairment testing of trade receivables is described in note 19.

Assets classified as available-for-sale

If there was objective evidence of impairment for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – was removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss were not reversed through profit or loss in a subsequent period.

If the fair value of a debt instrument classified as available-for-sale increased in a subsequent period and the increase could be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss was reversed through profit or loss.

17.1 Trade and other receivables

Accounting policy:

Classification as trade receivables

Trade receivables are amounts due from customers or students for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows, and the cash flows represent solely payments of principal and interest. They therefore measures them subsequently at amortised cost using the effective interest method. Details about the group's impairment policies and the calculation of the loss allowance are provided in note 22.2.2.1.

Area of significant management judgement and estimation

The group assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the financial asset. Details about the group's impairment policies and the calculation of the loss allowance are provided in note 22.2.2.1.

	Notes	Group		University	
		2021 R ' 000	2020 R ' 000	2021 R ' 000	2020 R ' 000
Student debtors					
Gross student debtors		261 375	311 257	261 375	311 257
Less: Allowance for credit losses	22.2.2.1	(42 760)	(95 448)	(42 760)	(95 448)
Closing net carrying amount		218 615	215 809	218 615	215 809
Pre-paid expenses		1 169	26 874	1 169	26 874
Current tax receivable		-	-	-	-
Other trade receivables		89 443	103 045	80 940	88 339
Accrued interest on investments		30 889	37 741	31 238	37 865
Closing net carrying amount		121 502	167 661	113 347	153 078
Total trade and other receivables		340 116	383 470	331 962	368 887

Fair values of trade and other receivables

Due to the short-term nature of the trade and other receivables, their carrying amount is considered to be the same as their fair value. Also refer to note 19 for further disclosures relating to fair values.

Impairment and risk exposure

Information about the impairment of trade and other receivables and the group's exposure to credit risk, foreign currency risk and interest rate risk can be found in note 22. The group does not hold any collateral as security.

Prepaid expenses

Prepaid expenses comprise that portion of expenses that is paid in the current year, but which only is applicable to the next financial year. Prepaid expenses normally do materialise and credit losses are therefore deemed minimal.

Other trade receivables

Other trade receivables consist of amounts owed by a number of reputable institutions, resulting from various grants / contracts or in accordance with other agreements.

Carrying amount of other trade receivables approximate their fair values.

Accrued interest on investments

Accrued interest is amounts due to the group by their investment portfolio manager on investments within the group's portfolio. Based on the history of no defaults, there is no expectation of defaults, also due to the fact that the portfolios are managed by well established and recognised institutions. A multi-manager approach further mitigates the exposure to credit risk.

17.2 Student and other loans

Accounting policy:

Loans to students are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially measured at fair value plus transaction costs. Subsequently, items included in this category are measured at the amortised cost, calculated based on the effective interest method, and interest income is included in profit/ loss for the period. The group holds these receivables with the objective to collect the contractual cash flows, and the cash flows represent solely payments of principal and interest. Net gains or losses represent reversals of impairment losses, impairment losses and gains, and losses on derecognition. Net gains or losses are included in other income or other expenses. Short-term receivables with no stated interest rates are measured at the original invoice amount if the effect of discounting is immaterial.

Area of significant management judgement and estimation

The group assesses its student loans for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the financial asset. Details about the group's impairment policies and the calculation of the loss allowance are provided in note 22.2.2.2

Financial assets at amortised cost include the following debt investments:

	Notes	Group		University	
		2021 R ' 000	2020 R ' 000	2021 R ' 000	2020 R ' 000
Student loans		28 688	26 524	28 688	
Less: Allowance for credit losses	22.2.2.2	(26 492)	(28 656)	(26 492)	(28 656)
Student loans – net		32	32	32	32
Loans to third parties		986	986	986	986
Loans to related parties	24.4	-	-	43 888	51 784
		1 018	1 018	44 905	52 801

Student loans

All non-current student loans are due within 5 years from the relevant year-end. The interest rate is prime less 1 %. None of these loans were re-negotiated and no collateral were taken on any of these loans. Loans to students become repayable on completion of their studies. All loans are dominated in South African Rand.

The classification of these loans are represented as follows:

Non-current student loans for students still studying – not yet repayable	13	32	13	32
Current student loans for students who completed their studies – repayable	26 511	28 656	26 511	28 656
	26 524	28 688	26 524	28 688

Loans to related parties

The loan to Farmovs, a fully owned subsidiary of the University is considered non-current as an agreement was signed that the repayment of the loan will not commence within the next 12 months.

Fair values of other financial assets at amortised cost

The fair values of student loans:

Student loans	24 731	26 811	24 731	26 811
	24 731	26 811	24 731	26 811

The fair value of the student loans are based on the cash flows discounted using a rate based on the prime rate of 7.25 % (2020: 7%). They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk (See note 22.2.2.2)

Due to the short-term nature of the other loans receivables, their carrying amount is considered to be the same as their fair value.

Further information relating to loans to related parties is disclosed in note 24.4

Impairment and risk exposure

Note 22 sets out information about the impairment of financial assets and the group's exposure to credit risk.

The maximum exposure to credit risk at the reporting date is the fair value of each of the receivables mentioned above.

17.3 Cash and cash equivalents

Accounting policy:

Classification as cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

	Group		University	
	2021	2020 (restated)	2021	2020 (restated)
	R ' 000	R ' 000	R ' 000	R ' 000
Current assets				
Cash and cash equivalents	282 418	74 768	278 566	62 490

Additional information relating to cash and cash equivalents of the University

Although the University have an overdraft account at ABSA, the facility were not utilised as at 31 December 2020 or 2021. The overdraft is managed on the agreement that interest would only be levied if the overdraft exceeds the positive account balance.

The weighted average effective interest rate on short-term bank deposits was 2.15% (2020: 2.97%).

Cash and bank balances are encumbered by guarantees of R3,5 million provided to Centlec.

Reconciliation to cash flow statement

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year. Also refer to note 20 for further detail regarding cash flows of the group.

Risk exposure and fair value measurements

Information relating to risk exposure and fair value measurement can be found in note 22.

The fair value of cash and cash equivalents approximate their carrying amounts.

The group places cash and cash equivalents with reputable financial institutions, mostly banking institutions, to limit credit risk. The maximum exposure to credit risk at the reporting date is the carrying value of the cash and cash equivalents.

17.4 Financial assets at fair value through profit or loss

Accounting policy:

Classification of financial assets as available-for-sale

The group classifies the following financial assets at fair value through profit or loss (FVPL):

- debt investments that do not qualify for measurement at either amortised cost,
- equity investments that are held for trading, and
- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

The financial assets were presented as non-current assets unless they matured, or management intended to dispose of them within 12 months of the end of the reporting period.

	Group		University	
	2021 R ' 000	2020 R ' 000	2021 R ' 000	2020 R ' 000
Opening net carrying amount	7 308 764	5 773 090	7 285 662	5 751 821
Additions	6 353 049	6 571 311	6 351 340	6 569 211
Disposals	(5 339 138)	(5 034 558)	(5 339 138)	(5 034 414)
Fair value movements through profit and loss.	772 394	(1 078)	769 208	(955)
Closing net carrying amount	9 095 070	7 308 764	9 067 071	7 285 662

Investments comprise marketable securities and cash funds within an investment portfolio, managed by independent fund managers as per approved mandates, that are revalued annually at the close of business on 31 December with reference to Stock Exchange quoted prices.

Non-current financial assets at fair value through profit and loss

Opening net carrying amount	5 034 946	4 562 752	5 014 912	4 544 387
Additions	3 081 693	2 592 030	3 080 108	2 590 094
Disposals	(2 605 740)	(2 117 954)	(2 605 740)	(2 117 810)
Fair value movements through profit and loss	780 745	(1 882)	777 559	(1 758)
Closing net carrying amount	6 291 644	5 034 946	6 266 839	5 014 912

Current financial assets at fair value through profit and loss

Opening net carrying amount	2 273 818	1 210 338	2 270 750	1 207 434
Additions	3 271 356	3 979 281	3 271 232	3 979 117
Disposals	(2 733 397)	(2 916 604)	(2 733 397)	(2 916 604)
Fair value movements through profit and loss	(8 351)	803	(8 351)	803
Closing net carrying amount	2 803 426	2 273 818	2 800 233	2 270 750

Investments to the value of R146 million were provided as security for the FirstRand Bank loan (Note 17.6). These investments are managed within the portfolios of the Coronation and Allan Gray fund managers of the University.

Risk exposure and fair value measurements

Information about the group's exposure to price risk is provided in note 22. For information about the methods and assumptions used in determining fair value please refer to note 19 below.

17.5 Trade and other payables

Accounting policy:

Trade and other receivables:

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Provisions:

Provision is recognised when the Group has a current statutory or constructive obligation as a result of a past binding occurrence which probably will lead to an outflow of resources in the form of economic benefits to meet the obligation and when a reasonable estimate of the amount of the obligation can be made. Provisions are measured at the present value of the expected future expenditure to meet the obligation, discounted at a pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Provisions are not recognised for future operating losses.

	Group		University	
	2021 R ' 000	2020 R ' 000	2021 R ' 000	2020 R ' 000
Trade payables	238 730	211 967	224 467	194 512
Finance lease liabilities	(717)	161	-	-
Other payables and provisions	196 005	130 441	162 475	111 044
Student deposits	9 382	8 674	9 382	8 674
Tuition fees creditors	58 390	62 426	58 390	62 426
Agency funds *	440 274	181 306	440 274	181 306
Total trade and other payables	942 063	594 975	894 986	557 962

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature. Trade and other payables are denominated in South African Rand.

* Agency funds represent funds that the group manage on behalf of a third party. The balance of transactions is repayable to the third parties after transactions are finalised. E.g. Bursaries managed on the behalf of third parties.

Trade payables classified as non-financial liabilities included above

Taxes	33 450	27 923	32 181	27 923
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17.6 Borrowings

Accounting policy:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs are expensed in the period in which they are incurred.

	Group		University	
	2021 R ' 000	2020 R ' 000	2021 R ' 000	2020 R ' 000
Non-current portion of borrowings				
Development Bank of South Africa	66 516	66 047	66 516	66 047
FirstRand Bank	121 220	121 403	121 220	121 403
Other loans	4 221	-	-	-
Current portion of long term borrowings				
Current portion	-	-	-	-
	191 957	187 450	187 736	187 450

The borrowings are from FirstRand Bank, the Development Bank of South Africa and are all denominated in South African Rand.

The borrowings from the Development Bank of South Africa, was interest into on 17 December 2015 and amounted to R64,5 million at inception. The loan matures in 2035 and bears interest at a fixed rate of 12.04% p.a.

A total borrowing facility of R230 million was secured with FirstRand Bank. The loan matures in 2033 and bears interest at a fixed rate of 10.13% p.a.

Other loans relate to a loan entered into between FARMOVS (Pty) Ltd and Avacare Share Services. This loan does not carry any interest.

	2021 R ' 000	2020 R ' 000
Maturity of borrowings (Future cash flows)		
Within 1 year	21 438	19 942
Between 2 and 3 years	47 820	44 484
Between 4 and 5 years	55 263	51 407
Between 6 and 7 years	63 863	59 407
After 7 years	159 583	192 668

Assets pledged as security

Borrowings from FirstRand Bank is secured by investments as disclosed in note 17.4. Other borrowings are unsecured.

Risk exposure and fair value measurements

Details of the group's exposure to risks arising from current and non-current borrowings are set out in note 22. For information about the methods and assumptions used in determining fair value please refer to note 19 below.

18. Non-financial assets and liabilities

This note provides information about the group's non-financial assets and liabilities, including specific information about each type of non-financial asset and non-financial liabilities. Detailed notes are provided on:

- property, plant and equipment (note 18.1)
- investment properties (note 18.2)
- intangible assets (note 18.3)
- inventories (note 18.4)
- biological assets (note 18.5)
- employee benefit obligations (note 18.6)
- deferred income (note 18.7)
- deferred tax balances (note 18.8)

Accounting policy:

Individual accounting policies of non-financial assets and liabilities is disclosed under each separate sub-note of note 18. However the accounting policy relating to impairment of non-financial assets is disclosed below as this is consistent for all non-financial asset classes.

Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are recognised at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

18.1 Property, plant and equipment

Accounting policy:

Land and buildings mainly consist of lecture halls, laboratories, hostels and administrative buildings. All property (including investment properties – note 18.2), plant and equipment are recorded at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Property, plant and equipment acquired by means of donations are recorded at fair value at the date of the donation through profit and loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Equipment are recognised at cost, excluding donations of books and equipment, which are recognised at fair market values on the date of donation. All equipment is subsequently measured at cost less accumulated depreciation and books are expensed in the year of acquisition. Land is not depreciated as it is deemed to have an indefinite useful life. Other assets are depreciated by using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

The depreciation methods and periods used by the group are disclosed in the note below.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Work in process is included at cost and not depreciated until completed and brought into use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings. When assets are leased out under an operating lease, the asset is included in the balance sheet based on the nature of the asset.

Area of significant management judgement and estimation

The group uses its judgement in determining the residual value of assets as well as the useful lives of each category of assets.

	Group					
2021	Land and buildings	Vehicles	Computer equipment	Furniture and equipment	Other **	Total
Non-current	R ' 000	R ' 000	R ' 000	R ' 000	R ' 000	R ' 000
At 1 January 2021						
Cost	1 477 002	33 673	389 823	587 800	27 430	2 515 729
Accumulated depreciation	(377 161)	(18 035)	(199 101)	(306 897)	(21 245)	(922 439)
Net carrying amount	1 099 841	15 638	190 722	280 903	6 185	1 593 290
Year ended 31 December 2021						
Additions	42 640	2 540	31 768	140 471	625	218 044
Buildings under construction	80 147	-	-	-	-	80 147
Disposals	(178)	(123)	(3 163)	(688)	(1 007)	(5 158)
Depreciation charge	(27 131)	(1 963)	(39 401)	(43 659)	(981)	(113 135)
At 31 December 2021						
Cost	1 599 611	35 264	407 231	722 675	27 047	2 791 828
Accumulated depreciation	(404 292)	(19 170)	(227 306)	(345 648)	(22 225)	(1 018 640)
Net carrying amount	1 195 319	16 093	179 926	377 028	4 822	1 773 188

** Other assets include software cost, art collections and library books

Government grants to the amount of R 513,551 m were applied against the cost of the relevant asset when the asset was procured or constructed, in accordance with IAS 20.

	University					
2021 Non-current	Land and buildings R ' 000	Vehicles R ' 000	Computer equipment R ' 000	Furniture and equipment R ' 000	Other ** R ' 000	Total R ' 000
At 1 January 2021						
Cost	1 452 442	33 353	337 607	582 453	24 256	2 430 110
Accumulated depreciation	(367 954)	(17 867)	(172 596)	(306 045)	(19 243)	(883 704)
Net carrying amount	1 084 488	15 486	165 011	276 408	5 013	1 546 406
Year ended 31 December 2021						
Additions	41 254	2 540	27 651	132 903	625	204 974
Buildings under construction	80 657	-	-	-	-	80 657
Disposals	(178)	(123)	(3 163)	(688)	-	(4 151)
Depreciation charge	(27 090)	(1 906)	(30 486)	(42 698)	(584)	(102 764)
At 31 December 2021						
Cost	1 574 174	34 943	352 683	709 760	24 880	2 694 656
Accumulated depreciation	(395 043)	(18 946)	(191 885)	(343 834)	(19 826)	(969 534)
Net carrying amount	1 179 131	15 997	159 014	365 926	5 054	1 723 338

** Other assets include software cost, art collections and library books

	Group					
2020 Non-current	Land and buildings R ' 000	Vehicles R ' 000	Computer equipment R ' 000	Furniture and equipment R ' 000	Other ** R ' 000	Total R ' 000
At 1 January 2020						
Cost	1 411 220	33 258	353 585	531 109	26 572	2 355 744
Accumulated depreciation	(383 209)	(16 649)	(167 038)	(270 049)	(19 003)	(855 947)
Opening net carrying amount	1 028 011	16 609	186 547	261 060	7 570	1 499 796
Year ended 31 December 2020						
Additions	60 473	1 105	42 298	58 304	858	163 039
Buildings under construction	12 037	-	-	-	-	12 037
Disposals	(145)	(103)	(849)	(316)	-	(1 413)
Depreciation charge	(534)	(1 973)	(37 275)	(38 145)	(2 242)	(80 169)
At 31 December 2020						
Cost	1 477 002	33 673	389 823	587 800	27 430	2 515 729
Accumulated depreciation	(377 161)	(18 035)	(199 101)	(306 897)	(21 245)	(922 439)
Net carrying amount	1 099 841	15 638	190 722	280 903	6 185	1 593 290

** Other assets include software cost, art collections and library books

Government grants to the amount of R 474,362m were applied against the cost of the relevant asset when the asset was procured or constructed, in accordance with IAS 20.

	University					
2020 Non-current	Land and buildings R ' 000	Vehicles R ' 000	Computer equipment R ' 000	Furniture and equipment R ' 000	Other ** R ' 000	Total R ' 000
At 1 January 2020						
Cost	1 387 204	32 702	299 296	525 935	23 398	2 268 536
Accumulated depreciation	(374 026)	(16 449)	(149 131)	(269 616)	(17 723)	(826 945)
Opening net carrying amount	1 013 178	16 254	150 165	256 319	5 675	1 441 591
Year ended 31 December 2020						
Additions	60 438	1 105	42 164	58 130	858	162 696
Buildings under construction	11 527	-	-	-	-	11 527
Disposals	(145)	-	(580)	(316)	-	(1 041)
Depreciation charge	(510)	(1 873)	(28 522)	(37 725)	(1 520)	(70 150)
At 31 December 2020						
Cost	1 452 442	33 353	335 823	582 453	24 256	2 428 326
Accumulated depreciation	(367 954)	(17 867)	(172 596)	(306 045)	(19 243)	(883 704)
Net carrying amount	1 084 488	15 486	163 227	276 408	5 013	1 544 622

** Other assets include software cost, art collections and library books

No property, plant and equipment were pledged as security.

Revaluation, depreciation methods and useful lives

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter lease term as follows:

- Buildings 10 – 50 years
- Components of buildings:
 - Air conditioners 10 – 20 years
 - Lifts 10 – 20 years
- Vehicles 5 – 8 years
- Furniture and equipment 5 – 20 years
- Computer equipment – 3 – 10 years
- Other assets:
 - Museum and art collections are written off in the year of acquisition.
 - Library books are expensed in the year of acquisition

18.2 Investment property

Accounting policy:

Investment property is held to earn income and appreciate in capital value. Excluded are properties used by the Group, as well as those being constructed or developed for future use by the Group.

Investment properties are initially recognised at fair value and subsequently treated as non-current assets. It is then carried at cost less accumulated depreciation. Investment properties are depreciated by using the straight-line method to allocate their cost to their residual values over their estimated useful lives, which is estimated at 50 years.

Gains and losses on disposal of investment property are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

Area of significant management judgement and estimation

The group uses its judgement in determining the residual value of assets as well as the useful lives of each category of assets. The group also uses its judgement to determine the valuation techniques, which is the discounted cash flow approach as well as the assumptions used to determine the fair value of the property for disclosure purposes.

Discount rate of 12% was used for Farmovs (Pty) Ltd as all expenses are paid by the tenant. A discount rate of 7% was used for the Thakaneng Bridge due to all expenses associated with the property being paid by the landlord and the fact that turnover is only applicable for 10 months of the year.

	Group		University	
	2021 R ' 000	2020 R ' 000	2021 R ' 000	2020 R ' 000
Non-current assets				
Cost at the beginning of the year	30 002	30 002	52 743	52 743
Accumulated depreciation beginning of the year	(10 717)	(10 396)	(26 264)	(25 209)
Opening net carrying amount	19 285	19 606	26 479	27 534
Depreciation charge	(600)	(321)	(600)	(1 055)
Cost at the end of the year	30 002	30 002	52 743	52 743
Accumulated depreciation end of the year	(11 317)	(10 717)	(26 864)	(26 264)
Closing net carrying amount	18 685	19 285	25 879	26 479

Amounts recognised in profit or loss for investment properties

Rent received on investment property	669	5 995	2 363	11 205
Direct operating expenses relating to Thakaneng Bridge	2 693	2 691	2 693	2 691

Investment property consists mainly of the Thakaneng Bridge on campus, where various shops are let to small businesses, as well as buildings let to a subsidiary of the University, Farmovs (Pty) Ltd.

Fair value

Fair value of investment property	89 817	82 730	155 588	125 999
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Useful live

Property is depreciated over a 50 years economic useful life.

Leasing arrangements

Some of the investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows:

Operating lease receivable commitments

The future minimum lease receivables under non-cancellable operating leases are as follows:

	Group		University	
	2021	2020	2021	2020
	R ' 000	R ' 000	R ' 000	R ' 000
Not later than 1 year	4 623	12 635	12 476	12 678
Later than 1 year and not later than 5 years	5 630	39 161	28 892	39 161
Later than 5 years	94	254	94	254
Total future cash flows	41 462	52 049	41 462	52 093
Lease income already accrued due to straightlining of leases	(976)	(1 089)	(8 191)	(1 094)
Future receivables	33 271	50 960	33 271	50 999

Also refer to note 24.4 for disclosure of related party transactions.

18.3 Intangible assets

Accounting policy:

Trademarks, licences, and customer contracts

Separately acquired trademarks and licences are shown at historical cost. Trademarks, licenses and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses

Research and development

Research expenditure and development expenditure that do not meet the criteria under software above are recognised as an expense as incurred.

Research and development expenditure relating to patents is recognised as an expense except that costs incurred on development projects are recognised as development assets (intangible assets) to the extent that such expenditure is expected to have future economic benefits. However, development costs initially recognised as an expense are not recognised as an asset in a subsequent period. Development costs that have been capitalised are amortised from the registration on a straight-line basis over the period of their expected benefit.

Amortisation methods and periods

Refer to note below for details about amortisation methods and periods used by the group for intangible assets.

Derecognition

An intangible asset shall be derecognised: on disposal; or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of intangible assets are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

Area of significant management judgement and estimation

The group uses its judgement in determining the residual value of assets as well as the useful lives of each category of assets. The actual useful life may be shorter or longer than 20 years, depending on technical innovations and competitor actions.

	Group		University	
	Patents, trademarks and other rights			
	2021	2020	2021	2020
	R ' 000	R ' 000	R ' 000	R ' 000
Non-current				
At 1 January				
Cost	8 488	7 813	8 488	7 813
Accumulated depreciation	(2 454)	(1 947)	(2 454)	(1 947)
Opening net carrying amount	6 034	5 865	6 034	5 865
Additions	637	676	637	676
Disposals	(1 479)	-	(1 479)	-
Depreciation charge	(450)	(507)	(450)	(507)
At 31 December				
Cost	7 026	8 488	7 026	8 488
Accumulated depreciation	(2 284)	(2 454)	(2 284)	(2 454)
Net carrying amount	4 742	6 034	4 742	6 034

Intangible assets for the University consist of self-developed patents by the University of the Free State.

Amortisation methods and useful lives

The group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

- Patents 20 years

18.4 Inventory

Accounting policy:

Inventories mainly comprise consumer goods and stationery. Inventories are stated at the lower of cost, on the basis of weighted average cost for all categories, or net realisable value. The carrying amounts of different classifications of inventory are disclosed. Costs of purchased inventory are determined after deducting rebates and discounts.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

	Group		University	
	2021	2020	2021	2020
	R ' 000	R ' 000	R ' 000	R ' 000
Current assets				
Inventories comprise the following items:				
Sundry - mostly stationery, cleaning material, furniture and fuel	5 412	6 162	5 412	6 162
Food	1 821	1 881	1 821	1 881
	8 043	7 234	8 043	8 043

In 2021 R0,006 m (2020 R 0,048 m) were recognised as write-off of inventory shortages in the consolidated statement of comprehensive income.

18.5 Biological assets

Accounting policy:

Livestock is mainly held at experimental farms of the University and by a subsidiary, the Lila Theron Trust. They are assessed based on fair values less estimated point-of-sale costs at appropriate reporting dates. Gains and losses arising from changes in the fair values are recorded in net profit or loss for the period in which they arise. The determination of fair value is based on active markets, at auction of livestock of similar age, breed or genetic merits, with adjustments where necessary to reflect the differences. All the expenses incurred in establishing and maintaining the assets is recognised in the statement of comprehensive income. All costs incurred in acquiring biological assets are capitalised. Finance charges are not capitalised.

	Group		University	
	2021	2020	2021	2020
	R ' 000	R ' 000	R ' 000	R ' 000
Current assets				
Biological assets comprise the following:				
Opening net carrying amount	5 930	7 463	3 018	3 018
Livestock purchased	16	243	-	-
Livestock sold	(2 413)	(1 436)	-	-
Market value adjustment	1 589	(340)	-	-
Closing net carrying amount	5 122	5 930	3 018	3 018

Livestock is held on the experimental farms and the land held by the Lila Theron Trust. It consists of game, cattle and sheep. Fair values of livestock are based on market prices of similar livestock in the Free State region at year-end. Prices were provided by an independent auctioneer. Fair values are within level 3 of the fair value hierarchy. Refer to note 19 for further disclosures regarding fair values of biological assets.

18.6 Employee benefits***Accounting policy:*****(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The group also has liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The group operates various post-employment schemes, including both defined benefit and defined contribution pension plans and post-employment medical plans.

The schemes are generally funded through payments to trustee-administered funds, determined by periodic actuarial calculations. The University has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the University pays fixed contributions into a separate entity. The University has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

For defined contribution plans, the University pays contributions to trustee administered funds. The University has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Pension obligations

The liability or asset recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs. For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

		Group and University					
		2021			2020		
		Current	Non-current	Total	Current	Non-current	Total
		R ' 000	R ' 000	R ' 000	R ' 000	R ' 000	R ' 000
Notes							
Leave obligations	18.6.1	(22 225)	(147 189)	(169 414)	(19 735)	(176 865)	(196 600)
Defined pension benefits	18.6.2	-	197 911	197 911	-	88 081	88 081
Post-employment medical benefits	18.6.3	-	(452 523)	(452 523)	-	(423 495)	(423 495)
Post-employment group life insurance	18.6.4	-	(24 552)	(24 552)	-	(24 108)	(24 108)
Total employee benefit obligations		(22 225)	(426 353)	(448 577)	(19 735)	(536 387)	(556 122)

Statement of Comprehensive Income charge for:

		Group and University	
		2021	2020
		R'000	R'000
Pension benefits		(4 605)	(9 033)
Post employment medical obligations		36 622	39 025
		32 017	29 992

Other Comprehensive Income gain / (loss) for:

Post employment group life benefit	(446)	(1 332)
Pension benefits	100 760	(22 116)
Post employment medical obligations	7 594	106 705
	107 908	83 257

Only one subsidiary of the UFS, Farmovs (Pty) Ltd, contain employee benefits, whereby an accrual for leave to employees are raised. All other employee benefit obligations for the group relate to employees of the University and no additional obligations exist for any of the other group entities. Therefor only information relating to the University is disclosed in notes 18.6.2 to 18.6.3.

18.6.1 Leave obligations

	Group		University	
	2021 R ' 000	2020 R ' 000	2021 R ' 000	2020 R ' 000
Opening net carrying amount	196 600	167 270	195 249	169 566
Leave payouts	(10 834)	(11 520)	(10 834)	(11 520)
Accrued	(16 352)	40 850	(15 001)	37 202
Closing net carrying amount	169 414	196 600	169 414	195 249
Current portion of leave obligations	(22 225)	(19 735)	(22 225)	(18 384)
Non-current portion of leave obligations	(147 189)	(176 865)	(147 189)	(176 865)

Up to December 2021 the approved leave policy of the University prescribed that 21 working days be taken per leave cycle and the balance of the employee's annual leave may accumulate up to a maximum of 6 months. From 1 January 2022 only 5 days per leave cycle may be transferred to the next leave cycle.

A maximum of six months' leave gratuity is payable in respect of the vacation leave to a staff member's credit when he or she terminates his or her services as a result of death, retirement, medical unfitness or rationalisation. Leave gratuity is also payable to staff members who were employed prior to 1 January 2012 and who had accumulated leave days of more than six months up to a maximum of nine months vacation leave.

The leave accrual is based on valuations performed by management.

The principal actuarial assumptions used for accounting purposes were:

	2021	2020
Discount rate	5.80%	5.00%
Future salary increases, excluding merit promotions	6.80%	6.00%

18.6.2 Retirement benefit surplus/ (obligations)

Pension benefits

The amounts recognised in the statement of financial position and the movements in the net defined benefit obligation over the year are as follows:

	University	
	2021 R ' 000	2020 R ' 000
Present value of obligation	1 569 948	1 570 823
Fair value of plan assets	1 805 498	1 737 832
(Funded) / unfunded obligation according to actuarial valuation	(235 550)	(167 009)
Effect of write down to asset ceiling	37 639	78 928
Liability/(assets) in the statement of financial position	(197 911)	(88 081)

Change in defined benefit obligation

Defined benefit obligation at beginning of year	1 570 823	1 653 504
Interest cost	148 156	148 479
Current service cost	5 943	10 292
Benefit payments	(173 420)	(137 832)
Employee contributions	2 360	2 930
Actuarial (gain)/loss	16 086	(106 550)
Defined benefit obligation at end of year	1 569 948	1 570 823

Change in defined benefit asset

	University	
	2021 R ' 000	2020 R ' 000
Asset at fair value at beginning of year	1 737 832	1 805 524
Employer contributions	4 465	5 523
Employee contributions	2 360	2 930
Interest income on defined benefit assets	164 227	167 804
Actual return earned in excess of interest income	70 034	(106 117)
Benefit payments	(173 420)	(137 832)
Asset at fair value at end of year	1 805 498	1 737 832

The amounts recognised in the statement of comprehensive income are as follows:

Cost /(credit) recognised in surplus / (deficit) as part of employee cost (note 18)

Current service cost	5 943	10 292
Interest cost	148 156	148 479
Interest income	(164 227)	(167 804)
Effect of asset ceiling write-down	5 523	-
	(4 605)	(9 033)

(Gain) / loss recognised in other comprehensive income

Adjustment to asset ceiling	(46 812)	22 549
Return on plan assets in excess of interest	(70 034)	106 117
Actuarial (gain)/loss	16 086	(106 550)
Total (gain) / loss	(100 760)	22 116

The principal actuarial assumptions used for accounting purposes were:

	2021	2020
Discount rate	10.10%	9.80%
Future price inflation	5.80%	5.00%
Future salary increases, excluding merit promotions	6.80%	6.00%
Future pension increases (Cat A and B)	4.64%	5.00%
Future pension increases (Cat C)	2.32%	3.00%
Net discount rate – pre-retirement	3.09%	3.58%
Net discount rate – post-retirement (Cat A and B)	5.22%	4.57%
Net discount rate – post-retirement (Cat C)	7.60%	6.60%

Pension benefit arrangements

The Fund is a hybrid arrangement which includes in-service defined benefit and defined contribution members, defined contribution members with a defined benefit underpin and pensioners paid from the Fund. All new entrants join the defined contribution section of the Fund and the group of in-service defined benefit members is therefore a closed group.

The stated aim of the pension increase policy for category A and B pensioners paid from the Fund is to target pension increases between 75% and 100% of the increase in the Consumer Price Index on an annual basis (with pension increases being considered on 1 April of each year). The stated aim of the pension increase policy for category C pensioners paid from the Fund is to target pension increases equal to between 30% and 60% of the increase in the Consumer Price Index on an annual basis.

Full details of the benefits payable can be found in the rules of the Fund.

Governance

The responsibility for the governance of the Fund rests with the Trustees of the Pension Fund and not with the University.

Regulatory framework

The Fund is subject to the Pension Funds Act ("the PFA"). In terms of the PFA an actuarial valuation of the Fund must be performed at least once every three years. The last such valuation was performed as at 31 December 2017. If the Fund was to be found to be in a deficit position (a financially unsound position), a special scheme designed to restore the solvency of the Fund within an acceptable period would have to be lodged with the Registrar of Pension Funds. Such a scheme, could in certain circumstances, impose minimum funding requirements on the University. The PFA also stipulates that no actuarial surplus can be used for the benefit of the employer unless such actuarial surplus, or a part thereof, has been transferred to an employer surplus account.

Funding arrangements

The employer contributions required for defined contribution members of the Fund are limited to the regular (known) contributions set out in the Rules of the Fund. The University is however responsible for funding the "balance of cost" of providing future defined benefit benefits in respect of defined benefit members and the cost of the "underpin" in respect of Category C members. The University would also be required to make additional contributions to fund any shortfall arising in the assets backing defined benefit member liabilities and "underpin" member liabilities. It is the practice of the Fund Trustees to grant pensioner increases subject to the affordability thereof.

Apportionment of surplus arising after the Fund's surplus apportionment date

At the meeting of the Trustees of the Fund held on 18 June 2013, the Trustees resolved as follows:

- Former members, pensioners and defined contribution members and living annuitants will receive their equitable share of "surplus" in their respective pools. It is therefore only surplus arising in the defined benefit in-service member section which would need to be apportioned in terms of Section 15C of the PFA.
- Future surplus arising in the defined benefit in-service member section of the Fund will be determined and apportioned as follows:
 - Ensure solvency first – this is in the interests of all stakeholders. This means that the full solvency reserve (on a conservative valuation basis) will be fully funded before any future surplus is declared; and
 - Allocate any future surplus to the employer surplus account.

It should be noted that, although the Trustees have agreed to allocate / fund any future surplus / deficit arising from experience of the defined benefit in-service member pool to the employer surplus account, we have not made any allowance for the allocation / funding as at 31 December 2020. The amount to be allocated / funded can only be determined at a statutory valuation date and must be allocated to the employer surplus account by the Trustees. Any (future surplus) amounts allocated to or funded from the employer surplus account will be reflected at subsequent IAS19 valuation dates.

Financial assumptions

The financial assumptions have been determined by Towers Watson (based on the principles set out in IAS19). These include:

- **Discount rate:** In the valuation of the liability as at 31 December 2020, the discount rate (9.80% per annum) was determined with reference to the duration of the Fund's DB liability. The duration of the Fund's DB liability was in the order of 9 years. We have determined that the duration of the Fund's DB liability has stayed the same to the order of 8 years as at 31 December 2021. As such, the discount rate was set by determining the level of the South African zero coupon bond yield curve as at 31 December 2021 at a term of 8 years. The discount rate is 10,10% per annum at this term.

- **Long-term price inflation rate:** We have assumed a long-term future inflation rate of 5.80% (2020:5.00%) per annum. In setting this rate, we have applied a similar methodology to that used at the previous valuation date, that is:

Expected inflation = nominal bond yield less inflation-linked bond yield less inflation risk premium.

The applicable nominal bond yield has been determined in the same way as the nominal bond yield used in determining the discount rate, i.e. 10.10% (2020:9.80%) per annum.

In order to determine the yield on inflation linked bonds (on the same basis as for nominal bonds) we have used the level of the South African zero coupon real yield bond curve as at 31 December 2021. The corresponding yield from this curve (at a term of 8 years) is 3.80% (2020: 4.30%) per annum at the valuation date.

Excluding an allowance for an inflation risk premium, implies an expected future inflation rate of 6.30% (2020: 5.50%) per annum (10.10% less 3.80% per annum). Our view is that based on market conditions at the valuation date, an inflation risk premium between 0.50% and 1.25% per annum is appropriate when determining the extent of the risk premium holders of nominal bonds currently require to compensate them for the risk that the value in their bonds may decline if inflation is higher than expected.

We have assumed an inflation risk premium of 0.50% for the purposes of this valuation. Based on the above, an expected inflation rate of 5.80% per annum has been assumed as at 31 December 2021 (i.e. 10.10% less 3.80% less 0.50%).

At the previous valuation date an inflation rate of 5.00% was assumed using a similar methodology as described above.

- **Salary inflation:** It has been assumed that inflationary salary increases will take place at a rate of 1.00% per annum in excess of price inflation, i.e. 6.80% per annum (6.00% used at the previous valuation date).

- **Pension increases (active members):** The Fund's pension increase policy (as it applies to current Fund pensioners and Category A and B members in retirement) is to target increases of between 75% and 100% of inflation, subject to the affordability thereof assessed with reference to a net discount rate of 4.5% per annum. We have therefore allowed for pension increases of 4.64% per annum. (being 80% of the assumed inflation rate of 5.80% per annum). The net discount rate applied to Category A and B members in retirement is thus 5.22% per annum (calculated as $1.1010 \div 1.0464 - 1$). A pension increase assumption of 5.00% per annum was used at 31 December 2020, implying a net post retirement discount rate of 4.57% per annum at that date.

The Fund's pension increase policy (as it applies Category C members in retirement) is to target increases of between 30% and 60% of inflation, subject to the affordability thereof assessed with reference to a net discount rate of 6.50% per annum. A pension increase assumption of 2.32% per annum (being 40% of the assumed inflation rate of 5.80% per annum) would lead to a net discount rate of 7.60% (calculated as $1.1010 \div 1.0232 - 1$). A pension increase assumption of 3.06% per annum was used at 31 December 2020, implying a net post retirement discount rate of 6.60% per annum at that date.

In terms of IAS19 the pension increase rate must be set independently of the discount rate. The affordability of the pension increases for the current valuation were determined with reference to the Fund's expected return on assets as per the most recent statutory valuation.

- **Pension increases (pensioners):** The pension increase assumption was previously determined with reference to the Fund's stated pension increase policy. The University has however obtained an opinion which states that IAS19 requires that allowance be made for pension increases in excess of, or less than, the pension increase target, subject to affordability, where affordability is determined with reference to the Fund's "best estimate" actuarial assumptions. We have assumed that "best estimate" assumptions in this context refer to those assumptions applied in the last statutory actuarial valuation of the Fund. The University, in conjunction with their auditors, have therefore instructed us to perform the calculation of the pension increase assumption in respect of pensions in payment, in line with the principles set out above. Our methodology for performing such calculation has been set out below.

- **Net discount rate:** The net discount rate applied to in-service members is 3.09% per annum (calculated as $1.1010 \div 1.0680 - 1$). This is higher than the 40% of Earnings Yield basis (3.20% per annum) discount rate specified in the Regulations to the PFA for the calculation of the Minimum Individual Reserve. We have set the actuarial reserve of the member equal to a minimum of the Minimum Individual Reserve ("MIR"). We have not set the actuarial reserve of the member equal to a minimum of the Minimum Individual Reserve ("MIR") since this will be higher than the benefit in terms of the Rules. We highlight that the difference between the various financial assumptions are generally more important than the absolute assumptions. The net pre-retirement discount rate has decreased 4.57% to 5.22% per annum (for Category A and B members). This implies, with all else being equal, that there will be a net decrease in the calculated in-service liabilities as a result of a change in the financial assumptions.

An approximate split of the Fund's assets by asset class as at 31 December 2021 is set out below:

Asset class	Category A & B in-service members	Category C in-service members	Pensioners	Liability weighted average
SA equities	14.5%	29.1%	0.0%	2.5%
SA property	5.3%	7.4%	1.6%	2.2%
SA nominal bonds	30.9%	20.9%	1.2%	6.2%
SA inflation-linked bonds	6.7%	0.0%	3.3%	3.9%
SA cash	4.7%	0.0%	67.8%	57.0%
International equities	30.9%	35.2%	19.8%	21.7%
Other	7.0%	7.4%	6.3%	6.5%
Total	100.0%	100.0%	100.0%	100.0%

An approximate split of the Fund's assets by asset class as at 31 December 2020 is set out below:

Asset class	Category A & B in-service members	Category C in-service members	Pensioners	Liability weighted average
SA equities	18.6%	33.9%	0.0%	4.2%
SA property	3.8%	5.3%	1.0%	1.6%
SA nominal bonds	27.8%	18.2%	5.0%	9.7%
SA inflation-linked bonds	11.0%	0.0%	3.6%	5.0%
SA cash	2.4%	2.2%	65.8%	52.3%
International equities	28.0%	30.9%	21.2%	22.7%
Other	8.4%	9.5%	3.4%	4.5%
Total	100.0%	100.0%	100.0%	100.0%

Note that there is a cash flow matching strategy in place in respect of a portion of the pensioner liability at the current valuation date. The Trustees of the Fund are considering extending the cash flow matching strategy to include a larger portion of the total pensioner liability.

	R'000 2021	R'000 2020	R'000 2019	R'000 2018	R'000 2017
Present value of obligation	1 569 948	1 570 823	1 653 504	1 637 961	1 587 520
Fair value of plan assets	1 805 498	1 737 832	1 805 524	1 779 524	1 843 118
(Funded)/unfunded obligation	(235 550)	(167 009)	(152 020)	(141 563)	(255 598)

Demographic assumptions in respect of Category A, B and C members and Pensioners

The valuation basis in respect of the Fund's demographical assumptions remains unchanged from those used at the previous valuation date.

The following mortality tables have been used:

- Before retirement: Mortality table SA85-90(light)
- After retirement: PA(90) rated down 2 years

The same rates of resignation and ill-health as those adopted at previous statutory valuation of the Fund have been used.

All members are assumed to retire at age 65, but provision is made for early retirement at the same rates as those adopted at previous statutory valuation of the Fund. However, for the purposes of calculating the Minimum Individual Reserve, an average normal retirement age of 64 has been assumed.

Salary increases have been taken into account as the sum of general salary inflation and promotional / merit increases per age. The promotional / merit increase is based on the same tables as per the previous valuation.

Although IAS 19 recommends making allowance for improvements in post retirement mortality, we have not made such allowance at the valuation date. The post retirement mortality assumption is set to be consistent with the assumption used in the last statutory valuation of the Fund (as at 13 December 2017) in which the valuator confirms the appropriateness of the assumption used. Improvements in post retirement mortality will be allowed for in future should the Fund valuator consider this appropriate for the statutory valuations of the Fund.

One of the key drivers of the financial position of the Fund over the long term is pensioner longevity. If pensioners live longer (because of medical advancement, for example than we have budgeted for, all other things being equal, a shortfall will arise.

100% of in-service members will be married at retirement with husbands being 3 years older than their wives. (For pensioners, the actual marital status is taken into account.)

Analysis of actuarial gains and losses

The table below sets out the actuarial gains and losses due to changes in demographic assumptions and changes in financial assumptions:

	2021	2020
	R'000	R'000
Actuarial gain \ (loss) due to changes in financial assumptions	(13 713)	93 658
Actuarial gain \ (loss) due to experience differing from assumptions	(2 373)	12 892
Total actuarial gain \ (loss) arising	(16 086)	106 550

The actuarial loss due to changes in financial assumptions is due to the strengthening of the pre-retirement basis, which was offset by the weakening of the post-retirement bases from the previous valuation date for DB active members. This resulted in a net actuarial gain which was then offset by the change to an LDI basis for the DB pensioner liabilities, which resulted in an actuarial loss overall.

The actuarial gain due to changes in experience differing from assumptions is partly due to actual pension increases being lower than expected. There are other miscellaneous items arising from, amongst other things, membership movements during the inter-valuation period.

Fund liability position

Category

	2021	2020
	R'000	R'000
In-service member liability	273 445	337 857
Pensioner liability	1 286 503	1 232 966
Combined liability	1 559 948	1 570 823
Current service cost	6 496	5 843

The liability reflected above includes the liability in respect of disability claimants in each of the relevant categories, where applicable. The cost of the Category D members' in-fund retirement option is very sensitive to the difference between the net post-retirement discount rate on the ongoing funding valuation basis of 5.73% p.a. and on the IAS19 valuation basis of 5.22% p.a. At the previous valuation date the net post retirement discount rates were 4.50% p.a. and 4.57% p.a. respectively.

The results above reflect a net increase of R875 000 in the liabilities. The net decrease is made up of the following items:

- Increase through the service cost;
- Increase through the interest cost;
- Decrease through actuarial gain; and
- Decrease through benefit payments made (negative item).

An actuarial gain or loss results from the actual experience differing from that assumed at the previous valuation, as well as any changes in assumptions from the previous valuation.

Contributions towards funding defined benefit liabilities for the next financial reporting period.

The University currently contributes at 14.14% of members' pensionable salaries in respect of Category A, B and C members. Note that only a portion of the employer's contribution in respect of Category C members are applied towards funding defined benefit liabilities.

Category A members contribute at 8.0% of their pensionable salaries while Category B and C members contribute at 7.5% of their pensionable salaries. Similarly to the above, only a portion of the members' contributions in respect of Category C members are applied towards funding defined benefit liabilities.

Neither the University nor Category D members contribute towards funding the in-Fund retirement option as this option is cost neutral on the Fund's statutory valuation basis.

The expense for the defined contribution section of the Fund (i.e. including Category D members and the defined contribution component of Category C members) is equal to the University's contributions in respect of those members. This expense has not been disclosed in this report and the University should account for this separately in its financial statements.

Based on the above, the total expected contributions towards funding defined benefit liabilities for the financial reporting period ending on 31 December 2021 are:

	2021
	R '000
Employer contributions:	4 769
Member contributions:	2 520

Sensitivity analysis

Impact of 1% change in the salary inflation rate

The following table sets out the impact of a 1% change in the long-term salary inflation rate when compared to the calculated base liability at 31 December 2021.

	1% increase	1% decrease	Base liability
	7.10% p.a.	5.10% p.a.	6.10% p.a.
	R'000	R'000	R'000
Defined benefit asset	1 805 498	1 805 498	1 805 498
In-service member liability	(283 399)	(283 445)	(283 837)
Pensioner liability	(1 286 503)	(1 286 503)	(1 286 503)
Funded /(Unfunded) status	235 596	235 550	235 158
% change in defined benefit liability	0.0%	0.0%	0.0%
% change in funded status	0.0%	0.0%	-0.2%
One-year service cost	6 628	6 496	6 399
% change	2.0%	0.0%	-1.5%

Impact of 1% change in the discount rate

The following table sets out the impact of a 1% change in the discount rate when compared to the calculated base liability at 31 December 2021.

	1% decrease 9.10% p.a. R'000	Base liability 10.10% p.a. R'000	1% increase 11.10% p.a. R'000
Defined benefit asset	1 805 498	1 805 498	1 805 498
In-service member liability	(308 354)	(283 445)	(264 734)
Pensioner liability	(1 378 832)	(1 286 503)	(1 205 310)
Funded /(Unfunded) status	118 312	235 550	335 454
% change in defined benefit liability	7.5%	0.0%	-6.4%
% change in funded status	-49.8%	0.0%	42.4%
One-year service cost	7 286	6 496	5 974
% change	12.2%	0.0%	-8.0%

Impact of a one year change in the age rating of the post retirement mortality assumption

The following table sets out the impact of a one year change in the age rating of the post retirement mortality assumption when compared to the calculated base liability at 31 December 2021.

	Lower mortality PA(90) - 3 R'000	Base liability PA(90) - 2 R'000	Higher mortality PA(90) - 1 R'000
Defined benefit asset	1 805 498	1 805 498	1 805 498
In-service member liability	(288 110)	(283 445)	(278 688)
Pensioner liability	(1 321 941)	(1 286 503)	(1 251 182)
Funded /(Unfunded) status	195 447	235 550	275 628
% change in defined benefit liability	2.6%	0%	-2.6%
% change in funded status	-17%	0%	17%
One-year service cost	6 607	6 496	6 386
% change	1.7%	0.0%	-1.7%

18.6.3 Post employment medical benefits

The University of the Free State operates a post employment medical benefit schemes. The results of the actuarial valuation for the post-employment health care liabilities are in respect of its continuation and widow(er) members ('CAWMs') and there registered dependants for whom the University provides such a benefit. The method of accounting and the frequency of valuations are similar to those used for defined benefit pension schemes. Employees of the University are primarily members of Discovery Health Medical Scheme, but also participate in Bestmed Medical Scheme. The latest actuarial valuation was carried out as at 31 December 2021.

For the purpose of IAS 19 (AC 116), the University is not required to recognise the cross-subsidy liability. Therefore, the liabilities have been calculated on the contractual liabilities only.

University Subsidy policy

The Employer pays a specified subsidy based on the date of retirement, date of employment and date of joining the medical scheme. The subsidy is subject to a maximum Rand amount, which increases annually on 1 January in line with salary inflation. However, the underlying subsidised contributions increase in line with health care cost inflation. *The maximum Rand amount is R4 351 in respect of 2021.

The table below summarises the detailed post-employment subsidy.

Members	Post-employment	Death-in-service
CAWMs retired before 1 July 2005	Rand amount as provided by UFS (which was set at retirement) increasing at salary inflation	n/a
CAWMs retired after 1 July 2005	Rand amount as provided by UFS (which is based on 53% of the medical scheme contribution and applying the applicable individual subsidy) increasing at health care cost inflation limited to a maximum of R4,351*, which increases at salary inflation	n/a
Active members employed and joining the medical scheme before 1 July 2002	53% of the monthly contribution of the plan option on which the member participates subject to a maximum of R4,351*, increasing at salary inflation.	Same as post-employment
Active members employed and joining the medical scheme between 1 July 2002 and 1 January 2014	5% of 53% of the monthly contribution of the plan option on which the member participates for each year of completed service and medical scheme membership before 31 December 2013, subject to a maximum of R4,351*, increasing at salary inflation.	Same as post-employment
Active members employed or joining the medical scheme on or after 1 January 2014	0%	Same as post-employment

Pre-retirement benefit (death-in-service)

On the death of an employee of the Employer the above subsidy is paid towards the medical scheme contributions of the spouse or life partner of the deceased employee. The subsidy is payable for the rest of the qualifying spouse's or life partner's life.

Post-employment benefit

On the retirement of an employee of the Employer, who is eligible for post-employment health care subsidisation, the abovementioned subsidy is paid towards the medical scheme contributions for the member and his/her spouse or life partner for the remainder of the retired employee's life. On the death of the retired employee the above subsidy is paid towards the medical scheme contributions of the spouse or life partner of the deceased retired employee. The subsidy is payable for the rest of the qualifying spouse's or life partner's life. We have assumed that where a fixed Rand amount was provided or the member has reached the maximum Rand cap that upon the death of the pensioner the surviving spouse will continue to receive the same level of post-employment health care subsidisation. However, where the level of subsidy is based on the medical scheme contributions, we have assumed that the level of contributions will decrease to take into account the reduced family size.

Medical scheme contributions

The employees and continuation members are members of Discovery Health Medical Scheme and Bestmed Medical Scheme. The subsidised contributions are expected to increase on 1 January each year. Medical scheme contributions were applied effective from 1 January 2022. The maximum Rand cap that was provided was also in respect of 2022.

Key actuarial assumptions

The actuarial valuation method used is the Projected Unit Credit-method. The main actuarial assumptions are as follows:

	2021	2020
Discount rate	11.27%	11.62%
Health care cost inflation	8.74%	8.77%
Consumer price inflation (CPI)	7.24%	6.77%
Salary inflation	7.74%	7.27%
Real discount rate (With respect to salary inflation)	3.28%	4.06%
Normal retirement age	65	* 65
Expected average retirement age	63.2	* 63.9
Spouse age gap	3 years	3 years
Continuation at retirement	100.00%	100.00%
Proportion married at retirement	75.00%	75.00%
Orphan contribution cease age	21	21
Subsidy-weighted duration of total liability	12.1	11.7
Subsidy-weighted average lifetime of remaining members	24	19.3
Mortality pre-expected retirement age with consideration of actuary table, ref SA1985 – 90 LIGHT		
Mortality post-expected retirement age, with consideration of actuary table, ref PA (90) – 2		

* Previously the normal retirement was 65 for all members employed before 1 April 1998 and 6 for all members employed on or after 1 April 1998

Discount rate

IAS19 requires that the market returns on high quality corporate interest bearing bonds should be used. Should a sufficiently deep market of high quality corporate bonds not exist, government interest bearing bonds must be used instead. The currency and term of the bonds should be consistent with the currency and estimated term of the liabilities.

The actuaries have therefore based the discount rate and inflation assumptions on the yields taken from the government zero coupon bond yield curves (so-called zero rates) as at 31 December 2021, at the appropriate term. The discounted mean term of the liabilities is 12,1 years. They have therefore used a discount rate of 11,27% which is the nominal yield at a term of 12,1 years, taken from the South African government zero coupon bond yield curve as at 31 December 2021.

This discount rate only has real meaning if compared with the health care cost inflation (or the escalation in subsidised medical scheme contributions, which is salary inflation for UFS). The real discount rate, defined as the difference between the return on investment and the salary inflation, is thus of more importance. The salary inflation of 7,74% per annum implies that a real discount rate of 3,28% per annum ($= 1,1127 \div 1,0774 - 1$) was used in the valuation. A real discount rate of 4,06% per annum was used in the previous valuation.

Health care cost inflation

Medical scheme contributions have in the past increased at a significantly higher rate than general consumer price inflation. It is difficult (if not impossible) to predict the real rate (investment return minus health care cost inflation). On 31 December 2021, the implied Consumer Price Inflation rate amounted to 7,24% p.a. It would be appropriate to assume that medical scheme contributions will increase at a faster rate than the increase in the CPI e.g. CPI plus 1,5% p.a. We have therefore assumed a health care cost inflation rate of 8,74% (CPI + 1,5%) per annum. In the previous valuation the health care cost inflation assumption was 8,77% p.a.

Salary inflation

The maximum subsidised amount increases in line with salary inflation, the future assumption of which is based on the actual salary inflation applied by the Employer. We have assumed the future salary inflation to be CPI plus 0,5% p.a. We have therefore assumed a salary inflation rate of 7,74% (CPI + 0,5%) per annum. In the previous valuation the health care cost inflation assumption was 8,77% p.a.

Consumer price Inflation (CPI)

The 12,1 year real yield taken from the South African government zero coupon bond yield curve was 3,77% per annum as at 31 December 2021.

The long-term inflation rate of 7,24% implied from the government bond yields is derived as follows:

- Nominal 12,1 year zero rate: 11,27%
- Real 12,1 year zero rate: 3,77%

Implied price inflation: 7,24% $[(1,1127 \div 1,0377) - 1]$

In the previous valuation the inflation assumption was 6,77% p.a.

Proportion married

Since it is likely that the marital status of every employee will not be the same now as at retirement (particularly for the young single members), we have applied an assumption that a proportion of the members will be married at retirement, regardless of their current status. The proportion married at retirement assumed is 75%.

We have assumed an age difference of 3 years (males being 3 years older than females). The current marital status of pensioners was used in the calculations.

Membership data

The valuation has been based on the membership data as at 31 December 2021 provided to us by the Employer.

Mortality

Before retirement

We assumed that the SA 85-90 (light) mortality table will be suitable in estimating the expected mortality experience. This table reflects the mortality experience of males assured with South African life assurance companies during the years 1985 to 1990. Females are rated down 3 years.

After retirement

The PA (90) mortality tables (for males and females) with an age reduction of 2 years have been used to estimate the likely mortality rate after retirement. These tables are based on the expected improving rate of pensioners in 1990, taken from the mortality rates of pensioners in England and Scotland between 1967 and 1970.

Withdrawals

Employees who resign or are retrenched do not receive any medical scheme contribution subsidies after their employment ends. Therefore possible future releases of liabilities would arise upon resignation or retrenchment.

Retirements

The normal retirement age for qualifying employees is 65. Subsidisation is payable to the main member should they retire early from age 55. We have made provision for this in the current valuation by assuming an expected retirement age to allow for early retirements. Early retirements vary based on gender and the normal retirement age for the membership. Therefore, the expected retirement age is based on the normal retirement age and gender composition.

Child dependants

Unless otherwise stated, we have assumed that the member will not have any children dependants at retirement and therefore no children would be subsidised when the principal member retires.

Orphans

We have assumed that subsidies in respect of orphans cease when they reach the orphan contribution cease age, as per disclosures above. This is usually specified by the company's policies and procedures.

Plan options

We have assumed that the membership will remain on their current plan option during retirement. For members close to retirement, this implicitly allows for the migration of members to more comprehensive benefits as they get older, where applicable.

Duration of liability

The average duration of the total liability is calculated as the average discounted mean term of the total liability.

Sensitivity analysis

The sensitivity analysis that illustrates how the results change under various alternative assumptions.

	2021				2020		
	Accrued liability (R'000s)	% Change in past-service contractual liability	Annual expense (R'000s)	% Change in service cost plus interest cost contractual liability	Accrued liability (R'000s)	% Change in past-service contractual liability	% Change in service cost plus interest cost contractual liability
No change in assumptions	452 523		71 286		423 495		
Mortality rate + 1	438 531	-3.10%	59 811	-3.00%	411 491	-2.7%	-2.7%
Mortality rate -1	466 548	3.10%	63 564	3.00%	435 100	2.7%	2.7%
Discount rate +1%	407 869	-9.90%	58 785	-4.70%	384 085	-9.3%	-3.4%
Discount rate -1%	506 505	11.90%	65 158	5.60%	470 535	11.10%	3.9%

	2021 R'000	2020 R'000	2019 R'000	2018 R'000
The value of unfunded obligations at year end:	452 523	423 495	491 175	521 987

The total estimated subsidised contribution payable by the employer in respect of post-employment health care benefits for the year following the valuation date is R22,885 million.

The amounts recognised in the statement of financial position were determined as follows:

	2021 R'000	2020 R'000
Present value of unfunded obligations		
Unfunded obligations in terms of active members	168 900	179 414
Unfunded obligations in terms of continuation and widowed members	283 623	244 081
Liability in the Statement of financial position	452 523	423 495

The liabilities shown above are in respect of the employer's share of medical scheme contributions. Only the contractual liabilities are required to be recognised under the IAS 19 accounting standards.

No long-term assets are set aside in respect of the UFS's post-employment health care liabilities. Therefore, no assumption specifically relating to assets has been made.

Movement in the defined benefit obligation is as follows:

Opening net carrying amount	423 495	491 175
Current service cost	9 009	11 361
Interest cost	48 025	47 822
Benefits paid	(20 412)	(20 158)
Actuarial (gain)/loss	(7 594)	(106 705)
Closing net carrying amount	452 523	423 495

The amounts recognised in the Statement of comprehensive income are as follows:

	2021	2020
	R'000	R'000
Current service cost	9 009	11 361
Benefits paid	(20 412)	(20 158)
Interest cost	48 025	47 822
Total included in staff cost	36 622	39 025

The amounts recognised as Other comprehensive income are as follows:

Recognition of previously unrecognised actuarial loss / (gain)	(7 594)	(106 705)
Total included in other comprehensive income	(7 594)	(106 705)

Analysis of actuarial gains and losses

The table below sets out the actuarial gains and losses due to changes in demographic assumptions and changes in financial assumptions:

Actuarial gain \ (loss) due to change in experience adjustments	(2 651)	23 806
Actuarial gain \ (loss) due to actual health care inflation cost compared with that expected	(1 196)	33 043
Actuarial gain \ (loss) due to changes in actuarial assumptions	11 441	49 856
Total actuarial gain \ (loss) arising	7 594	106 705

Actuarial assumptions

Previously the normal retirement age was 65 for all employed before 1 April 1998 and 65 for employed on or after 1 April 1998. This has changed to 65 for all employees. This resulted in an actuarial gain which was offset somewhat due to the decrease in the real discount rate from 4,06% per annum to 3,28% per annum. The combined impact has resulted in an actuarial gain of R 11 441 000.

Health care inflation

The increase in the average subsidised contribution was slightly higher than expected. This resulted in an actuarial loss of R 1 196 000.

Experience adjustments

Due to the increased level of accuracy as a result of the additional data provided the membership eligible for post-employment health care subsidisation had some underlying changes. These changes resulted in a net increase of 170 in-service members with higher contributions but lower average age and past-service since the previous valuation. There was a net increase of 1 continuation member since the previous valuation. The overall impact of the above resulted in an actuarial loss of R 2 651 000.

Risk exposures

Through its defined benefit pension plans and post-employment medical plans, the group is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields:

A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Inflation risks:

Some of the group's pension obligations are linked to salary inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the plan's assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.

Life expectancy:

The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant in the plan, where inflationary increases result in higher sensitivity to changes in life expectancy.

18.4.6 Post employment Group life insurance benefits

(also refer to note 21.2)

The University of the Free State operates a post employment group life insurance scheme. The method of accounting and the frequency of valuations are similar to those used for defined benefit pension schemes. The latest actuarial valuation was carried out as at 31 December 2021.

The University's subsidy policy is as follows:

- The University subsidises 50% of the total premiums paid by retirees towards postemployment group life insurance.
- The PRGLI subsidy is in respect the premiums payable to an insurer for life cover equal to 1.6x the annual pensionable salary of employees on their date of retirement.
- Employees are entitled to the subsidy provided that they remain in the employment of the University until retirement.
- Retirees have the option of taking up the PRGLI on their date of retirement.

Key actuarial assumptions

The actuarial valuation method used is the Projected Unit Credit-method. The main actuarial assumptions are as follows:

	2021	2020
Discount rate	10.10%	9.80%
Long term price inflation	5.80%	5.00%
Salary inflation	6.80%	6.00%
Take up rate	70.00%	70.00%
Net discount rate pre-retirement	3.09%	3.58%
Mortality pre-expected retirement age with consideration of actuary table, ref SA1985 – 90 LIGHT		
Mortality post-expected retirement age, with consideration of actuary table, ref PA (90) – 2		

Discount rate

In the valuation of the liability as at 31 December 2020, the discount rate (9.80% per annum) was determined with reference to the duration of the Fund's DB liability. The duration of the Fund's DB liability was in the order of 9 years. We have determined that the duration of the Fund's DB liability has stayed the same to the order of 8 years as at 31 December 2021. As such, the discount rate was set by determining the level of the South African zero coupon bond yield curve as at 31 December 2021 at a term of 8 years. The discount rate is 10.10% per annum at this term.

Long-term price inflation

We have assumed a long-term future inflation rate of 5.80% (2020:5.00%) per annum. In setting this rate, we have applied a similar methodology to that used at the previous valuation date, that is:

Expected inflation = nominal bond yield less inflation-linked bond yield less inflation risk premium.

The applicable nominal bond yield has been determined in the same way as the nominal bond yield used in determining the discount rate, i.e. 10.10% (2020:9.80%) per annum.

In order to determine the yield on inflation linked bonds (on the same basis as for nominal bonds) we have used the level of the South African zero coupon real yield bond curve as at 31 December 2021. The corresponding yield from this curve (at a term of 8 years) is 3.80% (2020: 4.30%) per annum at the valuation date.

Excluding an allowance for an inflation risk premium, implies an expected future inflation rate of 6.30% (2020: 5.50%) per annum (10.10% less 3.80% per annum). Our view is that based on market conditions at the valuation date, an inflation risk premium between 0.50% and 1.25% per annum is appropriate when determining the extent of the risk premium holders of nominal bonds currently require to compensate them for the risk that the value in their bonds may decline if inflation is higher than expected.

We have assumed an inflation risk premium of 0.50% for the purposes of this valuation. Based on the above, an expected inflation rate of 5.80% per annum has been assumed as at 31 December 2021 (i.e. 10.10% less 3.80% less 0.50%).

At the previous valuation date an inflation rate of 5.00% was assumed using a similar methodology as described above.

Increases in subsidy

The subsidy is linked to the employee's salary at retirement and does not increase after retirement. The cost of the subsidy could increase or decrease in future, depending on the rate per R1 000 cover that can be secured from the insurer – we have assumed that this rate will remain constant over time and, therefore, that the cost of the subsidy remains constant after retirement.

Net discount rate

The net discount rate applied to in-service employees is 3.09% (3.58% in 2020) per annum. We highlight that the difference between the various financial assumptions are generally more important than the absolute assumptions. The net discount rate applied to in-service employees decreased from 3.58% per annum to 3.09% per annum between 1 January 2021 and 31 December 2021.

Demographical assumptions

- Employees are assumed to retire at their normal retirement age, either 60 or 65 at December 2020 and 65 at December 2021;
- On reaching normal retirement age 70% of members will take up PRGLI cover. This proportion was determined by investigating the typical take up rates over the inter-valuation period.
- Once an employee has elected to take up the cover at retirement, it has been assumed that this cover will be retained (and the subsidy will continue to apply) until death.

Disclosures as at 31 December 2021

Recognition of obligation

Actuarial (gain)/loss

Balance as at 31 Dec 2021

DB obligation	Cost / (credit) recognised in P&L	(Gain) /loss recognised in OCI
R' 000	R' 000	R' 000
(24 108)	-	-
(444)	-	(444)
(24 552)	-	(444)

Disclosures as at 31 December 2020

Recognition of obligation

Actuarial (gain)/loss

Balance as at 31 Dec 2020

DB obligation	Cost / (credit) recognised in P&L	(Gain) /loss recognised in OCI
R' 000	R' 000	R' 000
(22 776)	-	-
(1 332)	-	(1 332)
(24 108)	-	(1 332)

No long-term assets are set aside in respect of the UFS's post-employment group life insurance. Therefore, no assumption specifically relating to assets has been made.

Sensitivity analysis

The sensitivity analysis that illustrates how the results change under various alternative assumptions.

Impact of 1% change in the salary inflation rate

The following table sets out the impact of a 1% change in the long-term salary inflation rate when compared to the calculated base liability at 31 December 2021.

In-service employee liability

Retiree liability

Total defined benefit liability

% change in defined benefit liability

1% decrease 5.8% p.a.	Base liability 6.80% p.a.	1% increase 7.8% p.a.
R'000	R'000	R'000
11 260 080	12 479 045	13 904 317
12 072 674	12 072 674	11 895 583
23 332 754	24 551 719	25 799 900
-5%	0%	5.1%

Impact of 1% change in the discount rate

The following table sets out the impact of a 1% change in the discount rate when compared to the calculated base liability at 31 December 2021.

In-service employee liability

Retiree liability

Total defined benefit liability

% change in defined benefit liability

1% decrease 9.10% p.a.	Base liability 10.10% p.a.	1% increase 11.10% p.a.
R'000	R'000	R'000
14 702 539	12 479 045	10 700 753
12 708 619	12 072 674	11 500 371
27 411 158	24 551 719	22 201 124
11.6%	0%	-9.6%

Impact of a one year change in the age rating of the post retirement mortality assumption

The following table sets out the impact of a one year change in the age rating of the post retirement mortality assumption when compared to the calculated base liability at 31 December 2021.

	Lighter mortality PA(90) - 3	Base liability PA(90) - 2	Heavier mortality PA(90) - 1
	R'000	R'000	R'000
In-service employee liability	12 391 378	12 479 045	12 026 570
Retiree liability	12 155 735	12 072 674	11 630 299
Total defined benefit liability	24 547 114	24 551 719	23 656 869
% change in defined benefit liability	0%	0%	-4%

Impact of a changing the assumed take-up rate at retirement

The following table sets out the impact of changing the assumed take-up rate at retirement when compared to the calculated base liability at 31 December 2021.

	Higher take- up rate 90%	Base liability 70%	Lower take-up rate 50%
	R'000	R'000	R'000
In-service employee liability	16 044 486	12 212 484	8 913 604
Retiree liability	12 072 674	11 895 583	12 072 674
Total defined benefit liability	28 117 160	24 108 068	20 986 278
% change in defined benefit liability	16.6%	0%	-12.9%

No entity-specific risks relating to the post employment group life insurance liability were identified.

18.7 Deferred income

Accounting policy:

Refer to note 6 for disclosure of the accounting policy relating to grants for the group.

	Group		University	
	2021	2020	2021	2020
	R ' 000	R ' 000	R ' 000	R ' 000
Current Liability				
Opening net carrying amount	295 169	133 756	295 169	133 756
Grants received during the year	128 137	316 398	128 137	316 398
Grants accrued	-	14 607	-	14 607
Grants realised	(195 032)	(169 591)	(195 032)	(169 591)
Closing net carrying amount	228 274	295 169	228 274	295 169

Included in deferred income above are all earmarked grants received from DHET. This includes the infrastructure grant, clinical training grant, foundation grant and the university capacity development grant. The infrastructure earmarked for the construction of assets, is deducted in arriving at the carrying value of any assets constructed from the grant.

18.8 Deferred tax

Accounting policy:

Refer to note 16 for disclosure of the accounting policy relating to income tax for the group.

Area of significant management judgement and estimation:

Refer to note 16 for disclosure of the significant management judgements and estimations used in the recognition of deferred tax assets and liabilities. The deferred tax assets include an amount of R 24,554 m which relates to carried forward tax losses of Farmovs (Pty) Ltd following the acquisition of the subsidiary by the University. The group has concluded that the deferred assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets for the subsidiary. The subsidiary is expected to generate taxable income from 2022 onwards. The losses can be carried forward indefinitely and have no expiry date.

	Group		University	
	2021	2020	2021	2020
	R ' 000	R ' 000	R ' 000	R ' 000
Deferred tax liability				
Property, plant and equipment	(2 665)	(2 243)	-	-
Right-of-use assets	(6 134)	(8 105)	-	-
Total deferred tax liability	(8 799)	(10 348)	-	-
Non-Current deferred tax	(8 799)	(10 348)		
Deferred tax asset				
Leave provision	461	378	-	-
Provision for impairment on debtors	59	20	-	-
Lease liability	7 973	8 220	-	-
Property, plant and equipment	-	-	-	-
Bonus provision	811	668	-	-
Assessed loss	31 964	27 624	-	-
Work in progress	5 343	991	-	-
Total deferred tax asset, net of valuation allowances recognised	46 610	37 901	-	-
Net deferred tax	37 812	27 553	-	-
Reconciliation of deferred tax asset / (liability)				
At the beginning of the year	27 553	17 650	-	-
Movement in Capital allowance	(422)	(2 410)	-	-
Temporary difference on finance lease	1 972	-	-	-
Temporary difference on right of use assets	-	(6 822)	-	-
Temporary difference on lease liabilities	(247)	6 902	-	-
Temporary difference on bonus provision	143	575	-	-
Temporary difference on Leave provision	83	(150)	-	-
Temporary difference on provision for bad debt	38	(15)	-	-
Temporary difference on WIP	4 352	(1 230)	-	-
Temporary difference on assessed loss	4 340	13 053	-	-
	37 812	27 553	-	-

19 Recognised fair value measurements

Accounting policy:

The group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities

Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- for other financial instruments – discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, a contingent consideration receivable and certain derivative contracts, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

19.1 Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial and non-financial assets and liabilities that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial and non-financial assets and liabilities into the three levels prescribed under the accounting standards and detail in the accounting policy note above.

The classification of financial assets and liabilities into levels for the University do not differ materially from that of the group.

There were no transfers between levels 1, 2 and 3.

The following table represents the groups assets and liabilities that are measured at fair value.

Recurring fair value measurements as at 31 December 2021		R'000	R'000	R'000	R'000
	Notes	Level 1	Level 2	Level 3	Total
Financial and non-financial assets					
Financial assets at fair value through profit or loss (FVPL)	17.4	9 095 070	-	-	9 095 070
Biological assets	18.5	-	-	5 122	5 122
Total financial and non-financial assets		9 095 070	-	5 122	9 100 192
Financial and non-financial liabilities					
Interest bearing borrowings	17.6	-	(187 736)	-	(187 736)
Total financial and non-financial liabilities		-	(187 736)	-	(187 736)

Recurring fair value measurements as at 31 December 2020	Notes	R'000 Level 1	R'000 Level 2	R'000 Level 3	R'000 Total
Financial and non-financial assets					
Financial assets at fair value through profit or loss (FVPL)	17.4	7 308 764	-		7 308 764
Biological assets	18.5	-	-	5 930	5 930
Total financial and non-financial assets		7 308 764	-	5 930	7 314 695
Financial and non-financial liabilities					
Interest bearing borrowings	17.6	-	187 450	-	187 450
Total financial and non-financial liabilities		-	187 450	-	187 450

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant. The fair values of non-current borrowings are based on discounted cash flows using a rate based on the prime rate and are within level 2 of the fair value hierarchy.

The fair values of non-current interest-bearing borrowings are as follows:

	2021	2020
Total fair value of non-current interest-bearing borrowings:	148 813	230 236

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 December 2021 and 31 December 2020:

	Group		University	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000
Opening net carrying amount	5 930	7 463	3 018	3 018
Selling	(2 413)	(1 436)	-	-
Additions	16	243	-	-
Revaluation	1 589	(340)	-	-
Closing net carrying amount	5 122	5 930	3 018	3 018

20. Cash flow information

20.1 Cash generated from operations

	Notes	Group		University	
		2021 R'000	2020 R'000 Restated	2021 R'000	2020 R'000 Restated
Reconciliation of net surplus to cash generated from operations:					
Surplus for the year before market value adjustments on investments but after tax		1 074 896	1 047 134	1 102 447	1 079 302
(Income)/loss from associate		(124)	151	(124)	151
Surplus for the year without associate		1 074 772	1 047 285	1 102 323	1 079 453
Adjustments for:					
Depreciation	18.1	115 969	80 747	105 598	71 712
Dividends	14	(59 299)	(85 524)	(59 066)	(85 181)
Interest received	14	(225 008)	(160 156)	(224 422)	(159 055)
Administration cost financial assets	15	22 139	19 796	22 076	19 767
Interest expense		21 830	24 854	20 228	20 232
(Profit)/loss on sale of assets	11	3 545	1 782	3 565	922
(Profit)/loss on sale of financial assets		(265 003)	(249 755)	(263 908)	(248 569)
Deferred income accrued	-	-	14 607	-	14 607
Purchase of property, plant and equipment and cost of patents relating to grants	18.7	48 300	76 587	48 300	76 587
Changes in working capital (excluding the effects of acquisition and disposal):					
- Inventories		809	124	809	124
- Deferred tax		(10 258)	1 005	-	-
- Biological assets		808	1 533	-	-
- Trade and other receivables		43 353	(126 355)	36 925	(126 052)
- Student and other loans		-	1 618	-	1 618
- Trade and other payables		347 967	112 919	337 024	99 211
- Deferred income		(115 196)	70 220	(115 196)	70 220
- Retirement benefit surplus		(9 516)	(15 888)	(9 516)	(15 888)
- Post-employment medical obligation		36 622	39 025	36 622	39 025
- Accrued leave obligation		(27 186)	25 146	(25 835)	25 683
- Post-employment group life obligation		444	1 332	444	1 332
Cash generated from operations		1 005 093	880 879	1 015 971	885 726

Certain comparative amounts were restated. Refer to note 28 for more information.

Cash flows resulting from the disposal and purchase of financial assets, as well as investment income for 2020 were restated to reflect only cash flows on the short term investment portfolio classified as cash and cash equivalents under cash flows from investing activities.

20.2. Net liabilities from financing activities reconciliation

This note sets out an analysis of net liabilities from financing activities and the movements therein for the periods presented.

Net liabilities as at 1 January		187 450	185 769	187 450	185 769
New loans		4 221	-	-	-
Interest accrued		21 830	24 854	20 228	20 232
Cash flow payments		(21 544)	(23 172)	(19 942)	(18 551)
Net liabilities as at 31 December	17.6	191 957	187 450	187 736	187 450

Further detail regarding borrowings is disclosed under note 17.6.

Risks

This section of the notes discusses the group's exposure to various risks and shows how these could affect the group's financial position and performance.

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21 Critical estimates, judgements and errors	176
22 Financial risk management	176 - 184
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21. Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

21.1 Significant estimates and judgements

The areas involving significant estimates or judgements are:

- Estimation of work in progress and performance obligations relating to recognition of contract revenue – Note 7 and 8.
- Estimated fair value of certain financial assets – notes 19.
- Estimation of fair values investment property – notes 18.2.
- Estimation of employee benefit obligation and assets – note 18.6.
- Recognition of deferred tax asset for carried forward tax losses – note 18.8.
- Estimation of useful lives of assets – note 18.1

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

22. Financial risk management

This note explains the group's exposure to financial risks and how these risks could affect the group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

Risk	Note	Exposure arising from	Measurement	Management
Market risks:				
- Foreign exchange	22.1.1	Future commercial transactions	Cash flow forecasting and sensitivity analysis	Portfolio diversion and foreign investments to off-set exposure.
- Interest rate risk	22.1.2	Long-term borrowings at variable rates	Sensitivity analysis	Business models to fund ventures from external borrowings carefully considered and variable versus fixed rates considered.
- Security prices	22.1.3	Investments in equity securities	Sensitivity analysis	Portfolio diversion
Credit risk	22.2	Cash and cash equivalents, trade receivables	Aging analysis and credit rating	Diversification of bank deposits, credit limits. Investment guidelines for debt investments
Liquidity risk	22.3	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities.

Risk management is performed by the relevant decision-making structures in the group in accordance with the policies approved by the Council or board of directors as applicable. Senior management identify, evaluate and coordinate the management of strategic risks faced by the group. Risk management processes are reviewed regularly for continuing relevance and effectiveness. A report on the risk management process that is being followed, as well as a summary of the risk register, was presented to the Audit and Risk Management Committee and to the Council of the University during the year under review.

The Group's investment channels have strong investment characteristics and no portfolios that have speculative characteristics, are being utilised.

22.1 Market risk

22.1.1 Foreign currency risk

Exposure

The group's exposure to foreign currency risk is mainly in the event of foreign sales transactions, settled on normal trade terms. This exposure is not significant and therefore no formal policy is in place to manage this risk.

The group is further exposed to foreign currency risk in regards to foreign investments held, mainly denominated in US dollar. Foreign currency risk exposure relating to foreign investments, are managed by independent fund managers in terms of formal mandates. A multi-manager approach is followed in appointing investment managers to limit investment risk exposures. These fund managers are overseen by and report to the Investment Committee of the University.

Foreign investment exposure to foreign currencies (Also refer to 17.4)
US Dollar

Sales revenue for the year dominated in foreign currency (ZAR amount).

Trade receivables dominated in foreign currency as at 31 December (ZAR amount)

	Group		University	
	2021 %	2020 %	2021 %	2020 %
	36%	33%	36%	33%
	R '000	R '000	R '000	R '000
	81 734	21 992	19 220	21 992
	6 790	6 756	886	1 316

Sensitivity

As shown in the table above, the group is primarily exposed to changes in US/ZAR exchange rates.

The table below shows the foreign currency risk exposure on foreign currency investments, taking into account a possible 10% variance in foreign currency rates.

Possible variances in foreign currency rates:
Foreign Investments

Group	University
R '000	R '000
±10%	±10%
326 319	325 104

22.1.2 Cash flow and fair-value interest rate risk

Exposure

Interest rate risk is the possibility that the group may suffer financial loss if either a fluctuating interest rate or fixed interest rate position is entered into and the interest rates move adversely. The group's income and operating cash flows are substantially independent of changes in market interest rates.

The University has interest rate exposure on interest-bearing liabilities. Interest rate attributes of new loans are reviewed and approved in accordance with policies approved by Council to ensure interest rate exposure will not exceed acceptable levels. Interest rates of all current loan agreements are fixed for their full term, except for the ABSA overdraft facility and therefore operating cash flows are substantially independent of changes in market interest rates. Refer to note 17.6 for further disclosures regarding interest-bearing borrowings and related interest rates. The University also pays creditors within agreed settlement periods to avoid interest exposures. The University has interest-bearing assets. The income and operating cash flows are substantially independent of changes in market interest rates and therefore the University did not enter into any agreements regarding interest rate derivatives for the 2020 and 2019 financial years.

The table below shows the interest rate risk exposure on the University's surplus taking into account a possible variance of 50 basis points. Only exposure due to interest earned on interest bearing assets were considered, as interest earned on trade receivables are not significant.

The interest rate exposure on total borrowings of the group are at fixed rates.

	Note	Rate	2021		2020	
			R'000	% of borrowings	R'000	% of borrowings
Fixed rate borrowings	17.6		(191 957)	100%	(187 450)	100%
FirstRand Bank		10.13%				
Development Bank of South Africa		12.04%				
Variable rate borrowings*	17.3	Prime	<u>-</u>	<u>0%</u>	<u>-</u>	<u>0%</u>

* Interest is levied on the utilised overdraft balance only if the balance exceed the positive account balance of the current account at ABSA. This did not occur during 2021 or 2020, therefore no interest was levied.

No sensitivity analysis was performed as the likelihood that the group would be exposed to interest rate risk is highly unlikely.

22.1.3 Price risk

Exposure

The group is exposed to equity securities price risk because of investments held by the group classified on the statement of financial position as financial assets through profit and loss. The group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the group diversified its investment portfolio. The diversification is done by independent fund managers and the limits of diversification are overseen by the Investment Committee. A multi-manager approach is followed in appointing investment managers to limit further price risk. Also refer to note 17.4 for further information regarding investments.

	Note	Group			
		2021		2020	
		R'000	% of investment portfolio	R'000	% of investment portfolio
Listed national shares	17.4	<u>2 111 909</u>	<u>23%</u>	<u>1 696 335</u>	<u>23%</u>
Foreign shares	17.4	<u>3 263 185</u>	<u>36%</u>	<u>2 438 933</u>	<u>33%</u>

Sensitivity

The table below shows the price risk exposure of the group taking into account a possible variance of 10% in the FTSE / JSE CAPI index, with all other variables held constant.

The exposure of the University is not significantly different from that of the group, therefore no separate disclosure of the sensitivity.

	2021 R '000 ±10%
Possible variance in price risk:	
Shares (listed)	211 191
Foreign shares	326 319

22.2 Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through profit or loss (FVPL), deposits with banks and financial institutions, as well as credit exposures to students and customers, including outstanding receivables.

22.2.1 Risk management

The group is exposed to credit risk in for the following classes of transactions and balances:

	Related notes
22.2.2.1 Student fees and trade receivables	17.1
22.2.2.2 Student loans and other loans	17.2
Cash and cash equivalents	17.3
22.2.2.3 Financial instruments at FV through profit and loss.	17.4

The group has no significant concentration of credit risk.

For banks and financial institutions, only independently highly rated parties are accepted and the University has policies in place to ensure that credit exposure to any one institution is limited.

It also has policies in place to ensure that rendering of education service are made to either students with an appropriate credit history or that these students have bursaries in place from organisations with an appropriate credit history.

Commercial customers are rated with consideration of the customers financial position, past experience and other factors. There is no significant concentrations of credit risk, whether through concentrations of individual customers or industry sectors.

The group is of the opinion that as at 31 December 2021, there existed no material credit risks that were not provided for.

22.2.2 Impairment of financial assets

The group has the following types of financial assets that are subject to the expected credit loss model:

- Student and trade receivables (note 22.2.2.1)
- Debt investments carried at amortised cost (Student loans and other loans) (note 22.2.2.2)

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

22.2.2.1 Student and trade receivables

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all student, trade receivables and contract assets. To measure the expected credit losses, student and trade receivables have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales / services rendered over a period of 36 month before 31 December 2021 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information affecting the ability of the customers to settle the receivables. Historical loss rates are then accordingly adjusted. Also refer to the separate heading below for more factors considered in adjusted the provision for student receivables.

On that basis, the loss allowance as at 31 December 2021 and 31 December 2020 was determined as follows for both student and trade receivables.

Student receivables

Student receivables are deemed impaired and credit losses are provided for if the students do not register for the next academic year and did not obtain a qualification. The expected loss rate for these students are adjusted to reflect current and forward-looking information affecting the ability of the student to settle these receivables, as well as the ability of external debt recovery agents to recover money on behalf of the UFS. Students are not allowed to register for the next academic year if they still have outstanding debt or not being able to secure their registration during the provisional registration process.

Students with outstanding debt who obtained a qualification are not considered to be impaired to the same extent as the above students. This is based on historical evidence that these students do settle their debt in order to collect their qualifications. The provision for these students do however take into account the ability of external debt recovery agents, as well as the students ability in the current economic environment to settle the outstanding amounts.

The listing of students who did not register again and who did not complete their degrees, relate to the academic year being the year reported on. None relate to prior academic years.

In all the above categories, NSFAS qualifying students were separately considered for the credit loss provision as the qualifying criteria for NSFAS take into consideration the students household income and ability to settle outstanding fees not covered by NSFAS.

The credit quality of student receivables are managed by the University with reference to the following categories, were determined on a basis of historical student default rates and the effectiveness of external debt recovery agents who recover money on behalf of the UFS:

Student receivables only exist in the University, therefore disclosures for the group and the University will be the same.

Gross student receivables

	2021	2020
	R '000	R '000
Students still studying	228 417	186 344
Students not registered, who obtained a qualification	5 497	43 611
Students not registered and who did not obtain a qualification	27 460	81 302
	261 375	311 257

The closing loss allowances for student and other receivables as at 31 December 2021 reconcile to the opening loss allowances as follows:

Student receivables loss allowance

	Group		University	
	2021	2020	2021	2020
	R ' 000	R ' 000	R ' 000	R ' 000
Opening loss allowance	95 448	80 041	95 448	80 041
New allowance / (Allowance reversal) for credit losses	(57 744)	78 854	(57 744)	78 854
(Receivables written off) / recovered during the year.	5 057	(63 447)	5 057	(63 447)
Closing net carrying amount	42 760	95 448	42 760	95 448

Other receivables (excluding tax receivable) - 2021

	Group					
	R '000	R '000	R '000	R '000	R '000	R '000
	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
31 December 2021						
Expected loss rate - University	0%	0%	1%	0%	21%	
Expected loss rate - Subsidiaries	1%	4%	11%	0%	0%	
Gross carrying amount	92 789	13 356	7 570	1 901	5 885	121 502
Loss Allowance	1 855	48	248	-	870	3 021

Other receivables (excluding tax receivable) - 2020

	Group					
	R '000	R '000	R '000	R '000	R '000	R '000
	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
31 December 2020						
Expected loss rate - University	0%	0%	0%	0%	18%	
Expected loss rate - Subsidiaries	4%	6%	11%	0%	0%	
Gross carrying amount	140 824	11 268	8 820	1 249	5 500	167 661
Loss Allowance	231	536	-	-	3 387	4 154

	Group		University	
	2021	2020	2021	2020
	R ' 000	R ' 000	R ' 000	R ' 000
Trade Receivables loss allowances				
Opening loss allowance	4 154	2 422	4 030	2 422
(Reversal) / New allowance for credit losses	592	2 899	592	2 899
Receivables written off during the year	(1 601)	(1 167)	(1 950)	(1 291)
Closing net carrying amount	3 021	4 154	2 672	4 030

Student and trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on student and trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

22.2.2.2 Student loans and other loans

Credit quality of student loans

All of the entity's debt investments at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Management consider 'low credit risk' when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

The credit quality of student loans are managed by the University with reference to the following categories:

- Student loans for students still studying, to the value of R0,013m (2020 - R0,035m) are neither past due nor impaired, as the loans are not yet repayable. Students that are still studying are deemed as recoverable.
- Student loans for students who completed their studies to the value of R26,511m (2020 - R28,656m) are past due.

The age analysis of these loans are as follows:

	Group		University	
	2021	2020	2021	2020
	R ' 000	R ' 000	R ' 000	R ' 000
Current	-	-	-	-
30 Days	-	-	-	-
60 Days	-	-	-	-
90 Days	-	-	-	-
120 Days and longer	26 511	28 656	26 511	28 656
	26 511	28 656	26 511	28 656

As at 31 December 2021, student loans of R26,492m (2020: R28,656m) were impaired and provided for. These individually impaired student loans mainly relate to students who experienced difficulty repaying the loans. An allowance for credit losses of R26,492m (2020 - R28,656m) was raised.

Movement on the allowance for credit losses for students who completed their studies, which are past due are as follows:

	Group		University	
	2021	2020	2021	2020
	R ' 000	R ' 000	R ' 000	R ' 000
Opening net carrying amount	28 656	27 142	28 656	27 142
(Reversal) / Allowance for new credit losses	-	1 514	-	1 514
Loans written off during the year	(2 164)	-	(2 164)	-
Closing net carrying amount	26 492	28 656	26 492	28 656

The creation and release of allowances for credit losses have been included in 'Other operating expenses' in the consolidated and stand alone statement of comprehensive income. Amounts charged to the statement of comprehensive income are generally written off when there is no reasonable expectation of recovery.

Credit quality of intercompany loan

The university entered into a loan agreement with FARMOVS (Pty) Ltd, a fully owned subsidiary on 1 October 2018. The loan is subordinated for a period of 24 month subsequent to 6 July 2020 to the benefit of other creditors of the company. Refer to note 24.4 for disclosures relating to the amount of the loan. Management projections indicate that the company will only be in a position to commence servicing the loan within the next 24 months.

22.2.2.3 Credit quality of financial instruments at FV through profit and loss

The credit quality of investments are managed by the University with reference to the following categories. External credit ratings were included where available. None of these financial assets are either past due or impaired and no impairment provisions were raised in either 2021 or 2020. If there would have been allowances for credit losses, the amounts would be included in Other operating expenses in the consolidated statement of comprehensive income.

	Group		University	
	2021	2020	2021	2020
	R ' 000	R ' 000	R ' 000	R ' 000
National bonds and unlisted debt	916 549	899 678	916 549	899 678
Listed national shares	2 111 909	1 696 335	2 099 245	1 686 100
Foreign shares and bonds	3 263 185	2 438 933	3 251 044	2 429 135
Futures	353	227	353	227
Current investments **	2 803 072	2 273 591	2 799 879	2 270 522
	9 095 070	7 308 764	9 067 071	7 285 662

** Current investments consist of cash in both the long and medium term portfolio's retained for investment trading purposes and short term interest bearing securities. These investments are managed by reputable investments managers. The Short term portfolio aims to deliver a return that is 1.0% p.a. in excess of inflation net of all charges over any 12 month period with a standard deviation of 2.0% p.a. as per the UFS's investment principals. Furthermore the portfolio aims to provide a high degree of certainty about the return over the next 12 months and has a low risk of a nominal capital loss over any 12 month period.

% Exposure of investments per category

	Group		University	
	2021	2020	2021	2020
	%	%	%	%
National bonds and unlisted debt	10%	12%	10%	12%
Listed national shares	23%	23%	23%	23%
Foreign shares and bonds	36%	33%	36%	33%
Futures	0%	0%	0%	0%
Current investments	31%	31%	31%	31%
	100%	100%	100%	100%

Listed National bonds and unlisted debt maturity

0 - 1 year	7.25%	6.63%	7.25%	6.63%
1 - 3 years	11.13%	15.22%	11.13%	15.22%
3 - 7 years	14.42%	16.20%	14.42%	16.20%
7 - 12 years	28.81%	20.94%	28.81%	20.94%
12+ years	38.38%	41.02%	38.38%	41.02%
	100.00%	100.00%	100.00%	100.00%

22.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the group aims to maintain flexibility in funding by keeping committed credit lines available.

The group has minimised risk of liquidity as shown by its sufficient cash, cash equivalents and investment portfolio. Management monitors rolling forecasts of the group's liquidity reserve (comprising the undrawn borrowing facilities below) and cash and cash equivalents (note 17.3) on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the group in accordance with practice and limits set by the group. These limits vary by location to take into account the liquidity of the market in which the entity operates.

The cash budget is continuously updated and reported to Executive Management. An Investment Committee also oversees the investment portfolio managed by independent fund managers. A multi-manager approach is also followed in appointing investment managers to limit further liquidity risk.

Maturity of financial liabilities

The table below analyses the group's and the university's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Group				
	R'000 Less than 1 year	R'000 Between 2 and 3 years	R'000 Between 4 and 5 years	R'000 Over 5 years	R'000 Carrying amount liabilities
At 31 December 2021					
Borrowings	21 438	47 820	55 263	223 445	191 957
Trade and other payables	942 063	-	-	-	942 063
	963 501	47 820	55 263	223 445	1 134 020

	Group				
	Less than 1 year	Between 2 and 3 years	Between 4 and 5 years	Over 5 years	Carrying amount liabilities
At 31 December 2020					
Borrowings	19 942	44 484	51 407	252 075	187 450
Trade and other payables	594 975	-	-	-	594 975
	614 917	44 484	51 407	252 075	782 425

	University				
	R'000 Less than 1 year	R'000 Between 2 and 3 years	R'000 Between 4 and 5 years	R'000 Over 5 years	R'000 Carrying amount liabilities
At 31 December 2021					
Borrowings	21 438	47 820	55 263	223 445	187 736
Trade and other payables	894 986	-	-	-	894 986
	916 424	47 820	55 263	223 445	1 082 722

	University				
	Less than 1 year	Between 2 and 3 years	Between 4 and 5 years	Over 5 years	Carrying amount liabilities
At 31 December 2020					
Borrowings	19 942	44 484	51 407	252 075	187 450
Trade and other payables	557 962	-	-	-	557 962
	577 904	44 484	51 407	252 075	745 412

23. Capital risk management

The group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

Due to the varying nature of the University and its main subsidiary, their capital management strategies are disclosed separately below.

University

Funds comprise restricted and unrestricted funds. Restricted funds comprise funds which are subject to specific conditions for application. Unrestricted funds are those funds that can be employed by Council at its discretion. Funds on the statement of changes in funds are structured to differentiate between restricted and unrestricted funds.

In order to maintain the capital structure, the University has ensured a sound financial position by limiting exposure to debt and sufficient investment and cash balances, which is evident from the table below. This objective is met by a well-planned budget process each year in which the critical strategic objectives of the University are addressed.

	Group		University	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000
Current portion of financial assets	2 803 426	2 273 818	2 800 233	2 270 750
Cash and cash equivalents	282 418	74 768	278 566	62 490
Total	3 085 843	2 348 586	3 078 799	2 333 239
Current liabilities	1 153 060	-	1 097 184	871 515
Total current liabilities	1 153 060	920 227	871 515	871 515
Net position	1 932 784	1 428 359	1 981 615	1 461 725

Farmovs

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholders returns.

Group structure

This section provides information which will help users understand how the group structure affects the financial position and performance of the group as a whole. In particular, there is information about:

- changes to the structure that occurred during the year as a result of business combinations
- transactions with non-controlling interests

A list of significant subsidiaries is provided in note 24. This note also discloses details about the group's equity accounted investments.

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24. Interest in other entities

Principles of consolidation and equity accounting

(i) Subsidiaries

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

The acquisition method of accounting is used to account for business combinations by the group. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

(ii) Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iii) below), after initially being recognised at cost.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 19.

(iv) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

24.1 Group structure

The group's principal subsidiaries at 31 December 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business. South Africa is the principal place of business for all entities listed below.

Name of entity	Relationship to the University	Ownership and interest held by the University		Financial results	Principal activities
		2021	2020		
Kovsie Alumni Trust	The University is the sole beneficiary	100%	100%	Note 24.2.1	Marketing to Alumni to facilitate bursaries to students
Lila Theron Trust	The University is the sole beneficiary	100%	100%	Note 24.2.1	Commercial Farming
Shimla Stigting	The University is the sole beneficiary	100%	100%	Note 24.2.1	Promotion of Shimla Rugby
Kovsie Holdings (Pty) Ltd	Full Subsidiary	100%	100%	Note 24.2.1	Dormant
Achilla Bioscience (Pty) Ltd	Full Subsidiary	100%	100%	Note 24.2.1	Dormant
Farmovs (Pty) Ltd	Full Subsidiary	100%	100%	Note 24.3.2	Clinical research company
Sun Media Bloemfontein (Pty) Ltd	Non-controlling interest	17.0%	33.3%	Note 24.3.1	Publishing company
Verisol (Pty) Ltd	Non-controlling interest	10.0%	10.0%	Note 24.3.1	Holding of investment property rights

All of the above entities are wholly owned, except for SunMedia Bloemfontein (Pty) Ltd and Verisol (Pty) Ltd, which is accounted for as investment in associate under note 24.3.1.

Refer to note 24.4 for details of related party transactions with the parties listed above.

24.2 Subsidiaries

Only the financial result of Farmovs (Pty) Ltd is material to the group and is detailed in note 24.3.2 below. The financial results of all other consolidated entities are not material, individually or combined. The combined financial results are disclosed in note 24.2.1 below.

24.2.1 Statement of financial position of all subsidiary undertakings excluding Farmovs (Pty) Ltd.

	2021	2020
	R '000	R '000
Assets		
Property, plant and equipment	2 872	2 038
Biological Assets	2 104	2 913
Investments	27 999	23 103
Receivables and prepayments	1 399	947
Bank and cash	1 500	4 859
Total assets	35 874	33 860
Funds and liabilities:		
Accumulated profit / funds available	23 132	21 054
Trade payable	12 743	12 806
Total funds and liabilities	35 874	33 860

24.2.2 Statement of financial position of Farmovs Pty Ltd.

	2021	2020
	R '000	R '000
Assets		
Property, plant and equipment	45 706	43 966
Deferred tax	37 812	27 553
Receivables and prepayments	22 136	19 895
Cash and cash equivalents	2 351	7 419
Total assets	108 004	98 833
Funds and liabilities:		
Intercompany loans	43 888	51 784
Accumulated profit / (loss)	(19 509)	(14 459)
Finance leases	28 474	29 352
Trade and other payables	50 931	32 155
Total funds and liabilities	108 004	98 833

24.3 Investment in associates and subsidiaries

24.3.1 Investment in associates

		Group		University	
		2021	2020	2021	2020
Unlisted		R '000	R '000	R '000	R '000
- Sun Media Bloemfontein (Pty) Ltd	24.3.1.1	-	50	-	50
- Verisol (Pty) Ltd	24.3.1.2	174	-	174	-
Total investment in associates		174	50	174	50

24.3.1.1 Sun Media Bloemfontein (Pty) Ltd

	Group		University	
	2021	2020	2021	2020
	R '000	R '000	R '000	R '000
Opening net carrying amount	50	202	50	202
Profit/(loss) in associate	(50)	(152)	(50)	(152)
Closing net carrying amount	-	50	-	50
Revenue of the associate	324	499	324	499
Assets and liabilities of the associate:				
Assets	169	145	169	145
Liabilities	185	44	185	44
Equity	354	189	354	189

The University holds a 17% share in Sun Media Bloemfontein (Pty) Ltd. The company is a publishing organisation which operates principally in South Africa. The shares (320 shares representing 33.3%) were acquired on 1 January 2009, of which The University sold 160 shares, representing 16% of it's share's in February 2020 to the Central University of Technology for R171 294.

The investment has been accounted for using the equity method.

24.3.1.2 Verisol (Pty) Ltd

	Group		University	
	2021	2020	2021	2020
	R '000	R '000	R '000	R '000
Opening net carrying amount	-	-	-	-
Profit/(loss) in associate	174	-	174	-
Closing net carrying amount	174	-	174	-
Revenue of the associate (2021: 10%)	10	-	10	-
Assets and liabilities of the associate: (2021: 10%)				
Assets	183	-	183	-
Liabilities	5	-	5	-
Equity	189	-	189	-

The University holds a 10% shares in Verisol (Pty) Ltd. The company is a mainly holding intellectual property rights.

The investment has been accounted for using the equity method.

24.3.2 Investment in subsidiary

	Group		University	
	2021	2020	2021	2020
	R '000	R '000	R '000	R '000
Unlisted				
- Farmovs (Pty) Ltd	-	-	116 707	96 707
Total investment in subsidiary	-	-	116 707	96 707

24.3.2.1 Farmovs (Pty) Ltd

Opening net carrying amount	-	-	96 707	96 707
Additional investment	-	-	20 000	-
Closing net carrying amount	-	-	116 707	96 707

Farmovs (Pty) Ltd is a clinical research organisation involved in pharmaceutical contract research and operates principally in South Africa. The University had a 30% share in Farmovs (Pty) Ltd during 2017. The shares (200 000 shares representing 20%) were acquired on 1 September 2000 and additional shares (100 000 shares representing 10%) were acquired on 1 September 2003. On 1 February 2018 the University obtained 100% of the shares of the company. The Company issued additional shares (4000 subscription shares) to the University on 31 December 2021 for R20 m. After year-end, on 1 March 2022, the University sold 50.5% of it's shares to Avacare Shared Service CMA (Pty) Ltd.

24.4 Related party transactions and balances

The following transactions were carried out by the University with related parties as disclosed under note 24.1.

	Farmovs (Pty) Ltd		Sun Media (Pty) Ltd	
	2021	2020	2021	2020
	R '000	R '000	R '000	R '000

Balances:

Intercompany loans receivable	43 888	51 784	-	-
Accounts receivable	8 389	3 671	-	-
Accounts payable	272	-	-	-

Transactions:

Rent received	1 693	5 210	-	-
Purchases of goods and services	10 995	499	814	1 647
Interest received	-	3 683	-	-
Other income	5 748	2 803	-	-

	Lila Theron Farm		Kovsie Alumnie Trust	
	2021	2020	2021	2020
	R '000	R '000	R '000	R '000

Balances:

Trade receivables from entity	11 902	10 926	-	-
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Transactions:

Distribution from entity to the UFS	2 761	-	2 532	1 870
Admin fees income	95	80	303	247

Services and rental income are based on normal commercial terms and conditions.

Payables to related parties arise mainly from purchase transactions. The payables bear no interest.

Executive management are also deemed related parties of the University. Refer to note 12.1 for a list of all executive members and their remuneration during the financial year.

Unrecognised items

This section of the notes provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria.

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25. Commitments

Capital commitments

Group	University	Group	University
2021	2021	2020	2020
R '000	R '000	R '000	R '000

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Property, plant and equipment	90 929	90 929	82 611	82 611
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These expenditure will be funded from existing financial resources and a portion of these capital commitments will be funded from future Government Grants for infrastructure.

26. Events after reporting date

Management is not aware of any material event which occurred after the reporting date, other than the sale of the majority shareholding of Farmovs Pty Ltd. Please refer to note 24.3.2.1. for further detail.

27. Contingent liabilities

At year-end a possible contingent liability ranging between R5 million and R7 million exist. The University's management consider the likelihood of the actions against the University being successful as unlikely.

28. Comparative amounts

Certain comparative amounts on the cash flow statements, relating to 2020 were adjusted.

"Cash flow resulting from the disposal and purchase of financial assets, as well as investment income for 2020 were adjusted to reflect only cash flows on the short term investment portfolio classified as cash and cash equivalents.

The effect of the adjustment is as follow:

Group	University	Group	University
2021	2020	2021	2020
R '000	R '000	R '000	R '000

CONSOLIDATED AND STAND ALONE STATEMENT OF CASH FLOWS

NET CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of financial assets reduced by:	-	3 394 092	-	3 391 992
Proceeds on the disposal of financial assets reduced by:	-	2 970 976	-	2 970 832
Dividends reduced by:	-	85 524	-	85 181
Interest income reduced by:	-	87 838	-	87 410

NET CASH FLOWS FROM OPERATING ACTIVITIES

Cash generated from operating activities reduced by:	-	249 755	-	248 569
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29. Summary of significant accounting policies not disclosed in individual notes above

29.1 Foreign currency translation

29.1.1 Functional and presentation currency

Items included in the financial statements of each of the University's entities are measured using the currency of the primary economic environment in which the University operates ('the functional currency'). The consolidated financial statements are presented in South African Rand (R), which is the University's functional and presentation currency.

28.1.2 Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within "finance income or cost". All other foreign exchange gains and losses are presented in the statement of comprehensive income within "other (losses) / gains – net".

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit / loss, and other changes in the carrying amount are recognised in equity.

29.2 Principals of consolidation

29.2.1 Subsidiaries

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

The acquisition method of accounting is used to account for business combinations by the group (refer to note 24).

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

29.2.2 Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within "finance income or cost". All other foreign exchange gains and losses are presented in the statement of comprehensive income within "other (losses) / gains – net".

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit / loss, and other changes in the carrying amount are recognised in equity.

29.2.3 Joint arrangements

Under IFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The university does not have any joint operations and joint ventures.

29.2.4 Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 19.

29.2.5 Changes in ownership interests

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate. When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

29.3 Funds and reserves

29.3.1 Unrestricted funds

The unrestricted funds reflect the University's subsidised activities and also includes the tuition fees. Additions to these funds mainly comprise formula-subsidy, tuition fees and the sales and services of educational activities, as well as transfers from other funds to finance expenditure.

Expenditure mainly comprises direct expenses in academic departments for training, research and community service, as well as other support service expenses, such as academic administration, library facilities, bursaries and loans. Institutional expenses, such as expenses incurred for the executive, student services, information technology and operating costs regarding land and buildings, are also recorded here. The budget of the University, as approved by Council, finds expression in this fund.

29.3.2 Restricted funds

These funds may be used only for the purposes that have been specified in legally binding terms by the provider of such funds or by another legally empowered person.

29.3.3 Council controlled funds

These funds fall under the absolute discretion and control of Council, but are designated for a specific purpose in order to support the achievement of strategic goals within the group.

29.3.4 Non-distributable funds

Non-distributable funds are further categorised into property, plant and equipment fund and fair value through profit and loss reserve.

UNIVERSITY OF THE FREE STATE
SUPPLEMENTARY FINANCIAL STATEMENT 1
NON-CURRENT AND CURRENT INVESTMENTS
as at 31 December 2021 (all amounts in R'000)

GROUP AND UNIVERSITY

TYPE OF INVESTMENT	Book value at beginning of the year	Market value at beginning of the year	Cost of additions during the year	Total withdrawals during the year	Surplus/ Deficit on disposal of investments	Increase/ Decrease on market value	Book value at Year-end	Market-/ Estimated realisable value	Total income received
Non-current investments									
Government stocks/bonds	836 281	899 678	459 223	(442 319)	(9 296)	(32)	853 185	916 549	-
Shares (listed)	1 771 571	1 696 335	1 350 577	(1 272 949)	337 946	1 849 199	2 111 909	113 681	
Other	1 717 614	2 438 933	1 271 893	(890 472)	(8 828)	442 831	2 099 035	3 263 185	-
Current investments									
Futures	613	227	80 669	(80 784)	-	242	498	353	-
Other	2 272 185	2 273 591	3 190 687	(2 652 613)	-	(8 593)	2 810 259	2 803 072	131 999
TOTAL	6 598 265	7 308 764	6 353 049	(5 339 138)	(18 124)	772 394	7 612 177	9 095 070	245 680

This statement is unaudited and does not form part of the consolidated or stand alone financial statements

UNIVERSITY OF THE FREE STATE
 SUPPLEMENTARY FINANCIAL STATEMENT 2
 NON-CURRENT AND CURRENT BORROWINGS
 as at 31 December 2021

TYPE OF BORROWING	TOTAL R'000	AMOUNTS PAYABLE WITHIN ONE YEAR R'000
Banking institutions	(191 957)	-
TOTAL	(191 957)	-

This statement is unaudited and does not form part of the consolidated or stand alone financial statements

Appendix 2:

Code of conduct for the UFS Council and members of the Council

THE UNIVERSITY OF THE FREE STATE (“UFS”):

CODE OF CONDUCT FOR THE UFS COUNCIL AND MEMBERS OF THE COUNCIL

The Council (as defined in paragraph 3 below) has in terms of section 27(7E) (a) of the Higher Education Act (as defined in paragraph 3 below), as amended, after consultation with the Institutional Forum (as defined in paragraph 3 below), adopted the following Code of Conduct to which all members of the Council must subscribe annually.

1. PREAMBLE

- 1.1. The Council is the highest governance authority of the UFS and must ensure effective institutional governance.
- 1.2. The Council is constituted and mandated by the Statute (as defined in paragraph 3 below) and the Higher Education Act.
- 1.3. In co-operation with the Senate of the UFS (as defined in paragraph 3 below), the Council is predominantly responsible for the strategic management of the UFS with regard to its focus areas, key success factors, faculties, academic support services and portfolios.
- 1.4. The Council also determines the nature and scope of the UFS’ social responsibilities, protects the institutional autonomy of the UFS, upholds the academic freedom of its members, and deliberates on the nature and role of the UFS.

2. PURPOSE OF THIS CODE OF CONDUCT

- 2.1. The intention with this Code of Conduct is to delineate a set of principles as to what is regarded as appropriate and reasonable conduct of a member in the performance of the member’s functions and duties and to, *inter alia*, comply with the Higher Education Act.
- 2.2. The Higher Education Act prescribes that a code of conduct for members of an institutional council must be introduced in order to ensure good governance of such a council and its members, with specific reference to the declaration of interests in order to ensure that the best interests of a public higher education institution prevail.
- 2.3. This Code of Conduct must be read, interpreted and implemented in conjunction with the Conflict of Interest Policy and Disciplinary Procedure document (as defined in paragraph 3 below).

3. DEFINITIONS

In order to facilitate ease of reference and reading of this Code of Conduct, unless the context otherwise requires, the following capitalised terms shall have the meanings assigned to them below and cognate expressions shall have corresponding meanings:

“Annexure”	means any annexure to this Code of Conduct, which shall be read in conjunction with the provisions of this Code of Conduct, the Conflict of Interest Policy and the Disciplinary document
“Chairperson”	means the chairperson for the time being of the Council;
“Code of Conduct”	means this official code of conduct of the UFS and related regulations pertaining to the Council and members of the Council;
“Conflict of Interest Policy”	means the official conflict of interest policy of the Council and related regulations pertaining to the Council and members of the Council, as detailed in the separate policy document ancillary to this Disciplinary Procedure document which shall apply in the event of an actual or presumed conflict of interest;
“Council”	means the Council of the UFS, the function and composition of which is set out in the official UFS Statute;
“Council Committee(s)”	means the official committees of the UFS to which the Council has delegated powers and duties and which act in cooperation with the UFS and the Senate as contemplated in paragraph 20 of the Statute;
“Disciplinary Procedure”	means the official disciplinary procedure as detailed in the separate disciplinary procedure document ancillary to this Code of Conduct, which shall apply in the event of a breach or contravention of the provisions of this Code of Conduct;
“Exco”	means the Executive Committee of the Council, constituting part of the Council Committees;
“Higher Education Act”	means the Higher Education Act 101 of 1997, as amended from time to time;
“Institutional Forum”	means the institutional forum contemplated in paragraph 27 of the Statute and section 31 of the Higher Education Act;
“Registrar”	means the officer contemplated in paragraph 11 of the Statute and section 26(4)(b) of the Higher Education Act;
“Secretariat”	means the official secretariat of the UFS that is responsible for meeting administration;
“Senate”	means the institutional body responsible for academic matters as

contemplated in paragraphs 21 to 26 of the Statute and section 28 of the Higher Education Act;

“Statute” means the institutional statute and rules of the UFS as contemplated in section 32 of the Higher Education Act, as amended from time to time; and

“UFS” means the University of the Free State.

4. CODE OF CONDUCT FOR THE COUNCIL AND MEMBERS OF THE COUNCIL

4.1. Statutory obligations

All members of the Council shall be required to:

- 4.1.1. Ensure that the statutory obligations of councils of public higher education institutions are adhered to, as set out in the section 27 of the Higher Education Act.
- 4.1.2. Ensure that the obligations and duties laid down in terms of the Statute for members of the Council, are faithfully discharged at all times.
- 4.1.3. Participate in the deliberations of the Council in order to ensure, promote and advance the best interests of the UFS and higher education within the Republic of South Africa in general.
- 4.1.4. Declare any business, commercial or financial activities undertaken for financial gain that may, whether directly or indirectly, raise a conflict or a potential conflict of interest with the UFS and comply with the Conflict of Interest Policy.
- 4.1.5. Not place themselves under any financial or other obligation to any individual or organisation that might seek to influence the performance of any function of the Council.
- 4.1.6. Not have a direct or indirect financial, personal or other interest in any matter to be discussed at a meeting of the Council and which entails or may entail, whether directly or indirectly, a conflict or potential conflict of interest with the UFS, read with the provisions of the Conflict of Interest Policy.

4.2. Fiduciary obligations

- 4.2.1. All members of the Council assume a fiduciary rule, which includes (without limitation) loyalty to the UFS and reasonable care of the UFS’ assets. All fiduciary’s actions shall be performed by the members of the Council for the advantage of the UFS and the public that they serve.
- 4.2.2. All members of the Council shall act in the best interests of the UFS by exercising

reasonable care and skill and by acting with honesty and within legal parameters at all times.

4.3. **Ethical obligations**

All members of the Council shall be required to:

- 4.3.1. Respect the rights of others at all times.
- 4.3.2. Apply their minds to the matters that are placed before the Council for consideration, in an open and independent manner with integrity and without any undue influence, fear or favour.
- 4.3.3. Conduct themselves at all times in accordance with the highest standards of ethics and personal integrity.
- 4.3.4. Preserve the integrity and good name of the UFS.
- 4.3.5. Maintain the confidentiality of Council business and/or documentation where necessary.
- 4.3.6. Ensure that all disclosures and/or contributions to the Council debates are accurate.
- 4.3.7. Refrain from soliciting any gifts or benefits for themselves or accepting any gifts or benefits which might in any way compromise or unduly influence a member in the carrying out of his/her duties or which might be considered as inducement of such a member.

4.4. **Confidentiality obligations**

- 4.4.1. All Council members undertake to honour the trust and confidence bestowed upon them, at all times and shall refrain from disclosing without the necessary authority, any deliberations, decisions or matters of the Council in any manner whatsoever to third parties.
- 4.4.2. The communication of Council decisions and other Council matters to the broader UFS community shall take place in accordance with prescribed UFS processes, which the Chairperson shall communicate to the members of the Council from time to time. The members of the Council shall not be authorised to act outside of these prescribed processes as communicated by the Chairperson in any manner whatsoever read with the Conflict of Interest Policy.
- 4.4.3. Each member of the Council and the Council as a whole shall respect the privacy of its members, subject thereto that members of the Council shall at all times conduct themselves in a manner that protects and preserves the best interests of the UFS.

4.5. General obligations

All members of the Council shall be required to -

- 4.5.1. attend all meetings unless with good and compelling reason not to do so, and then by written apology or electronic correspondence to the Secretariat;
 - 4.5.2. be fully prepared and fully appraised of the contents of documentation serving before the Council; and
 - 4.5.3. support policies once adopted by the Council irrespective of one's own preferences or, where principled objection to such policies exists, to tender resignation from the Council.
- 4.6. A member of the Council –
- 4.6.1. is a person who reflects specialised knowledge and experience relevant to the core business and/or the governance of the UFS;
 - 4.6.2. is nominated and appointed in accordance paragraph 12 of the Statute;
 - 4.6.3. aligns herself/himself with the mission, vision, values and strategic objectives of the UFS, as well as the relevant governance structures, charters, mandate of the Council and the Council Committees (and delegation of authority if applicable);
 - 4.6.4. declares on an annual basis in writing before he/she assumes office, any business, fiduciary roles (including but not limited to memberships, directorships of companies, trusteeships), commercial or financial activities undertaken for financial gain that may raise a conflict or a possible conflict of interest with the UFS, which annual disclosures must be submitted to the Registrar in the manner set out in the Conflict of Interest Policy;
 - 4.6.5. declares on an annual basis in writing any financial interest and fiduciary roles of the members of her/his immediate family, life partner or close friend, which annual disclosures must be submitted to the Registrar in the manner set out in the Conflict of Interest Policy;
 - 4.6.6. declares on an annual basis in writing any family relationship with a registered student at the UFS and/or permanent full time or fixed-term contract employee, which annual disclosures must be submitted to the Registrar in the manner set out in the Conflict of Interest Policy;
 - 4.6.7. must inform the Chairperson of a meeting, before commencement of the meeting, of a conflict or possible conflict of interest of a member of the Council or Council Committee, of which such person may be aware in accordance with the Conflict of Interest Policy;

- 4.6.8. subject to the Conflict of Interest Policy, shall not place her/himself under any financial or other obligation to any individual or organisation that might seek to influence the performance or any function of the Council and –
- 4.6.8.1. must not have a conflict of interest with the UFS, whether directly or indirectly;
- 4.6.8.2. declares in writing any direct or indirect financial, personal or other interest in any matter reflected on the agenda of a particular meeting;
- 4.6.8.3. is obliged to recuse her/himself from the meeting during deliberation and decision-making related to the agenda item;
- 4.6.9. participates in the deliberations of the Council in the best interest of the UFS, with due regard to the principles of public accountability;
- 4.6.10. submits an apology if he/she cannot attend a meeting, to the Secretariat, preferably at least 72 (SEVENTY-TWO) hours before commencement of the meeting concerned (emergencies excluded);
- 4.6.11. shall not use the position, or privileges of the position, or information acquired as a result of the position or privileges, for her/his own benefit or to improperly benefit another person(s);
- 4.6.12. strives to live the highest ethical values and be an exemplar of a corruption-free society;
- 4.6.13. shall refrain from making or supporting any statement that could falsely represent the UFS, its policies, governance structures, staff, students or programmes;
- 4.6.14. respects the distinction between the roles of the UFS management and that of the Council and will not interfere with the UFS' operational management and administration, subject to the provisions of the Higher Education Act;
- 4.6.15. performs her/his duties and responsibilities in good faith, with due regard to at least the following –
- 4.6.15.1. duty of care and skill;
- 4.6.15.2. fiduciary duty;
- 4.6.15.3. duty to act within powers of authority;
- 4.6.15.4. acts in accordance with the UFS values when executing his/her functions as member of Council;
- 4.6.16. informs the Chairperson in accordance with paragraph 5 (*Compliance with the Code of*

Conduct) if she/he has grounds to believe that another member did not comply with the provisions of this Code of Conduct; and

- 4.6.17. shall be subject to the Disciplinary Procedure in the event that a member of the Council contravenes or breached any of the provisions of this Code of Conduct.

4.7. Governance at meetings

- 4.7.1. The Chairperson, in consultation with the Registrar, ensures that meetings of the Council and Council Committees are constituted (with due regard to the quorum requirements) in accordance with the legal and governance framework as well as the Statute concerned.
- 4.7.2. The Chairperson, in consultation with the Registrar, ensures compliance with governance requirements and that the meeting is quorate (through physical presence or digital connectivity) for the full duration of the proceedings.
- 4.7.3. A Council Committee with delegated functions shall not take a decision on a matter considered by it if any member of this committee has declared a conflict of interest in the manner contemplated in this Code of Conduct read with the provisions of the Conflict of Interest Policy, unless that member is recused and the committee concerned remains quorate. If the committee is inquorate, the matter is referred to the next Exco meeting, or to the next Council meeting, for consideration.
- 4.7.4. The Registrar reflects the attendance report (accumulated) in the meeting minutes of each Council and Council Committee meeting.

4.8. Performance review, extension/termination of term of office

- 4.8.1. The Chairperson is responsible for addressing poor performance of the Council as a collective and of individual members of Council when applicable.
- 4.8.2. An annual performance review of the Council and each Council Committee is conducted in accordance with applicable UFS performance review systems for governance structures.
- 4.8.3. The performance review results serve at the first meetings of each Council Committee and the Council for deliberation and action when applicable.
- 4.8.4. Extension and termination of membership is managed in accordance with the Statute.

5. COMPLIANCE WITH THE CODE OF CONDUCT

In the event that any member of the Council fails to comply with the provisions of this Code of Conduct or the Conflict of Interest Policy and a complaint is lodged against such member in relation

to such contravention and/or failure, the provisions of the Disciplinary Procedure document shall apply.

6. SUBMISSION TO THE CODE OF CONDUCT

Each member of Council must annually accept in writing that he/she submits to the Code of Conduct.



REGISTRAR

This Code of Conduct was approved by the Council on 19 June 2020.

Appendix 3:

UFS Code of Conduct

CODE OF CONDUCT AND PROCEDURE FOR REPORTING POSSIBLE ILLEGAL ACTS AND IRREGULARITIES

- 1) **Approved by council – 07 March 2003**
- 2) **Technically Revised – July 2011**
- 3) **Revised – 08 December 2021 (added Par. 2.8: UFS Covid-19
Regulations and Required Vaccination Policy)**

EXECUTIVE SUMMARY

This document is a concise and succinct outline of the ethical and moral standards that obtain at the University, as well as the behaviour expected of members of staff. This document also outlines procedures that members of staff may use in reporting possible illegal acts and irregularities by the UFS or its employees, for further investigation, and how they may enjoy the necessary protection in the event that they report such acts.

A. CODE OF CONDUCT

1. The aim of a code of conduct

To promote the highest ethical and moral standards at the University. Excellence and the maintenance of high and integrity-driven standards must be respected and promoted. The role of the University is to create, preserve, transfer and apply knowledge and understanding by means of teaching, research, creative work and other forms of scientific practice, as well as appropriate management. In fulfilling this particular role, the University confirms its commitment to specific values (see paragraph 1.4 of the detailed document). All members of staff should be aware of and act in ways that are consistent with the spirit associated with the role and the values of the University.

2. Specific guidelines to be met

To promote the highest ethical and moral standards at the University, the following guidelines may be followed.

2.1 Conflicts of interest

Members of staff must ensure that their personal interests do not conflict in substantive terms with their university duties and responsibilities, nor that these can be regarded as being in conflict with the latter.

2.2 Outside work and private practice

To become involved in outside work, all members of staff must obtain prior approval, in terms of the existing Constitution that governs outside work, and they are compelled to ensure that outside work does not conflict with their normal work.

2.3 Accepting presents and benefits

Members of staff may not ask for presents nor benefits for themselves nor accept any such presents on behalf of another person, be it direct or indirect, where such an act can compromise or influence them in their official capacity.

2.4 Public comment

The University is committed to the right of members of staff to express their opinions in public on any issue; however, where matters are related directly to policy and other decisions taken by management, individuals have to state clearly that they are voicing their own opinions and that their views do not necessarily represent the views of the UFS.

2.5 Membership of trade unions

University staff have the right to join trade unions and to choose whether they want to participate in trade union activities.

2.6 Use and security of official information

University staff must ensure that they maintain the integrity, confidentiality and privacy of official university documentation and information, which they are allowed to access, so that the privacy of the individuals involved may be protected.

2.7 The use of official facilities and equipment

Members of staff must use university resources efficiently.

2.8 UFS Covid-19 Regulations and Required Vaccination Policy

B. REPORTING ILLEGAL ACTIONS AND IRREGULARITIES

1. The aim of this document

To make provision for procedures that may be invoked by employees who would like to report illegal or irregular actions; as well as to make provision for protecting employees who report these actions (in terms of the Protected Disclosures Act, Act no. 26 of 2000).

2. Types of illegal acts and irregularities that can be reported

The *Protected Disclosures Act, Act no. 26 of 2000*, stipulates the types of illegal and irregular actions that can be reported.

3. Procedures for reporting disclosures

Disclosures of information may be made to specific officials. The allegations are referred via the reporting channels to the Internal Auditor and investigated further. The Rector has the discretion to make other arrangements with regard to the investigation. A register will be kept and updated.

4. Protection of employees

The *Protected Disclosures Act, Act no. 26 of 2000*, provides protection to an employee who makes a protected disclosure so as not to compromise the said employee's career at all.

Examples of career disadvantage are defined in section 4.4 of the detailed document.

5. Remedies

An employee who feels that he or she has been disadvantaged by the disclosure of information is given further protection by the Act.

6. Anonymity

A person who makes an allegation may remain anonymous, and this in itself will not prevent the matter from being investigated further.

UNIVERSITY OF THE FREE STATE

CODE OF CONDUCT

AND

REPORTING PROCEDURES

FOR POSSIBLE ILLEGAL ACTS AND IRREGULARITIES

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Code of Conduct and Reporting Procedures

5

Approved by Council on 07 March 2003

Technically Revised – July 2011 & 08 Dec 2021 re. Covid-19 Regulations

A. CODE OF CONDUCT

1. The aim of a code of conduct

- 1.1** The code of conduct has been formulated to promote the highest ethical and moral standards at the University.
- 1.2** The University is a unique tertiary academic institution. The maintenance of high and integrity-driven standards must therefore always be respected and promoted.
- 1.3** All members of staff of the University are accountable, via the Rector, to the University Council. Members of staff should be aware of the fact that offences against aspects of this code fall within the scope of improper behaviour, and can therefore lead to disciplinary action.
- 1.4** Members of staff at the UFS, in executing their duties, are required to
- maintain and continuously develop their knowledge and understanding of their areas of expertise or their professional domains;
 - exercise their best professional and ethical judgement and take unbiased decisions on the basis of the available factual information;
 - treat students, members of the public and other members of staff with respect, impartiality, courtesy and sensitivity;
 - maintain a co-operative and collaborative approach to work relationships;
 - are able to deal spontaneously with what are often complicated professional and ethical issues that may confront them in their work;
 - perform their tasks with diligence and meticulous care;
 - act in ways that are fair and reasonable, and perform their work with integrity and objectivity;
 - respect the confidentiality of information that may be disclosed to them in the course of their work;
 - maintain policies and practices that promote equal opportunities, health and safety;
 - ensure that university resources are used efficiently and effectively, and where possible, implement improvements and reduce waste;
 - act in accordance with university aims, policies and procedures;
 - comply with legal, industrial and administrative requirements; and
 - ensure that their participation in non-university activities does not conflict with the fact that they are in the service of the University.

2. Specific guidelines that must be met

To promote the highest ethical and moral standards at the University, it is expected that members of staff must comply, among others, with the following specific guidelines.

2.1 Conflicts of interest

- 2.1.1** Members of staff must ensure that their personal interests do not conflict with their university duties and responsibilities, nor that these interests can be regarded as conflicting with the latter. A conflict of interests is judged in terms of the probability that members of staff with a particular interest can be influenced improperly when they perform their duties, or that it may appear as if they are improperly influenced.

Examples of cases where a conflict of interests may arise, include the following:

- Contracts or transactions between the university and the member of staff, or his/her immediate family. This also includes any partnership or business undertaking in which the member of staff or his/her immediate family and friends, as important shareholders, directors, or principals, hold a substantive interest.
- Involvement in a tender process in cases where the member of staff or his/her family holds a substantive shareholding.

- 2.1.2** Members of staff must inform the person whom they normally report to (e.g. vice-rector, dean, head of department, director), preferably in writing, if a conflict of interests arises.

- 2.1.3** Situations may occur where members of staff work with family members of persons with whom they have a close personal relationship. University policy stipulates that a close personal relationship with a member of staff does not in itself compromise any individual's chances of employment, promotion or transfer. Where such relationships between members of staff, or with prospective employees exist, situations might arise that could potentially lead to conflicts of interest, as occurs in the case of supervisory relationships and employment-related decisions. In such cases, the member of staff must report the situation to his immediate line-manager to whom he/she generally reports, preferably in writing.

- 2.1.4** Where such arrangements cannot be avoided, the individual involved has to inform his immediate line-manager to whom he/she normally reports, preferably in writing. The UFS rejects any intimate or sexual relationship between members of staff and students in the strongest possible terms.

2.2 Outside work and private practice

- 2.2.1 The University encourages members of staff to make a contribution to society, not only by way of teaching and research, but also by means of support to government, professions and industry in a range of activities that include consultation work, contracting, co-operative research and involvement in committees.
- 2.2.2 To engage in outside work, all members of staff have to obtain prior approval in terms of the existing Constitution that governs outside work, and they are compelled to ensure that outside work does not clash with their ordinary work.
- 2.2.3 Members of staff must consult the Constitution that pertains to Outside Work so that they may be familiar with the conditions that govern outside work.

2.3 Accepting presents and benefits

- 2.3.1 Members of staff may not ask for presents or accept benefits on their own or others' behalf, be it directly or indirectly, that can compromise or influence their official role. Presents or hospitality that is on offer, for example, to encourage a person to purchase something, is unacceptable.
- 2.3.2 Presents that are used by the donor for advertising purposes, may be accepted. The guideline amount of R200 (to be adjusted according to the annual inflation rate) may, however, not be exceeded. However, individuals must ensure that they do not compromise themselves by accepting such presents.

If a donation exceeding an amount of R200 is offered to a member of staff, and this may possibly be to the advantage of the University to accept it, such a donation has to be declared to the appropriate Rector / Vice-Rector and information must be forwarded to the Department of Human Resources.
- 2.3.3 The Department of Human Resources will keep a “**register of presents**”.
- 2.3.4 Money may not be accepted in the form of a present.

2.4 Public comment

The University subscribes to the right of members of staff to comment in public on any matter. However, where the matters that are discussed are related directly to policy and other decisions of university management, it is important that, unless the member of staff represents the University officially, individuals

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clearly state that they are expressing their own opinion, and that their opinion does not necessarily represent that of the University.

2.5 Trade union membership

University staff have the right to join trade unions, and to choose whether they want to participate in trade union activities. The value of effective processes of consultation between trade unions and management is recognised and all agreements will be honoured.

2.6 Use and security of official information

2.6.1 University staff have to ensure that they maintain the integrity, confidentiality and privacy of official university documentation and information which they may access so that the privacy of the individuals involved may be protected. In general, members of staff must only disclose information if they are legally compelled to do so, when their normal duties necessitate such disclosure, when they are expected to give evidence in a court of law, or if the information has been approved officially for public release.

2.6.2 Members of staff must only be given access to information, including information stored in information systems and files, for the purposes for which authorisation has been obtained; members of staff must not allow any other unauthorised person to gain access. All reasonable precautions must be taken, including passwords and file-protection measures, so that unauthorised access is prevented.

2.6.3 The basic principles of the *Promotion of Access of Information Act, Act no. 2 of 2000*, must be taken into account.

2.7 The use of official facilities and equipment

Members of staff must utilise university resources efficiently. Unless explicit permission has been granted, university resources may not be used for private purposes.

2.8 UFS Covid-19 Regulations and Required Vaccination Policy

2.8.1 Your appointment will be subject to the UFS Covid-19 Regulations and Vaccination Policy and you are required to provide proof of vaccination, prior to the confirmation of this appointment. Should you fail to do so prior to the

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commencement of your employment the UFS may elect not to confirm your appointment.

2.8.2 All UFS employees will be required to comply with this policy by 14 February 2022.

2.8.3 You will be expected to familiarize yourself with the content of this Policy and to always adhere to these principals.

2.8.4 A copy of this policy can be obtained from the following link:
[Link to the COVID-19 Regulations and Required Vaccination Policy](#)

2.8.5 In order to access campus from 14 February 2022, you will be expected to:

- be vaccinated, or
- have an approved exemption
- provide a weekly negative PCR test

2.8.6 The UFS will address the failure to comply with this policy, by any employee and *ad hoc* contract worker, in terms of the UFS policies and procedures.

2.8.7 Please note that you can access the UFS screening page at www.ufs.ac.za/covid19screening to submit your proof of vaccination (vaccination passport), exemption form and to submit your PCR negative test. Further information can be obtained from the following link:
[Demystifying the UFS COVID-19 Regulations and Required Vaccination Policy](#)

B. REPORTING ILLEGAL ACTS AND IRREGULARITIES

1. The aim of this document

This document outlines a strategy that has been developed to sensitise university staff to possible illegal acts and irregularities, as well as the structures that the University has in place to curb such acts. Provision has been made for procedures that:

- allow employees to disclose information that has bearing on illegal or irregular acts by the University or employees in the service of the University; and
- provide for the protection of employees who make such disclosures (in terms of the *Protected Disclosures Act, Act no. 26 of 2000*).

2. Types of illegal acts and irregularities that can be reported

Disclosure of information that pertains to any act on the part of the University, where such a disclosure is made by an employee who has reason to believe that the information in question indicates one or more of the following as stipulated by the *Protected Disclosures Act, Act no. 26 of 2000*:

- (a) that a crime has been committed, is being committed or will most probably be committed;
- (b) that a person has neglected, is neglecting or is most probably about to neglect to comply with a legal duty that the person is subject to;
- (c) that an injustice has occurred, is occurring or is likely to occur in the legal process;
- (d) that the health or safety of an individual has been endangered, or is being endangered, or is likely to be exposed to such a danger;
- (e) that the environment has been damaged, is being damaged, or is likely to be damaged;
- (f) that unfair discrimination as intended by the Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act No. 4 of 2000); or
- (g) that any matter alluded to in paragraphs (a) to (f) has been intentionally concealed, is being concealed or is likely to be concealed.

3. Procedures for reporting disclosures

Staff members who would like to make disclosures, can do so in the presence of the following officials who have the responsibility to ensure that the disclosure of information is investigated and that they will provide feedback within two weeks of the report.

- Rector
- Vice-Rector: Academic
- Vice-Rector: Institutional Affairs
- Deans
- Dean: Student Affairs
- Vice-Rector: Operations
- Senior Director: Finance
- Senior Director: Human Resources
- Registrar: General
- Senior Manager: Student Academic Services
- Chairpersons/Fulltime representatives of Trade Unions
- Internal Auditor

All allegations are referred via the above-mentioned reporting channels to the Internal Auditor and they are then investigated further. It is within the Rector's discretion to make other arrangements.

Allegations should be recorded in writing; however, oral allegations also have to be investigated. Internal Audit will keep a register up to date.

However, all parties involved have a responsibility to guard against the process being exploited to commit libel with intent.

4. Protection of employees

- 4.1** The *Protected Disclosures Act, Act 26 of 2000*, provides protection to an employee who makes a protected disclosure so that such an employee is not subject to career disadvantage.
- 4.2** A protected disclosure is a disclosure that is made in good faith by an employee who, on reasonable grounds, believe that the information that is made known, and any allegation contained therein, are true in a substantive sense; and who does not make the disclosure for personal gain, with the exception that a reward is payable in terms of the Act.
- 4.3** No employee may be subjected by his or her employer to a situation that entails a disadvantage to his/her career, on the grounds or partially on the grounds that he or she has made a protected disclosure.

4.4 Examples of career disadvantage

Career disadvantage implies that an employee who has made a protected disclosure of information is affected negatively in his career. The following are examples of career disadvantage as stipulated in the *Protected Disclosures Act, Act 26 of 2000*:

- (a) to be subject to disciplinary steps;
- (b) to be fired, suspended, expelled, demoted, harassed or intimidated;
- (c) to be transferred against your will;
- (d) to be refused a transfer or promotion;
- (e) to be subjected to stipulations or conditions of service or retirement, which change, or are kept unchanged, to the disadvantage of him or her;
- (f) to be refused a testimonial, or to be provided with a testimonial that compromises the person's position;
- (g) to be refused appointment to a job, profession or office;
- (h) to be threatened with any of the actions mentioned in paragraphs (a) to (g) above; or
- (i) otherwise to be affected negatively with regard to your service, profession or office, including work opportunities and job security.

5. Remedies

An employee who feels that he or she has been disadvantaged by the disclosure of information outlined above, is given further protection under the *Protected Disclosures Act, Act 26 of 2000*. Where applicable, section 4 of the Act stipulates certain remedies.

6. Anonymity

A person who makes an allegation, may want to remain anonymous. This in itself is no reason to take the matter further, and for this reason, as much supportive evidence as possible should be obtained so that the matter can be investigated properly.

Once the investigation has been completed, Internal Audit will inform the person who had made the allegation of the outcome. The outcome of the investigation will be made known to the Rector and/or the Auditing Committee for possible further investigation and action.

(bgek0321)

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**I HEREBY ACKNOWLEDGE THAT I HAVE READ AND UNDERSTOOD THE CONTENTS OF
THE UNIVERSITY OF THE FREE STATE'S CODE OF CONDUCT.**

NAMES AND SURNAME: _____

SIGNATURE

DATE

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Appendix 4:

Policy of the UFS on conflict of interest by
the members of the UFS Council

THE UNIVERSITY OF THE FREE STATE (“UFS”):
POLICY OF THE UFS ON CONFLICT OF INTEREST BY THE MEMBERS OF THE UFS COUNCIL AND
MEMBERS ON COUNCIL COMMITTEES

1. PREAMBLE

- 1.1. The Council is the highest governance authority of the UFS and must ensure effective institutional governance.
- 1.2. The Council is constituted and mandated by the Statute (as defined in paragraph 2 below) and the Higher Education Act.
- 1.3. The Council also determines the nature and scope of the UFS’ social responsibilities, protects the institutional autonomy of the UFS, upholds the academic freedom of its members, and deliberates on the nature and role of the UFS.
- 1.4. In order to ensure the transparency and accountability of the Council members and members on Council Committees must disclose any conflict of interest as set out in this Conflict of Interest Policy read with the Code of Conduct and the Disciplinary Procedure documents.
- 1.5. Further to the above, all Council members and members on Council Committees have an obligation to –
 - 1.5.1. conduct business within guidelines that prohibit actual or potential conflicts of interest; and
 - 1.5.2. avoid conflicts of interest with respect to their fiduciary responsibility towards the UFS.

2. DEFINITIONS

In order to facilitate ease of reference and reading of this Conflict of Interest Policy, unless the context otherwise requires, the following capitalised terms shall have the meanings assigned to them below and cognate expressions shall have corresponding meanings:

“Affected Member”	has the meaning ascribed thereto in paragraph 7.3.1.1 (<i>Conflict of Interest Policy</i>) below;
“Annexure”	means any annexure to this Conflict of Interest Policy, which shall be read in conjunction with the provisions of this Conflict of

Interest Policy, the Code of Conduct and the Disciplinary Procedure documents;

“Associate”	means an entity, including an unincorporated entity such as a partnership, over which the UFS has an interest and/or significant influence, but which is neither a subsidiary (an entity that is controlled by the UFS) nor an interest in a joint venture (a contractual arrangement with the UFS, subject to joint control) of the UFS;
“Chairperson”	means the chairperson for the time being of the Council;
“Code of Conduct”	means the official code of conduct of the UFS and related regulations pertaining to the Council, members of the Council and members on Council Committees, as detailed in the separate code of conduct document ancillary to this Conflict of Interest Policy, which must be read in conjunction with the Conflict of Interest Policy and the Disciplinary Procedure document;
“Conflict of Interest Policy”	means this official conflict of interest policy of the UFS and related regulations pertaining to the Council, members of the Council and members on Council Committees;
“Council”	means the Council of the UFS, the function and composition of which is set out in the official UFS Statute;
“Council Committee(s)”	means the official committees of the UFS to which the Council has delegated powers and duties and which act in cooperation with the UFS and the Senate as contemplated in paragraph 20 of the Statute;
“Disciplinary Procedure”	means the official disciplinary procedure as detailed in the separate disciplinary procedure document ancillary to this Conflict of Interest Policy, which shall apply in the event of a breach or contravention of the provisions of this Conflict of Interest Policy or the Code of Conduct;

“Disclosure Statement”	has the meaning ascribed thereto in paragraph 6.2.4 (<i>Responsibility of Council members and members on Council Committees</i>);
“Exco”	means the Executive Committee of the Council, constituting part of the Council Committees;
“Higher Education Act”	means the Higher Education Act 101 of 1997, as amended from time to time;
“Indirect”	without limitation, an “indirect” conflict of interest shall occur in the event that a family member (such as a spouse, parents or children) or close family friend would receive a direct benefit from any business, commercial or financial activities undertaken for financial gain by the Council on behalf of the UFS or otherwise, and any reference to “Indirectly” shall have a similar meaning;
“Institutional Forum”	means the institutional forum contemplated in paragraph 27 of the Statute and section 31 of the Higher Education Act;
“Joint Venture”	means a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control;
“Member”	means a member of the Council;
“Registrar”	means the officer contemplated in paragraph 11 of the Statute and section 26(4)(b) of the Higher Education Act;
“Related Party”	has the meaning ascribed thereto in paragraph 7.1.1 (<i>Conflict of Interest Policy</i>);
“Related Party Transactions”	has the meaning ascribed thereto in paragraph 7.1.2 (<i>Conflict of Interest Policy</i>);
“Senate”	means the institutional body responsible for academic matters as contemplated in paragraphs 21 to 26 of the Statute and section 28 of the Higher Education Act;

“Statute”

means the institutional statute and rules of the UFS as contemplated in section 32 of the Higher Education Act, as amended from time to time; and

“UFS”

means the University of the Free State.

3. RATIONALE BEHIND THIS CONFLICT OF INTEREST POLICY

- 3.1. Since the UFS is a public institution as described in paragraph 1 (*Preamble*) above, it is obliged in terms of applicable law to ensure that effective policies and control measures are in place in order to ensure good corporate governance by members of Council and members on Council Committees.
- 3.2. The Council and UFS management are committed to good corporate governance and more specifically, compliance to internal policies, King IV and the International Accounting Standards, which requires disclosure of all Related Party Transactions. Specific disclosure of the nature and extent of Related Party Transactions are also required in the annual financial statements of the UFS.

4. PURPOSE OF THIS CONFLICT OF INTEREST POLICY

- 4.1. The Higher Education Act prescribes that a code of conduct for members of an institutional council must be introduced in order to ensure good governance of such a council and its members, with specific reference to the declaration of interests in order to ensure that the best interests of a public higher education institution prevail.
- 4.2. The intention with this Conflict of Interest Policy is to delineate a set of guiding principles –
 - 4.2.1. as to what is regarded as a conflict of interest which is to be disclosed by members of Council and members on Council Committees in the performance of such member’s functions and duties and to, *inter alia*, comply with the Higher Education Act; and
 - 4.2.2. to provide guidelines as to how any conflict of interest, or potential conflict of interest, is to be disclosed by a Member.

5. SCOPE

- 5.1. There exists between the UFS and its Council a fiduciary duty that carries with it a broad and unbending duty of loyalty and fidelity. The Council has the responsibility for governing the affairs

of the UFS honestly and prudently, and of collectively and individually exercising their best care, judgement and skill for the sole benefit of the UFS. Pursuant to the foregoing, Members of Council or members on Council Committees must –

- 5.1.1. exercise the utmost good faith in all transactions in which he/she may be involved in the course and scope of performing his/her duties; and
- 5.1.2. not use their position or knowledge gained through his/her involvement as Member for his/her personal benefit.
- 5.2. The overarching principle applicable to this Conflict of Interest Policy is that the best interests of the UFS must be the first priority in all decisions and actions taken by Council, its members and/or members on Council Committees.
- 5.3. An actual or potential conflict of interest generally occurs when a Member is in a position to influence a decision that may result in personal gain or for that of a relative from transactions with the UFS. Notwithstanding the foregoing, Members of the Council; and members on Council Committees may experience conflicts of interest, or potential conflict of interest, in relation to any third party, including but not limited to -
 - 5.3.1. third parties supplying goods and/or services to the UFS;
 - 5.3.2. third parties from whom the UFS leases property and equipment;
 - 5.3.3. third parties that the UFS is dealing or planning to deal with in connection with the donation, purchase or sale of property, real estate or securities;
 - 5.3.4. competing or similar organisations;
 - 5.3.5. donors and other entities that support the UFS;
 - 5.3.6. agencies, organisations, government structures and associations that affect the operations of the UFS; and
 - 5.3.7. family members, friends and other employees of the UFS.
- 5.4. For the sake of comprehensiveness, the main body of this Conflict of Interest Policy should be read in conjunction with the Code of Conduct and the requirements of the Higher Education Act as set out in section 27, a copy of the latter is attached as '**Annexure A**'.

6. RESPONSIBILITY OF COUNCIL MEMBERS AND MEMBERS ON COUNCIL COMMITTEES

- 6.1. The Responsibilities of the Council members and members on Council Committees must be read with the Code of Conduct.
- 6.2. A Member of the Council must -
- 6.2.1. not have a conflict of interest with the UFS, whether directly or Indirectly – in the event that a Member is unsure whether a direct or indirect conflict exists, he/she is advised to contact the Registrar for further clarity in order to ascertain whether such interest should be disclosed or nor in the manner contemplated herein;
 - 6.2.2. annually and periodically declare any business, commercial or financial activities undertaken for financial gain that may, whether directly or indirectly, raise a conflict or a potential conflict of interest with the UFS as they may arise from time to time;
 - 6.2.3. not have a direct or indirect financial, personal or other interest in any matter to be discussed at a meeting of the Council and which entails or may entail, whether directly or indirectly, a conflict or potential conflict of interest with the UFS;
 - 6.2.4. declare on an annual basis in writing before he/she assumes office, any business, fiduciary roles (including but not limited to memberships, directorships of companies, trusteeships), commercial or financial activities undertaken for financial gain that may raise a conflict or a possible conflict of interest with the UFS, which annual disclosures shall take place by completing the disclosure statement online via the My Disclosure System (“**Disclosure Statement**”), which Disclosure Statement must be submitted to the Registrar on or before 31 March each year; and
 - 6.2.5. inform the Chairperson, before commencement of the meeting, of a conflict or possible conflict of interest of a member of the Council or Council Committee, of which such person may be aware.
- 6.3. A Council Committee with delegated functions shall not take a decision on a matter considered by it if any member of this committee has declared a conflict of interest, unless that member is recused and the committee concerned remains quorate. If the committee is inquorate, the matter is referred to the next Exco meeting, or to the next Council meeting, for consideration.
- 6.4. There must be no self-dealing or business by a Member with the UFS. Council members and

members on Council Committees must annually disclose their involvements with other organisations, with vendors, or any associations, which might be or might be seen as being a conflict.

- 6.5. When the Council is to decide upon an issue, about which a Member has an unavoidable conflict of interest, that Member must excuse herself or himself without comment from both deliberations and the decision-making.
- 6.6. Council members and members on Council Committees must not use their position in the Council to obtain employment in the UFS for themselves, family members or close associates. Should a Member apply for employment at the UFS, she or he must first resign from the Council.

7. CONFLICT OF INTEREST POLICY

7.1. Related Party and Related Party Transactions

- 7.1.1. A person, whether an individual or a business, is related to the UFS (hereinafter referred to as a “**Related Party**”), irrespective of the legal form, if:
 - 7.1.1.1. The party, directly, or indirectly through one or more intermediaries –
 - 7.1.1.1.1. controls, is controlled by, or is under the common control of the UFS;
 - 7.1.1.1.2. has an interest in the UFS that gives it significant influence over the UFS; or
 - 7.1.1.1.3. has “joint control” over the UFS, in the sense that “joint control” refers to the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.
 - 7.1.1.2. The party is an Associate of the UFS.
 - 7.1.1.3. The party is in a Joint Venture in which the UFS is also a party.
 - 7.1.1.4. The party is a member of the key management personnel of the UFS.
 - 7.1.1.5. The party is a close member of the family of any individual referred to in paragraphs 7.1.1.2 or 7.1.1.4. Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the UFS. They may include:

- 7.1.1.5.1. the individual's domestic partner and children;
- 7.1.1.5.2. children of the individual's domestic partner; and
- 7.1.1.5.3. dependants of the individual or the individual's domestic partner.
- 7.1.1.6. The party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in paragraphs 7.1.1.4 or 7.1.1.5. For instance, any company, close corporation, trust or other legal entity owned or controlled by key management personnel of the UFS or close family members of key management personnel, that deals with the UFS, would be seen as a related party for purposes of this paragraph 7.1.1.6.
- 7.1.1.7. The party is a member of a post-employment benefit plan for the benefit of employees of the UFS, or of any entity that is a related party of the UFS.
- 7.1.2. Any transactions or actions involving relationships with anyone included in the definition of a Related Party ("**Related Party Transactions**") may constitute a conflict of interest in terms of this Conflict of Interest Policy.

7.2. Interpretation of conflict of interest

- 7.2.1. The areas of a conflict of interest and/or relations in areas that may give rise to a conflict of interest, as delineated in this Conflict of Interest Policy, are not exhaustive. Conceivably, conflicts may arise in other areas or through other relations which are not addressed explicitly in this Conflict of Interest Policy and Council members and members on Council Committees are expected to act with common sense when acting in similar situations or when dealing with analogous transactions to that contemplated herein.
- 7.2.2. It is important to bear in mind that the mere fact that one of the interests described in paragraph 7.2.1 above exists, does not *per se* mean that a conflict of interest as envisioned in this Conflict of Interest Policy exists, or that the conflict (if it exists) is material enough to be of practical importance. Nor does it mean that if it is material and upon full disclosure of all relevant facts and circumstances, that it will always be adverse to the interests of the UFS. However, and notwithstanding the foregoing, it is the policy of the Council that the existence of any of the interests described above shall be disclosed in the manner set out herein before any transaction is determined or consummated by the Council or any individual Member on behalf of the Council. It is the continuing responsibility of the Council to scrutinize their

transactions and outside business interests and relationships for potential conflicts of interest and immediately to make the necessary disclosures in the manner set out in paragraph 7.4 below.

- 7.2.3. No presumption of guilt is created by the mere existence of a relationship with a Related Party. If, however, a Member has any influence on transactions involving in particular, purchases, contracts or leases, it is imperative that he/she discloses to the UFS as soon as possible the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.

7.3. Disclosure principles and procedures

- 7.3.1. Transactions with Related Parties may be undertaken only if all of the following are observed:

- 7.3.1.1. A material transaction is fully disclosed in the individual Member's annual disclosure statement as referred to in paragraph 7.4 below (the "**Affected Member**").

- 7.3.1.2. The Affected Member must be excluded from any and all discussions pertaining to the approval of such Related Party Transaction.

- 7.3.1.3. A competitive bid or comparable valuation exists and which competitive bid or valuation is in nature inferior to the bid of the Related Party.

- 7.3.1.4. The Council has acted upon and demonstrated that the Related Party Transaction is in the best interest of the UFS.

- 7.3.2. Any disclosure involving a Member as contemplated in this Conflict of Interest Policy should be made to the Chairperson, who must bring these matters, if deemed material, to the Council within a reasonable period.

- 7.3.3. The Council must determine –

- 7.3.3.1. whether a conflict of interest exists and whether such conflict (if it is found to exist) is material; and

- 7.3.3.2. whether the contemplated transaction, notwithstanding the material conflict of interest referred to in paragraph 7.3.1.1 above, may be authorised as just, fair and reasonable to the UFS.

- 7.3.4. The decision regarding the above matters set out in paragraph 7.3.3 vests in the Council's sole and unfettered discretion, subject thereto that the Council's first and foremost priority and concern must be the welfare of the UFS and the advancement of its objectives.

7.4. **Conflict of interest disclosure statement**

- 7.4.1. Each of the Council members and members on Council Committees shall annually complete and sign the Disclosure Statement, which must be submitted annually to the Registrar on or before 31 March each year.
- 7.4.2. Each of the Council members and members on Council Committees shall be required to disclose any conflict of interest which arises during the course of the year, which disclosure must be made within a reasonable period of time, to the Council prior to a meeting as envisaged in paragraph 6.2.5 (*Responsibility of Council members and members on Council Committees*) or to the Register in the format communicated to such member at such time.

7.5. **Nature of conflict of interest**

- 7.5.1. A material "**conflict of interest**" may be defined as a direct or indirect interest with any Related Party contemplated in paragraph 7.1 above. Such conflicting interest may arise through –
- 7.5.1.1. owning shares or holding debt or other proprietary interests in any third party dealing with the UFS;
- 7.5.1.2. holding office, serving on the Council or any other committee or board, participating in management or being otherwise employed (or formerly employed) in any third party dealing or competing directly with the UFS;
- 7.5.1.3. receiving remuneration for services with respect to individual transactions involving the UFS;
- 7.5.1.4. using the time, personnel, equipment, supplies or goodwill of the UFS other than for approved activities, programmes and purposes; and/or
- 7.5.1.5. receiving personal gifts or loans from third parties, dealing with the UFS (receipt of any gift is disapproved, except gifts of nominal value (under R500.00) that could not be refused without discourtesy – no personal gift of money should ever be accepted by a Member in his capacity as such).

- 7.5.2. Personal gain may result not only in cases where a Member or relative has a significant ownership in a Related Party with which the UFS does business, but also when a Member or relative receives any special consideration, substantial gift (with a monetary value over R500.00), kickback or bribe as a result of any transaction or business dealings involving the UFS.
- 7.5.3. The intellectual property, materials, concepts, designs, plans, products, ideas and data of the UFS are the property of the UFS, and should never be given to an third party or individual except through normal channels and with appropriate authorisation. Any improper transfer of material or disclosure of information, even though it is not apparent that a Member has personally gained by such action, constitutes unacceptable conduct.

8. POLICY REVIEW

- 8.1. The Exco will ensure that a review team is put in place within 3 (THREE) years after implementing this Conflict of Interest Policy, which review team shall include an external a member of Council, in order to review this Conflict of Interest Policy and prepare an evaluation report.
- 8.2. The evaluation report compiled by the review team as contemplated in paragraph 8.1 above, and the results set forth therein, will be considered by the Council within a reasonable period in order to decide whether the recommendations contained therein will be approved, rejected or referred back to the review team for further consideration.

9. POLICY RECORD

Document name	Council Conflict of Interest Policy
Document number	C2020/001 C2021/002
Coordinating EXCO member	Registrar
Contact person	Deputy Registrar: Governance and Policy
Status	Council Policy
Approved by	Rectorate: 2020-05-13 ECC: 2020-05-28 Rectorate: 2021-08-11 ECC: 2021-08-19
Date finally approved	Council: 2020-06-19 Council: 2021-09-17

Date last amended	N/A
Date for next review	2023-2025
Person responsible for review	Registrar
Related policies	Code of Conduct for Council Members and Council Disciplinary Procedure

ANNEXURE A: REQUIREMENTS OF THE HIGHER EDUCATION ACT

The Council, its members and members on Council Committees must comply with the requirements of the Higher Education Act as set out in section 27(7), which reads as follows:

“27(7) A member of a council or a member of a committee of a council or a person with delegated functions in terms of section 68 (2)-

- (a) must be a person with knowledge and experience relevant to the objects and governance of the public higher education institution concerned;*
- (b) must participate in the deliberations of the Council in the best interests of the public higher education institution concerned;*
- (c) must, before he or she assumes office, and annually for as long as he or she continues to hold such office, declare any business, commercial or financial activities undertaken for financial gain that may raise a conflict or a possible conflict of interest with the public higher education institution concerned;*
- (d) may not place himself or herself under any financial or other obligation to any individual or organisation that might seek to influence the performance of any function of the council; and*
- (e) (i) may not have a conflict of interest with the public higher education institution concerned;*
 - (ii) may not have a direct or indirect financial, personal or other interest in any matter to be discussed at a meeting, or in regard to which he or she is to make a decision in terms of delegated function, and which entails or may entail a conflict or possible conflict of interest with the public higher education institution concerned;*
 - (iii) must, before the meeting of the council or the committee concerned and in writing, inform the chairperson of that meeting of the existence of a conflict or possible conflict of interest.*

(7A) Any person may, in writing, inform the chairperson of a meeting of the council or a committee of the council concerned, before the meeting, of a conflict or possible conflict of interest of a member of the council with the public higher education institution concerned of which such person may be aware.

(7B) A member referred to in subsections (7)(e) and (7A) is obliged to excuse himself or herself from the meeting during the discussion of the matter and the voting thereon.

(7C) In the event that any member of a committee of the council or any employee, with delegated functions in terms of section 68 (2), has a conflict or possible conflict of interest as contemplated in this section in respect of a matter to be considered, the committee or the employee concerned may not take part in any consideration or a decision on the matter but must refer the matter for decision by council, having noted the member's or the employee's interest in the matter.

(7D) A member of the council or a member of a committee of the Council who contravenes subsection (7)(c), (d) or (e), (7A) or (7B), after Council has followed a due process, may be

- (a) suspended from attending a meeting; or*
- (b) disqualified as a member of the council or a member of a committee of the council.*

(7E) The Council must

- (a) having regard to the provisions of subsections (7A) to (7D), (9) and section 34 and after consultation with the institutional forum, adopt a code of conduct to which all the members of the council, all the members of committees of the council and all other persons who exercise functions of the council in terms of delegated authority must subscribe in writing; and*
- (b) determine rules and procedures in terms of section 32 for an annual declaration-*
 - (i) by each member of the council, each member of a council committee and each person who exercises functions of the council in terms of delegated authority;*
 - (ii) of his or her financial interests and fiduciary roles, the latter to include but not be limited to offices, directorships of companies, memberships of close corporations and trusteeships held; and*
 - (iii) of the financial interests and fiduciary roles of the members of his or her immediate family."*

Appendix 5:

UFS Council meeting minutes 2021



*Inspiring excellence,
transforming lives
through quality,
impact, and care.*

